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Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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(Under the jurisdiction of Ministry of Corporate Affairs)

SUPPLEMENT EXECUTIVE PROGRAMME (OLD SYLLABUS)

for

June, 2021 Examination

TAX LAWS AND PRACTICE (DIRECT TAX)

MODULE 1

PAPER 4

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EXECUTIVE PROGRAMME

(OLD SYLLABUS)

SUPPLEMENT

FOR

TAX LAWS AND PRACTICE

(DIRECT TAX)

(Relevant for Students appearing in June, 2021 Examination)

MODULE 1 - PAPER 4

Note:

Students appearing in June, 2021 Examination shall note the following:

1. For Direct taxes, Finance Act, 2020 is applicable.
2. Applicable Assessment year is 2021-22 (Previous Year 2020-21).
3. For Indirect Taxes: Goods and Services Tax 'GST' is applicable for Executive Programme (Old Syllabus)

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.

TABLE OF CONTENT

SUPPLEMENT FOR TAX LAWS AND PRACTICE	
	Page No.
PART A - DIRECT TAX (MAJOR NOTIFICATIONS AND CIRCULARS DECEMBER 2017- DECEMBER 2020)	
Income Tax Act, 1961 & Rules 1962 (Circular)	3-21
Income Tax Act, 1961 & Rules 1962 (Notification)	22-68
Tax Rates FY 2020-21 , AY 2021-22	69-75
Amendments Made by Finance Act, 2018	76-82
Amendments Made by Finance Act, 2019	83-85
Amendments Made by Finance Act, 2020	86-97

Sr. No.	Lesson No.	Income Tax Act, 1961 & Rules 1962 CIRCULAR	Weblink (For Details)
1.	Lesson 11	<p data-bbox="402 302 1192 333">CIRCULAR NO. 1/2018 DATED: 10TH JANUARY, 2018</p> <p data-bbox="402 386 1273 541">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 data-bbox="402 590 1273 982">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 data-bbox="402 1031 1273 1497">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 data-bbox="402 1545 1273 1793">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 data-bbox="402 1841 1219 1871">The manner for furnishing response by the taxpayer is as under:</p> <p data-bbox="402 1919 1273 1936">For furnishing the response electronically, taxpayer is required to</p>	<p data-bbox="1312 302 1507 453">https://www.incometaxindia.gov.in/communications/circular/circular1_2018.pdf</p>

		<p>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> <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>	
2.	Lesson 1-15	<p>Circular No. 2/2018 dated: 15th February, 2018 Explanatory notes to the provisions of the Finance Act, 2017</p> <p>The Finance Act, 2017 as passed by the Parliament, received the assent of the President on the 31st day of March, 2017 and has been enacted as Act No. 7 of 2017. This circular explains the substance of the provisions of the Act relating to direct taxes and amendments at a glance.</p>	https://www.inco.metaxindia.gov.in/communications/circular/circular2_2018.pdf
3.	Lesson 3	<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</p>	https://www.inco.metaxindia.gov.in/communications/circular/circular-4_2018.pdf

software bears to the total turnover of the business carried on by the undertaking.

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.

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.

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. M/s HCL Technologies Ltd. While deciding the issue the Apex Court has held as under:

The similar nature of controversy, akin to this case, arose before the Karnataka High Court in CIT vs. 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 it, 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.

Accordingly the formula for computation of the deduction under Section 10A of the Act would be as follows:

Export Profit = Total Profit of the Business * Export turnover as defined in 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)

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.

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.

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.

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.

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.

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.

4.	Lesson 12	<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 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>	https://www.incometaxindia.gov.in/communications/circular/circular-5-2018.pdf
5.	Lesson 12	<p>CIRCULAR NO. 7/2018 DATED: 20TH AUGUST, 2018</p> <p>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</p>	https://www.incometaxindia.gov.in/communications/circular/amendment-circular-3-2018.pdf

		<p>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</p> <p>(b) Where Board's order, Notification, Instruction or Circular has been held to be illegal or ultra vires, or</p> <p>(c) Where Revenue Audit objection in the case has been accepted by the Department, or</p> <p>(d) Where addition relates to undisclosed foreign income/ undisclosed foreign assets (including financial assets)/ undisclosed foreign bank account</p>	
6.	Lesson 4(V)	<p>Circular No. 2 dated 4th January 2019</p> <p>Income From Other Sources (Section 56) withdrawal of Circular No. 10/2018 dated 31.12.2018 regarding applicability of Section 56(2)(viiia) for issue of shares by a company in which public are not substantially interested</p> <p>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.</p> <p>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.</p> <p><i>Accordingly, 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.</i></p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_2_2019.pdf</p>

7.	Lesson 4(V)	<p>Circular No. 3 dated 21st January 2019 Income from other sources (Section 56) - chargeable as - applicability of section 56(2) (viiia) or similar provisions under section 56(2) for issue of shares by a company</p> <p>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 provisions contained in section 56(2) of the Act.</p> <p><i>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.</i></p>	https://www.incometaxindia.gov.in/communications/circular/circular_3_2019.pdf
8.	Lesson 1	<p>Circular No. 4 dated 6th January, 2019 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>'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</p>	https://www.incometaxindia.gov.in/communications/circular/circular_4_2019.pdf

		<p>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><i>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 applicable in a particular year to an 'artificial juridical person'. In view of the above position, Official Assignees would have to obtain a separate PAN for each of the estate of the insolvent.</i></p>	
9.	Lesson 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</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_6-2019.pdf</p>

		<p>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>	
10.	Lesson 2	<p>Circular No. 8 dated 10th May, 2019 Clarification regarding definition of "Fund Manager" under Section 9A (4)(b) of the Income-tax Act, 1961</p> <p>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.</p> <p><i>Accordingly, 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.</i></p>	https://www.incometaxindia.gov.in/communications/circular/circular_8_10-05-2019.pdf
11.	Lesson 4(III)	<p>Circular No. 9 dated 14th May, 2019 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</p>	https://www.incometaxindia.gov.in/communications/circular/circular_9_2019.pdf

		<p>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><i>Accordingly, the Board has clarified that the reporting under clause 30C and clause 44 of the Tax Audit Report shall be kept in abeyance till 31st March, 2020.</i></p>	
12.	Lesson 5	<p>CIRCULAR NO. 11 DATED 19TH JUNE, 2019 Clarification regarding non-allowability of set-off of losses against the deemed income under section 115BBE of the Income-tax Act, 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 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><i>Accordingly, 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</i></p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_11_2019.pdf</p>

13.	Lesson 1	<p>Circular No. 14 dated 3th July 2019 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.</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><i>Accordingly, 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, 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 .</i></p>	https://www.incometaxindia.gov.in/communications/circular/circular_no_14_2019.pdf
14.	Lesson 12	<p>Circular No. 17 Dared: 8th August 2019</p> <p>Further Enhancement of Monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal,</p>	https://www.incometaxindia.gov.in/communications/circular/

High Courts and SLPs/appeals before Supreme Court - Amendment to Circular 3 of 2018 - Measures for reducing litigation

[circular 17 20 19.pdf](#)

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	2,00,00,000

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 specified in para 3. In case where a composite order / judgement involves more than one assessee, each assessee shall be dealt with separately.”

15. Lesson 10

Circular No. 19 Dated: 14th August, 20 19

Generation/Allotment/Quoting of Document Identification Number in Notice/Order/Summons/letter/correspondence issued by the Income-tax Department

https://www.incometaxindia.gov.in/communications/circular/circular_19_20_19.pdf

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

		<p>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.</p> <p>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>	
16.	Lesson 10	<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 	https://www.incometaxindia.gov.in/communications/circular/circular_22_2019.pdf
17.	Lesson 12	<p>Circular No. 23 Dared 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</p>	https://www.incometaxindia.gov.in/communications/circular/circular_23_2019.pdf

		<p>down monetary limits and other conditions for filing of departmental appeals before Income Tax Appellate Tribunal (ITAT), High Courts and SLPs/appeals before Supreme Court.</p> <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>	
18.	Lesson 12	<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</p> <p>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</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular-24-2019-11-09-2019.pdf</p>

		<p>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 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>	
19.	Lesson 11	<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> <p>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, assessee 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.</p> <p>ii. In following cases, where assessment is to be framed during</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_27_2019.pdf</p>

the financial year 2019- 20, 'E-Proceeding' shall not be mandatory:

- 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.
- iii. 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).
- iv. 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):
- a. Where books of accounts have to be examined;
 - b. Where Assessing Officer invokes provisions of section 131 of the Act;
 - c. Where examination of witness is required to be made by the assessee or the Department;
 - d. 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.	
20.	Lesson 2 & 8	<p>Circular No. 29 Dated: 2nd October, 2019 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 % 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> <p>a) Allowability of brought forward loss on account of additional depreciation: and a) Allowability of brought forward MAT credit.</p> <p>These issues have been examined in the board and in order to provide clarity in the matter, the clarifications are issued as under:</p> <p>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</p>	https://www.incometaxindia.gov.in/communications/circular/circular_29_2019.pdf

		<p>additional deprecation.</p> <p><i>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.</i></p> <p>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 <i>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.</i></p>	
21.	Lesson 12	<p>Circular No. 32 Dated: 30th December, 2019 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> <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</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_32_2019.pdf</p>

		<p>of penalty of Rs. 5000 per day in case of failure by the specified person to comply with the provisions of section 269SU.</p> <p><i>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.</i></p>	
22.	Lesson 11	<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>	https://www.incometaxindia.gov.in/Lists/Latest%20News/Attachments/369/Extension_of_time_limit_for_filing_response_24_12_19.pdf
23.	Lesson 4 (III)	<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 crores in the immediately preceding previous year to mandatorily provide facilities for accepting payments through prescribed electronic modes.</p> <p><i>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.</i></p>	https://www.incometaxindia.gov.in/communications/circular/circular_no_12_2020.pdf
24.	Lesson 4 (III)	<p>Imposition of charge on the prescribed electronic modes under section 269SU of the Income-tax Act, 1961 [Circular No. 16/2020 Dated August 30, 2020]</p> <p><i>Central Board of Direct Taxes 'CBDT' vide its Circular No. 16/2020 Dated August 30, 2020 advised banks to refund all the charges which they collect on digital transaction on and after 1st January 2020. Also, advised to banks not collect any such charges on transaction due to new section 269SU of Income tax Act, 1961.</i></p>	https://www.incometaxindia.gov.in/communications/circular/circular-16-2020.pdf

Sr. No.	Lesson No.	Income Tax Act, 1961 & Rules 1962 NOTIFICATION	Weblink (For Details)
1.	Lesson 3	<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 certain specified income arising to that commission.</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification1_2018.pdf
2.	Lesson 3	<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 certain specified income arising to that body</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification3_2018.pdf
3.	Lesson 3	<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 certain specified income arising to that Commission</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification8_2018.pdf
4.	Lesson 6	<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>	https://www.inco.metaxindia.gov.in/communications/notification/notification9_2018.pdf
5.	Lesson 2	<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. 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> <p style="padding-left: 40px;">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>	https://www.inco.metaxindia.gov.in/communications/notification/notification_10_2018.pdf

		<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>	
6.	Lesson 11	<p>NOTIFICATION NO.12/2018 DATED 22ND FEBRUARY, 2018</p> <p>The Central Board of Direct Taxes hereby makes the Centralized</p>	<p>https://www.inco.metaxindia.gov.in/communication/</p>

Communication Scheme, 2018 for centralized issuance of notice. It shall come into force on the date of its publication in the Official Gazette.

[ns/notification/notice/12_2018.pdf](#)

Definitions- In this scheme, unless the context otherwise requires,

- (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 subparagraph (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

		<p>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.</p> <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> a) format and procedure for issue of notice; b) receipt of any information or document from the addressee in response to notice; 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. 	
7.	Lesson 4 Part I	<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><i>Accordingly, the Transport Allowance exemption of Rs. 1600 per month shall not be available for assessment year 2019-2020 and subsequent assessment years.</i></p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification17_2018.pdf</p>

8.	Lesson 4 Part V	<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><i>Accordingly, the words “accountant” has been omitted in Rule 11U [Meaning of expressions used in determination of fair market value] and 11UA [Determination of fair market value].</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification23_2018.pdf
9.	Lesson 4 Part V	<p>NOTIFICATION NO. 24/2018 DATED 24TH MAY, 2018</p> <p>Where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to Tax under the head Income from other sources.</p> <p><i>However, CBDT vide this notification clarified that 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.</i></p> <p>This notification shall be deemed to have come into force retrospectively from the 11th April, 2018.</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification24_2018.pdf
10.	Lesson 4 Part III	<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 section 35(1)(ii) 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 certain conditions.</p> <p><i>Accordingly, sum paid to M/s Indian Institute of Science Education and Research, Kolkata has been allowed as deduction while computing income under PGBP.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification25_2018.pdf

10.	Lesson 4 Part IV	<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><i>Accordingly, the Cost Inflation Index “280” for the Financial Year 2018-19 i.e. Assessment Year 2019-20 is to be considered while computing long term capital gains.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification26_2018.pdf
11.	Lesson 4 Part IV	<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. 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>	https://www.inco.metaxindia.gov.in/communications/notification/notification27-2018.pdf
12.	Lesson 4 Part IV	<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>	https://www.inco.metaxindia.gov.in/communications/notification/notification28-2018.pdf
13.	Lesson 2 & 8	<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 certain exceptions, modifications and adaptations specified in the notification.</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification29_2018.pdf

14.	Lesson 3	<p>Notification No. 38/2018 [Dated Aug 10, 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’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘Insolvency and Bankruptcy Board of India’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification38_2018.pdf
15.	Lesson 3	<p>Notification No. 39/2018 [Dated Aug 10, 2018]</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Madhya Pradesh Real Estate Regulatory Authority’ in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the ‘Madhya Pradesh Real Estate Regulatory Authority’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification39_2018.pdf
16.	Lesson 4 Part III	<p>NOTIFICATION NO. 42/2018 DATED 30TH AUGUST, 2018</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> <p>(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> <p>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 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>	https://www.inco.metaxindia.gov.in/communications/notification/notification42_2018.pdf

		<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>(i) 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>(i) 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>	
17.	Lesson 3	<p>Notification No. 44/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the ‘Uttar Pradesh Electricity Regulatory Commission’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notification/notification44_2018.pdf
18.	Lesson 3	<p>Notification No. 45/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘Petroleum and Natural Gas Regulatory Board’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notification/notification45_2018.pdf
19.	Lesson 3	<p>Notification No. 46/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Council subject to certain conditions.</p> <p><i>Accordingly, the ‘Rajasthan State Dental Council’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notification/notification46_2018.pdf

20.	Lesson 3	<p>Notification No. 47/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the ‘Kandla Special Economic Zone Authority’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification47_2018.pdf
21.	Lesson 3	<p>Notification No. 48/2018 [Dated Sep 14, 2018]</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Gujarat Water Supply and Sewerage Board’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘Gujarat Water Supply and Sewerage Board’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification48_2018.pdf
22.	Lesson 3	<p>Notification No. 49/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the ‘Tripura Electricity Regulatory Commission’ notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification49_2018.pdf
23.	Lesson 3	<p>Notification No. 50/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Society subject to certain conditions.</p> <p><i>Accordingly, the ‘West Bengal State Council of Science & Technology’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification50_2018.pdf
24.	Lesson 3	<p>Notification No. 51/2018 [Dated Sep 14, 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’ in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the ‘Jharkhand State Electricity Regulatory Commission’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification51_2018.pdf
25.	Lesson 3	<p>Notification No. 52/2018 [Dated Sep 14, 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</p>	https://www.inco.metaxindia.gov.in/communications/notification/n

		<p>Drainage Board’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘Tamil Nadu Water Supply and Drainage Board’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	otification52_2018.pdf
26.	Lesson 3	<p>Notification No. 53/2018 [Dated Sep 14, 2018]</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘State Load Dispatch Centre Unscheduled Interchange Fund- West Bengal State Electricity Transmission Company Limited’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘State Load Dispatch Centre Unscheduled Interchange Fund- West Bengal State Electricity Transmission Company Limited’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification53_2018.pdf
27.	Lesson 4 Part III	<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 certain conditions.</p> <p><i>Accordingly, sum paid to M/s Indian Council of Medical Research has been allowed as deduction while computing income under PGBP.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification54_2018.pdf
28.	Lesson 3	<p>Notification No. 56/2018 [Dated Sep 26, 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’ in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the ‘Chhattisgarh State Electricity Regulatory Commission’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification56_2018.pdf
29.	Lesson 3	<p>Notification No. 57/2018 [Dated Sep 26, 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’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘Uttarakhand Real Estate Regulatory Authority’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification57_2018.pdf

30.	Lesson 3	<p>Notification No. 58/2018 [Dated Sep 26, 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' in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the 'Tamil Nadu Pollution Control board' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification58_2018.pdf
31.	Lesson 4 Part IV	<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 section 112A(1)(iii)(a) of the Income-tax Act shall not apply, hereby notifies the transactions of acquisition of equity share entered into</p> <p>(I) before the 1st day of October, 2004; or</p> <p>(II) on or after the 1st day of October, 2004 which are not chargeable to securities transaction tax other than</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>(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>(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;</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification60_2018.pdf
32.	Lesson 3	<p>Notification No. 61/2018 [Dated Oct 8, 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' in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the 'Hyderabad Metropolitan Water Supply and Sewerage Board' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification61_2018.pdf
33.	Lesson 3	<p>Notification No. 62/2018 [Dated Oct 8, 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' in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the 'Karnataka State Unorganised Workers Social Security</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification62_2018.pdf

		<i>Board' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i>	
34.	Lesson 3	<p>Notification No. 63/2018 [Dated Oct 8, 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' in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the 'Kerala State Electricity Regulatory Commission' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification63_2018.pdf
35.	Lesson 3	<p>Notification No. 64/2018 [Dated Oct 8, 2018]</p> <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' in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the 'Madhya Pradesh Electricity Regulatory Commission' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification64_2018.pdf
36.	Lesson 3	<p>Notification No. 65/2018 [Dated Oct 8, 2018]</p> <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' in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the 'Real Estate Regulatory Authority, Punjab' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification65_2018.pdf
37.	Lesson 3	<p>Notification No. 66/2018 [Dated Oct 8, 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' in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the 'Uttaranchal Board of Technical Education' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification66_2018.pdf
38.	Lesson 3	<p>Notification No. 68/2018 [Dated Oct 22, 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' in respect of the specified income arising to that Council subject to certain conditions.</p> <p><i>Accordingly, the 'Kozhikode District Sports Council' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification68_2018.pdf

39.	Lesson 3	<p>Notification No. 69/2018 [Dated Oct 22, 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' in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the 'West Bengal Unorganised Sector Workers Welfare Board' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification69_2018.pdf
40.	Lesson 3	<p>Notification No. 71/2018 [Dated Oct 22, 2018]</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Gujarat Real Estate Regulatory Authority', Gandhinagar' in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the 'Gujarat Real Estate Regulatory Authority', Gandhinagar' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification71_2018.pdf
41.	Lesson 4 Part III	<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 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 certain conditions.</p> <p><i>Accordingly, sum paid to M/s Charutar Arogya Mandai has been allowed as deduction while computing income under PGBP.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification_75_2018.pdf
42.	Lesson 4 Part III	<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 (1) 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 certain conditions.</p> <p><i>Accordingly, sum paid to M/s Centre for Brain Research has been allowed as deduction while computing income under PGBP.</i></p>	https://www.inco.metaxindia.gov.in/communications/notification/notification83_2018.pdf
43.	Lesson 4 Part III	<p>NOTIFICATION NO. 84/2018 DATED 26TH NOV, 2018</p> <p>The organization M/s Thalassaemia and Sickle Cell Society (PAN AAATR4038K) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the</p>	https://www.inco.metaxindia.gov.in/communications/notification/notification84_2018.pdf

		<p>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 certain conditions.</p> <p><i>Accordingly, sum paid to M/s Thalassemia and Sickle Cell Society has been allowed as deduction while computing income under PGBP.</i></p>	
44.	Lesson 4 Part III	<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 ceratin conditions.</p> <p><i>Accordingly, sum paid to M/s Jubilee Centre for Medical Research' has been allowed as deduction while computing income under PGBP.</i></p>	https://www.incometaxindia.gov.in/communications/notification/notification_1_2019.pdf
45.	Lesson 4 Part III	<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, 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>	https://www.incometaxindia.gov.in/communications/notification/notification_2_2019.pdf
46.	Lesson 12	<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</p>	https://www.incometaxindia.gov.in/communications/notification/notification_4_2019.pdf

		by the Central Board of Direct Taxes to act as such authority for the purposes of that section.”	
47.	Lesson 10	<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> <ul style="list-style-type: none"> (a) “Act” means the Income-tax Act, 1961 (43 of 1961); (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; (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; (d) “Principal Director General” means the Principal Director General of Income-tax appointed under sub-section (1) of section 117 of the Act 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. <p>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.</p> <p>Application -This scheme shall be applicable to any information or documents, _</p> <ul style="list-style-type: none"> (1) In possession of the Centre; or (2) made available to the Centre, by — <ul style="list-style-type: none"> (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); 	https://www.incometaxindia.gov.in/communications/notification/notification_5_2019.pdf

- (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.

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

		<p>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. 	
48.	Lesson 3	<p>Notification No. 6/2019</p> <p>The Central Government hereby notifies for the purposes of 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)’, Gandhinagar’ in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the ‘Joint Electricity Regulatory Commission (for the State of Goa and Union Territories except Delhi)’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification6_2019.pdf
49.	Lesson 4 Part III	<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 certain conditions in respect of trading in derivatives.</p>	https://www.incometaxindia.gov.in/communications/notifications/notification_8_2019.pdf
50.	Lesson 4 Part V	<p>NOTIFICATION NO. 9/2019 DATED 31ST JANUARY, 2019</p>	https://www.incometaxindia.gov.in/communications/notifications/notification9_2019.pdf

		<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>	v.in/communications/notifications/notification_9_2019.pdf
51.	Lesson 4 Part V	<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>	https://www.incometaxindia.gov.in/communications/notifications/notification_13_2019.p df

		This notification shall be deemed to have come into force retrospectively from the 19th February, 2019.	
52.	Lesson 4 Part III	<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 certain conditions</p>	https://www.incometaxindia.gov.in/communications/notifications/notification_14_2019.pdf
53.	Lesson 4 Part I	<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>	https://www.incometaxindia.gov.in/communications/notifications/notification_16_2019.pdf
54.	Lesson 3	<p>Notification No. 22/2019 [Dated March 14, 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' in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the 'Prayagraj Mela Pradhikaran, Prayagraj' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification22_2019.pdf
55.	Lesson 3	<p>Notification No. 24/2019 [Dated March 19, 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' in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the 'Andhra Pradesh Electricity Regulatory Commission'</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification24_2019.pdf

		<i>is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i>	
56.	Lesson 3	<p>Notification No. 25/2019 [Dated March 19, 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’ in respect of the specified income arising to that Authority subject to certain conditions.</p> <p><i>Accordingly, the ‘Visakhapatnam Special Economic Zone Authority’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification25_2019.pdf
57.	Lesson 10	<p>Notification No. 26/2019 [Dated March 20, 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>	incometaxindia.gov.in/communications/notification/notification_26_2019.pdf
58.	Lesson 1	<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. This notification shall come into force from the date of its publication in the Official Gazette.</p>	https://www.incometaxindia.gov.in/communications/notifications/notification27_2019.pdf
59.	Lesson 10	<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>	https://www.incometaxindia.gov.in/communications/notifications/notification41_2019.pdf
60.	Lesson 10	<p>Notification No. 44/2019 Dated 04th June 2019</p> <p>Procedure for online submission of statement of deduction of</p>	https://www.incometaxindia.gov.in/communic

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

1. The provisions relating to the statement of deduction of tax under sub- section (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:
 - 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 of the government, the Treasury Officer can register as an external agency user.
 - 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

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		<p>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"> i. 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. ii. Aadhaar OTP - The principal contact person's PAN can be linked with AADHAAR to use this option. iii. Bank Account Number - The principal contact person can use his pre validated bank account details to avail this option. iv. 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>	
61.	Lesson 4 Part III	<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</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_48_2019.pdf</p>

		onwards in the category of ‘University, College or other Institution’, subject to the certain conditions.	
62.	Lesson 3	<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’ in respect of the specified income arising to that Commission subject to certain conditions.</p> <p><i>Accordingly, the ‘Karnataka Electricity Regulatory Commission’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification49_2019.pdf
63.	Lesson 3	<p>Notification No. 56 /2019 Dated 2nd August, 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Bangalore Water Supply and Sewerage Board’ in respect of the specified income arising to that Board subject to certain conditions.</p> <p><i>Accordingly, the ‘Bangalore Water Supply and Sewerage Board’ is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification56_2019.p df
64.	Lesson 10	<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>	https://www.incometaxindia.gov.in/communications/notifications/notification59_2019.pdf

		<p>(1C) The Principal Director General of Income-tax (Systems) or Director 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> <p>(a) furnishing or intimation or quoting of Aadhaar number under sub-rule (1A); or</p> <p>(b) intimation of Aadhaar number under sub-rule (1B); or</p> <p>(c) authentication of Aadhaar number under sub-rule (1C); or</p> <p>(d) obtaining demographic information of an individual from the Unique Identification Authority of India,</p> <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>	
65.	Lesson 11	<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> <p>(i) the National e-assessment Centre shall serve a notice on</p>	<p>https://www.incometaxindia.gov.in/communications/notifications/notification_62_2019.pdf</p>

		<p>the assessee under sub-section (2) of section 143, specifying the issues for selection of his case for assessment;</p> <p>(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; the National e-assessment Centre shall assign the case selected for the purposes of assessment under this Scheme to a specific assessment unit in any one Regional e-assessment Centre through an automated allocation system;</p> <p>(iv) where a case is assigned to the assessment unit, it may make a request to the National e-assessment Centre for __</p> <ol style="list-style-type: none"> 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; <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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</p>	
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		<p style="text-align: center;">Centre;</p> <p>(ix) the Assessment unit shall, while making draft assessment order, provide details of the penalty proceedings to be initiated therein, if any;</p> <p>(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 –</p> <ol style="list-style-type: none"> 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; <p>(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__</p> <ol style="list-style-type: none"> 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; <p>(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;</p> <p>(xiii) the National e-assessment Centre shall, upon receiving suggestions for modifications from the Review unit, communicate the same to the Assessment unit;</p>	
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| | | <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(xvii) The National e-assessment Centre shall, -</p> <ol style="list-style-type: none"> 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; <p>(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;</p> <p>(xix) The National e-assessment Centre shall, upon receiving the revised draft assessment order, -</p> <ol style="list-style-type: none"> 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- paragraph (a) of paragraph (x); or 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); c. the response furnished by the assessee shall be dealt with as per the procedure laid down in paragraphs (xvi), (xvii) and (xviii); <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> <ol style="list-style-type: none"> (a) imposition of penalty; | |
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		<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>	
66.	Lesson 4 Part IV	<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” 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>	https://www.incometaxindia.gov.in/communications/notifications/notification_63_2019.pdf
67.	Lesson 14	<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 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> <p>i purchase cost of finished goods is eighty percent or more of the total cost pertaining to such trading activities; and</p> <p>ii average monthly closing inventory of such goods is ten percent or less of sales pertaining to such trading activities.</p>	https://www.incometaxindia.gov.in/communications/notifications/notification_64_2019.pdf

		Explanatory Memorandum: It is certified that none will be adversely affected by the retrospective effect being given to the notification.	
68.	Lesson 10	<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. In the Income-tax Rules, 1962, in Part II,-</p> <p>(a) after rule 10UC, the following shall be inserted, namely:-</p> <p><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> <p>i 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</p> <p>ii submitted in four sets, either in Hindi or English.</p> <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 to-</p> <p>i a sitting fee of six thousand rupees per day; and</p> <p>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>	https://www.incometaxindia.gov.in/communications/notifications/notification_67_2019.pdf
69.	Lesson 10	<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</p>	https://www.incometaxindia.gov.in/communications/notifications/notification_70_2019.pdf

		<p>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>	
70.	Lesson 10	<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:- “(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> <p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to the present rules.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_74_2019.pdf
71.	Lesson 14	<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>	https://www.incometaxindia.gov.in/communications/notification/notification_76_2016.pdf

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.

In the Income-tax Rules, 1962, in rule 10CB

(I) for the words “excess money” occurring at both the places, the words “excess money or part thereof” shall be substituted;

(II) in sub-rule (1), —

(A) for clause (iii), the following clause shall be substituted, namely:—

“(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, -

i 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;

ii 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”;

(B) for clause (v), the following clause shall be substituted, namely:—

“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”;

(III) after sub-rule (2), the following sub-rule shall be inserted, namely:—

“(3) The interest referred to in sub-rule (2) shall be chargeable on excess money or part thereof which is not repatriated—

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>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 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>	
72.	Lesson 3	<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>	https://www.incometaxindia.gov.in/communications/notification/notification_no82_2019.pdf
73.	Lesson 3	<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> <p>i. 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;</p>	https://www.incometaxindia.gov.in/communications/notification/notification_no83_2019.pdf

		<p>ii. 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>	
74.	Lesson 1	<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:- In the said notification, in Schedule-I, against the entries in serial number 67,-</p> <p>(i) 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;</p> <p>(i) 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> <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 adversely affected by giving retrospective effect to this notification</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_88_2019.pdf</p>
75.	Lesson 1	<p>Notification No. 93 /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. 2914(E), dated the 13th November, 2014 namely:-</p> <p>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.</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 adversely affected by giving retrospective effect to this notification</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_93_2019.pdf</p>
76.	Lesson 1	<p>Notification No. 94 /2019 Dated 5th November, 2019</p> <p>The Central Board of Direct Taxes hereby makes the following</p>	<p>https://www.incometaxindia.gov.in/commu</p>

		<p>amendments in the notification published in the Official Gazette <i>vide</i> number S.O. 3125(E), dated the 10th December, 2014 namely: -</p> <p>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.</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 adversely affected by giving retrospective effect to this notification.</p>	<p>nications/notif ication/notific ation_94_201 9 .pd f</p>
77.	<p>Lesson 4 Part V</p>	<p>Notification No. 96/2019 Dated 11th November, 2019</p> <p>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.</p> <p>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:</p> <p>Prescribed class of persons for the purpose of clause (XI) of the 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 unauthorized 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</p>	<p>https://www.inc ometaxindia.go v.in/communic ations/notificati on/notification 96_2019.p df</p>

		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.’.	
78.	Lesson 4 Part III	<p>Notification No, 99/2019 Dated 27th November, 2019 M/s International Centre for Research in Agroforestry, South Asia Regional Programme, NASC Complex, Delhi (ICRAF) (PAN:- AAATI4803K) 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><i>Accordingly, sum paid to M/s International Centre for Research in Agroforestry has been allowed as deduction while computing income under PGBP.</i></p>	https://www.incometaxindia.gov.in/communications/notifications/notification_no_99_2_019.pdf
79.	Lesson 4 Part III	<p>Notification No.100 Dated 27th November, 2019 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 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 fulfillment of certain conditions in respect of trading in derivatives.</p>	https://www.incometaxindia.gov.in/communications/notifications/notification_no_100_2019.pdf
80.	Lesson 10	<p>Notification No. 103/2019 Dated 13th December, 2019 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>	https://www.incometaxindia.gov.in/communications/notification/notification_103_2019.pdf

81.	Lesson 4 (III) & 10	<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>https://www.incometaxindia.gov.in/communications/notification/notification_105_2019.pdf</p>
82.	Lesson 3	<p>Notification No. 7/2020 Dated 28th January, 2020</p> <p>M/s. Institute of Pesticide Formulation Technology, Gurugram (PAN: AAATI0389Q) 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>
83.	Lesson 4 Part III	<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 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,</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_08_2020.pdf</p>

		<p>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><i>Accordingly, rule 6ABBA specify other electronic mode of payment as specify above for the purpose of various section specified above.</i></p>	
84.	Lesson 8	<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><i>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.</i></p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_10_20_20.pdf</p>
85.	Lesson 10	<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</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_11_2020.pdf</p>

		form 49AA to prescribed Income Tax Authority through the signature of Authorised Signatories of its Designated Depository Participants (DDPs).	
86.	Lesson 4 Part IV	<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><i>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.</i></p>	https://www.incometaxindia.gov.in/communications/notification/notification_12_2020.pdf
87.	Lesson 3	<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>	https://www.incometaxindia.gov.in/communications/notification/notification_24_2020.pdf
88.	Lesson 10	<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 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>	https://www.incometaxindia.gov.in/communications/notification/notification_30_2020.pdf

		<p>a. Information relating to tax deducted or collected at source b. Information relating to specified financial transaction c. Information relating to payment of taxes d. Information relating to demand and refund e. Information relating to pending proceedings f. Information relating to completed proceedings</p> <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>	
89.	Lesson 4 Part IV	<p>NOTIFICATION NO. 32/2020 [DATED JUNE 12, 2020]</p> <p>The Central Government has notified the Cost Inflation Index “301” for the Financial Year 2020-21 i.e. Assessment Year 2021-22.</p> <p><i>Accordingly, the Cost Inflation Index “301” for the 2020-21 i.e. Assessment Year 2021-22 is to be considered while computing long term capital gains.</i></p>	https://www.incometaxindia.gov.in/communications/notification/notification_32_20_20.pdf
90.	Lesson 4 Part V	<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.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_40_20_20.pdf
91.	Lesson 2	<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>	https://www.incometaxindia.gov.in/communications/notification/notification_41_20_20.pdf
92.	Lesson 4 Part IV	<p>Income-tax (15th Amendment) Rules, 2020 [Notification No. 42/2020 Dated June 30, 2020]</p>	https://www.incometaxindia.gov

		<p>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><i>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.</i></p>	.in/communications/notification/notification_42_20_20.pdf
93.	Lesson 10	<p>The Income-tax (16th Amendment) Rules, 2020 [Notification No. 43/2020 Dated July 3, 2020]</p> <p>The Central Board of Direct Taxes has issued the Income-tax (16th Amendment) Rules, 2020 as per which the tax deductors while filing quarterly statements under Rule 31A shall also furnish the following:</p> <ul style="list-style-type: none"> particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under second proviso or exemption provided in third proviso or notification issued under fourth proviso to section 194N OR 194A(5). <p>particulars of amount paid or credited on which tax was not deducted under section 194LBA(2A) or 197A(1D)(a) or (b) or in view of the exemption provided to persons referred to in Board Circular No. 3 & 11 of 2002 or Board Circular No. 18 of 2017.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_43_2020.pdf
94.	Lesson 3	<p>Notification of Harmonised Master List of Infrastructure Sub-sectors for the purposes of section 10(23FE) of the Income-tax Act, 1961 [Notification No. 44/2020 Dated July 6, 2020]</p> <p>The Central Government hereby specifies business, for the purposes of item (b) of sub-clause (iii) of clause (23FE) of section 10 of the Income-tax Act, 1961, to be the business which is engaged in the infrastructure sub-sectors mentioned in Updated Harmonised Master List of Infrastructure Sub-sectors in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs, published in Gazette of India, dated 13th August, 2018.</p> <p>The reference to the infrastructure sub-sectors in the said Harmonised Master List of Infrastructure Sub-sectors shall not include the business already provided in the said item (b).</p> <p>This notification shall come into force from the 1st day of April, 2021 and shall be applicable for assessment year 2021-22 and subsequent assessment years.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_44_2020.pdf
95.	Lesson 3	<p>Notification No. 49/2020 [Dated July 17, 2020]</p> <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' in respect of the specified income arising to that Authority subject to certain</p>	https://www.incometaxindia.gov.in/communications/notification/notification_49_2020.pdf

		<p>conditions.</p> <p>Accordingly, the Real Estate Regulatory Authority is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</p>	<p>2020.pdf</p>
96.	Lesson 10	<p>Clarification in relation to notification issued under clause (v) of proviso to section 194N of the Income-tax Act, 1961 (the Act) prior to its amendment by Finance Act, 2020 (FA, 2020) [Circular No. 14/2020 Dated July 20, 2020]</p> <p>CBDT vide Circular No. 14/2020 dated 20.07.2020 clarified that the Notifications so far issued under clause (v) of the proviso to section 194N as was introduced by the Finance (No. 2) Act, 2019 shall be read as Notifications issued under the fourth proviso to section 194N as amended by the Finance Act, 2020.</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_14_2020.pdf</p>
97.	Lesson 3	<p>Notification of Sovereign Wealth Fund 'SWF' under section 10(23FE) of the Income-tax Act, 1961 [Circular No. 15/2020 Dated July 22, 2020]</p> <p>In order to facilitate the process of notification of the SWF, the CBDT specifies that the SWF shall file application in the Form I with the Member (Legislation), (CBDT), during the financial year 2020-21 and thereafter to the Member, CBDT having supervision and control over the work of Foreign Tax and Tax Research Division. Further, the SWF shall be required to file return of income along with audit report and also be required to file a quarterly statement within one month from the end of the quarter electronically in Form II in respect of each investment made during the quarter.</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_15_2020.pdf</p>
98.	Lesson 3	<p>Notification No. 50/2020 [Dated July 21, 2020]</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Tamil Nadu e-Governance Agency' in respect of the specified income arising to that Agency subject to certain conditions.</p> <p>Accordingly, the 'Tamil Nadu e-Governance Agency' is notified for the purpose of claiming exemption under section 10(46) of the Income tax Act, 1961 subject to certain conditions.</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_50_2020.pdf</p>
99.	Lesson 10	<p>Income-tax (17th Amendment) Rules, 2020 [Dated July 24, 2020]</p> <p>CBDT notified Income-tax (17th Amendment) Rules, 2020 which shall come into force with effect from the 1st day of October, 2020 and thereby amending Tax Collected at Source (TCS) Rules. The following amendment has been made in the Income-tax Rules, 1962.</p> <p>Rule 31AA [Statement of collection of tax u/s 206C(3)]: The amount received or debited on which TCS was not collected from the buyer is to be reported.</p> <p>Rule 37BC [Relaxation from deduction of tax at higher rate under section 206AA]: In the case of a non-resident, not being a company, or a foreign company (hereafter referred to as 'deductee') and not having permanent account number the provisions of section 206AA shall not apply</p>	<p>https://abcaus.in/wp-content/uploads/2020/07/cbdt-notification-2.pdf</p>

		<p>in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents specified in sub-rule (2) to the deductor.</p> <p><i>In sub-rule (1), after the words “fees for technical services”, the words “, dividend” shall be inserted.</i></p> <p>Rule 37-I [Credit for tax collected at source for the purposes of section 206C(4)], after sub-rule (2), the sub-rule 2A shall be inserted as follow:</p> <p>“(2A) Notwithstanding anything contained in sub-rule (2), for the purposes of sub- section (1F) or, sub-section (1G) or, sub-section (1H) of section 206C, credit for tax collected at source shall be given to the person from whose account tax is collected and paid to the Central Government account for the assessment year relevant to the previous year in which such tax collection is made”</p> <p>Appendix II, in Form 27EQ, for the “Annexure”, the following “Party wise Break Up of TCS” Annexure shall be substituted.</p>	
100.	Lesson 10	<p>Income-tax (18th Amendment) Rules, 2020 [Notification No. 55 Dated July 28, 2020]</p> <p>The Central Board of Direct Taxes on the 28th July, 2020 has published the Income-tax (18th Amendment) Rules, 2020 that provides for furnishing details of income paid or credited by an investment fund to its unit holder as follow:The statement of income paid or credited by an investment fund to its unit holder shall be furnished by the person making payment of the income on behalf of an investment fund to the unit holder by June 30 of the financial year following the previous year during which the income is paid or credited in Form No. 64C. It shall also be furnished to the Principal Commissioner or the Commissioner of Income-tax, as the case may be, within whose jurisdiction the Principal office of the investment fund is situated by June 15 in Form No. 64D. The Principal Director General of Income-tax (Systems) shall specify the procedure for filing of Form No. 64D.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_55_2020.pdf
101.	Lesson 11	<p>Faceless Assessment Scheme [Notification No. 60, 61 Dated August 13, 2020]</p> <p>The Central Board of Direct Taxes vide notification no. 60/61 notified the Faceless Assessment Scheme with an aims to eliminate the interface between the taxpayer and the income tax department. Under the system, the selection of a taxpayer is possible only through systems using analytics and AI. The system abolishes territorial jurisdiction. In the said scheme, the word “E-assessment” has been replaced with the word “Faceless Assessment”.</p> <p>The detailed scheme and procedure are available at weblink: http://www.egazette.nic.in/WriteReadData/2020/221089.pdf</p>	http://www.egazette.nic.in/WriteReadData/2020/221089.pdf
102.	Lesson 11	Notification No. 64/2020 dated August 13, 2020	https://www.inc

		The CBDT directs that the Income-tax Authorities of the National e-Assessment Centre having its headquarters at the place mentioned in column (3) of the said Schedule, shall exercise the powers and functions of Assessing Officer concurrently, to facilitate the conduct of Faceless Assessment proceedings in respect of territorial areas, persons or classes of persons and cases or classes of cases mentioned in the Schedule-1 of the notification No. 50 of 2014 dated October 22, 2014.	ometaxindia.gov.in/communications/notification/notification_64_2020.pdf
103.	Lesson 11	Notification No. 65/2020 dated August 13, 2020 The CBDT directs that the Income-tax Authorities of Regional e-Assessment Centers having their headquarters at the places mentioned in column (3) of the said Schedule, shall exercise the powers and functions of Assessing Officers concurrently, to facilitate the conduct of Faceless Assessment proceedings in respect of territorial areas, persons or classes of persons and cases or classes of cases mentioned in the Schedule-1 of the notification No. 50 of 2014 dated October 22, 2014.	https://www.ometaxindia.gov.in/communications/notification/notification_65_2020.pdf
104.	Lesson 3	Income Tax 20th Amendment Rules 2020 [Notification No. 67/2020 Dated August 17, 2020] The Central Board of Direct Taxes hereby makes the Income-tax (20th Amendment) Rules, 2020 which shall come into force from the date of their publication in the Official Gazette. In the Income-tax Rules, 1962: <ul style="list-style-type: none"> • after rule 2DA, the rules “2DB” shall be inserted which specify Other conditions to be satisfied by the pension fund. • After rule 2DA, the rules “2DC” shall be inserted which specifies the Guidelines for notification under clause (23FE) of section 10 of the Income Tax Act, 1961. 	https://www.ometaxindia.gov.in/communications/notification/notification_67_2020.pdf
105.	Lesson 4 Part III	Imposition of charge on the prescribed electronic modes under section 269SU of the Income-tax Act, 1961 [Circular No. 16/2020 Dated August 30, 2020] Central Board of Direct Taxes 'CBDT' vide its Circular No. 16/2020 Dated August 30, 2020 advised banks to refund all the charges which they collect on digital transaction on and after 1st January 2020. Also, advised to banks not collect any such charges on transaction due to new section 269SU of Income tax Act, 1961.	https://www.ometaxindia.gov.in/communications/circular/circular-16-2020.pdf
106.	Lesson 3	Notification No. 73/2020 [Dated September 10, 2020] The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, ‘District Mineral Foundation Trust’ in respect of the certain specified income arising to that Authority subject to certain conditions. Accordingly, the District Mineral Foundation Trust is notified for the purpose of claiming exemption under section 10(46) of the Income tax	https://www.ometaxindia.gov.in/communications/notification/notification_73_2020.pdf

		Act, 1961 subject to certain conditions.	
107.	Lesson 3	<p>Notification No. 74/2020 [Dated September 11, 2020]</p> <p>The Central Government hereby notifies the Infrastructure Debt Fund namely, the 'L&T Infra Debt Fund (PAN: AACCL4493R)' for the purposes of the clause (47) of section 10 of the Income-tax Act, 1961 for the assessment year 2018-2019 and subsequent years subject to the certain conditions.</p> <p>Accordingly, the L&T Infra Debt Fund (Infrastructure Debt Fund) is notified for the purpose of claiming exemption under section 10(47) of the Income tax Act, 1961 subject to certain conditions.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_74_2020.pdf
108.	Lesson 10	<p>Income-tax (21st Amendment) Rules, 2020 (September 22, 2020)</p> <p>The Central Board of Direct Taxes vide Notification No. 75/2020 makes the Income-tax (21st Amendment) Rules, 2020 to further amend the Income-tax Rules, 1962 as follows:</p> <p>Rule 29B which specifies the submission of application for certificate authorising receipt of interest and other sums without the deduction of tax, has been substituted, stating that the words, "banking company" wherever occurring shall be replaced with "banking company or an insurer."</p> <p>Rule 29B(5) which specifies the validity of the certificate, an explanation has been inserted, namely: "for the purposes of this rule, "insurer" shall have the same meaning as assigned to it in sub-clause (d) of clause (9) of section 2 of the Insurance Act, 1939"</p> <p>Accordingly, the insurer, which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India, and which carries on operations in India through a branch, any income by way of interest, not being interest on securities (other than interest payable on securities referred to in proviso to section 193), or any other sum, not being dividends; can make an application for certificate authorising receipt of interest and other sums without deduction of tax subject to certain conditions.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_75_2020.pdf
109.	Lesson 11	<p>Faceless Appeal Scheme, 2020 (September 25, 2020)</p> <p>The Central Government vide Notification No. 76/2020 makes the Faceless Appeal Scheme, 2020 which shall come into force on the date of its publication in the Official Gazette. The detailed scope, procedure, Penalty & Rectification proceedings, as well as Appellate Proceedings under the scheme are available at following weblink:</p>	https://www.incometaxindia.gov.in/communications/notification/notification_76_2020.pdf
110.	Lesson 11	<p>Notification No. 77/2020 (September 25, 2020)</p> <p>For the purposes of giving effect to the Faceless Appeal Scheme, 2020 made under sub-section (6B) of section 250 of the Income Tax Act, the Central Government vide Notification No. 77/2020 directs that the provisions of clause (16A) of section 2 [definition of Commissioner</p>	https://www.incometaxindia.gov.in/communications/notification/notification_77_

		(Appeals)], section 120 [Jurisdiction of income-tax authorities], section 129 [Change of incumbent of an office], section 131 [Power regarding discovery, production of evidence, etc], section 133 Power to call for information], section 134 [Power to inspect registers of companies], section 136 [Proceedings before income-tax authorities to be judicial proceedings] and Chapter XX [Appeals and Revision] of the Income Tax Act shall apply to the procedure in appeal in accordance with the said Scheme subject to the certain exceptions, modifications and adaptations.	2020.pdf
111.	Lesson 10	<p>Guidelines under section 194-O (4) and section 206C (1-1) of the Income-tax Act, 1961 (Circular No. 17 Dated September 29, 2020)</p> <p>Finance Act, 2020 inserted following section in the Income Tax Act, 1961 effective from October 1, 2020.</p> <p>Section 194-O: An e-commerce operator shall deduct income-tax @ 1% of the gross amount of sale of goods or provision of service or both, facilitated through its digital or electronic facility or platform.</p> <p>Section 206(1H): A seller receiving an amount as consideration for sale of any goods of the value or aggregate of such value exceeding 50 lakh rupees in any previous year to collect tax from the buyer a sum equal to 0.1 % of the sale consideration exceeding 50 lakh rupees as Income-tax.</p> <p>In order to remove difficulties, the Central Board of Direct Tax vide Circular No. 17 issued guidelines with respect to 194-O (4) and section 206C (1-1) of the Income-tax Act, 1961.</p>	https://www.incometaxindia.gov.in/communications/circular/circular_17_2020.pdf
112.	Lesson 10	<p>Clarification on doubts arising on account of new TCS provisions (PIB September 30, 2020)</p> <p>The Central Board of Direct Taxes issues press note clarifying doubts arising on the applicability of TCS provisions introduced vide Finance Act, 2020. Circular No. 17 of 2020 dated 29.09.2020 containing guidelines for the same issued earlier.</p>	https://pib.nic.in/PressReleasePage.aspx?PRID=1660392
113.	Lesson 10	<p>Income tax (22nd Amendment) Rules, 2020 (October 1, 2020)</p> <p>CBDT vide Notification No. 82/2020 dated October 1, 2020 issued Income tax (22nd Amendment) Rules, 2020 to notify changes in Form 3CD, Form No 3CEB and ITR6. Further, amended Rule 5 of Income Tax Rules, 1962 and inserted new Rules and Forms namely:</p> <ul style="list-style-type: none"> • Rule 21AG- Exercise of option under sub-section (5) of section 115BAC • Rule 21AH- Exercise of option under sub-section (5) of section 115BAD • FORM No. 10-IE- Application for exercise/ withdrawal of option under clause (i) of sub-section (5) of Section 115BAC of the Income-tax Act, 1961 • FORM No. 10-IF- Application for exercise of option under sub-section (5) of Section 115BAD of the Income-tax Act, 1961. 	https://www.incometaxindia.gov.in/communications/notification/notification_82_2020.pdf
114.	Lesson 8	<p>Equalisation levy (Amendment) Rules, 2020 (Notification No. 87 Dated October 28, 2020)</p> <p>CBDT has made the Equalisation levy (Amendment) Rules, 2020 to</p>	https://www.incometaxindia.gov.in/communications/notification/

		<p>amend the Equalisation levy Rules, 2016 as follows:</p> <ol style="list-style-type: none"> 1. Definition of “electronic verification code” is added to definition Rules 2 by inserting a new clause (aa): <i>“electronic verification code” means a code generated for the purpose of electronic verification of the person furnishing the statement of specified services as per the data structure and standards laid down by the Principal Director- General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be.</i> 2. Rounding off rules amended: The heading of Rule 3 is amended to exclude the words “for specified services”. 3. Amendment to payment of equalisation levy: Rule 4 related to payment of equalisation levy is amended to include an e-commerce operator in addition to the assessee. 4. Filing of annual statements: Rule 5 is amended to include a statement of e-commerce supply or services in addition to the statement of specified services. Further, provision to furnish a revised statement in Form No. 1 is incorporated. 5. Furnishing of a statement in response to notice: Rule 6 is amended to include the furnishing of a statement of specified services or e-commerce supply or services in response to a notice issued by the Assessing Officer. Further, this rule is made applicable to an e-commerce operator apart from the assessee. 6. Notice of demand: The notice of demand can now be served upon an assessee as well as on an e-commerce operator under Rule 7 by the Assessing Officer. 7. Amendment related to Appeals: An e-commerce operator is also allowed to file an appeal before the CIT(A) as per Rule 8. 8. Amendment related to ITAT Appeals: An e-commerce operator is also allowed to file an appeal before the ITAT as per Rule 9. 9. Substitution of Forms: For the execution of amended provisions of the Rules, Form 1, Form 3 and Form 4 under the Equalisation Levy Rules, 2016 has been substituted with effect from 28.10.2020. 	notification_87_2020.pdf
115.	Lesson 3	<p>Notification No. 89 [Dated November 02, 2020]</p> <p>The Central Government hereby specifies the sovereign wealth fund, namely, the MIC Redwood 1 RSC Limited, Abu Dhabi, United Arab Emirates, as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 subject to the fulfilment of the certain conditions.</p> <p>Accordingly, MIC Redwood 1 RSC Limited, Abu Dhabi, United Arab Emirates has been specified as sovereign wealth fund for the purposes of the sub-clause (vi) of clause (b) of the Explanation to clause (23FE) of section 10 of the Income-tax Act, 1961.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_no_89_2020.pdf
116.	Lesson 4 Part I	<p>The Central Board of Direct Taxes extended the Income Tax exemption available under the LTC cash voucher scheme to employees of state governments, state-owned enterprises and private</p>	https://www.incometaxindia.gov.in/Lists/Press%

	<p>sector (PIB Dated October 29, 2020)</p> <p>In order to provide the benefits to other employees (i.e. non-central government employees), the Central Board of Direct Taxes has provided similar income-tax exemption for the payment of cash equivalent of LTC fare [subject to maximum of Rs 36,000 per person as deemed Leave Travel Concession (LTC) fare per person Round Trip] to the non-Central Government employees also subject to certain condition. Non-central government employees include employees of state governments, public sector enterprises, banks and private sector.</p> <p>The conditions listed out by the CBDT for availing the tax exemption under the LTC cash voucher scheme require the employee to spend a sum equal to three times of the value of the deemed LTC fare on purchase of goods / services which carry a GST rate of 12% or more from GST registered vendors / service providers through digital mode between October 12, 2020 to March 31, 2021 and obtains a voucher indicating the GST number and the amount of GST paid. The employees have to exercise an option for the deemed LTC fare in lieu of the applicable LTC in the Block year 2018-2021.</p>	<p>20Releases/Attachments/870/Press-Release-IT-Exemption-for-payment-of-deemed-LTC-dated-29-10-2020.pdf</p>
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TAX RATES FY 2020-21, AY 2021-22

TAX RATES FOR FY 2020-21 i.e. AY 2021-22

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, 2021 would be treated as having attained the age of 60 years/80 years in the P. Yr. 2020-21.

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 2021-22</i>
Where it opted for Section 115BA [Tax on income of certain manufacturing domestic companies]	25%
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 previous year 2018-19 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.
- The domestic company who has opted for special taxation regime under Section 115BAA & 115BAB is exempted from provision of MAT. However, no exemption is available in case where section 115BA has been opted.
- The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A, 112A and 115AD. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

Health and Education Cess

The Rate of Health and Education Cess for FY 2020-21 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.

Special Tax Regime for Individual and HUFs [Section 115BAC]

The Finance Act, 2020, has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Assessment Year 2021-22 and onwards:

Total Income (Rs)	Tax Rate
Up to 2,50,000	<i>Nil</i>
From 2,50,001 to 5,00,000	5%
From 5,00,001 to 7,50,000	10%
From 7,50,001 to 10,00,000	15%
From 10,00,001 to 12,50,000	20%
From 12,50,001 to 15,00,000	25%
Above 15,00,000	30%

Surcharge: Surcharge is levied on the amount of income-tax at following rates if total income of an assessee exceeds specified limits:

<i>Rs. 50 Lakhs to Rs. 1 Crore</i>	<i>Rs. 1 Crore to Rs.2 Crores</i>	<i>Rs. 2 Crores to Rs. 5 Crores</i>	<i>Rs. 5 crores to Rs. 10 Crores</i>	<i>Exceeding Rs. 10 Crores</i>
10%	15%	25%	37%	37%

Note: Marginal relief is available from surcharge.

Health and Education Cess: Health and Education Cess is levied at the rate of 4% on the amount of income-tax plus surcharge.

Alternate Minimum Tax: The assessee opting for this scheme have been kept out of the purview of Alternate Minimum Tax (AMT). Further the provision relating to the computation, carry forward and set off of AMT credit shall not apply to these assessees.

Conditions to be satisfied:

1. The option to pay tax at lower rates shall be available only if the total income of Individual or HUFs is computed without claiming following exemptions or deductions:
 - a) Leave Travel concession [Section 10(5)]
 - b) House Rent Allowance [Section 10(13A)]

- c) Official and personal allowances (other than those as may be prescribed) [Section 10(14)]
 - d) Allowances to MPs/MLAs [Section 10(17)]
 - e) Allowances for income of minor [Section 10(32)]
 - f) Deduction for units established in Special Economic Zones (SEZ) [Section 10AA];
 - g) Standard Deduction [Section 16(ia)]
 - h) Entertainment Allowance [Section 16(ii)]
 - i) Professional Tax [Section 16(iii)]
 - j) Interest on housing loan [Section 24(b)]
 - k) Additional depreciation in respect of new plant and machinery [Section 32(1)(ia)];
 - l) Deduction for investment in new plant and machinery in notified backward areas [Section 32AD];
 - m) Deduction in respect of tea, coffee or rubber business [Section 33AB];
 - n) Deduction in respect of business consisting of prospecting or extraction or production of petroleum or natural gas in India [Section 33ABA];
 - o) Deduction for donation made to approved scientific research association, university college or other institutes for doing scientific research which may or may not be related to business [Section 35(1)(ii)];
 - p) Deduction for payment made to an Indian company for doing scientific research which may or may not be related to business [Section 35(1)(ia)];
 - q) Deduction for donation made to university, college, or other institution for doing research in social science or statistical research [Section 35(1)(iii)];
 - r) Deduction for donation made for or expenditure on scientific research [Section 35(2AA)];
 - s) Deduction in respect of capital expenditure incurred in respect of certain specified businesses, i.e., cold chain facility, warehousing facility, etc. [Section 35AD];
 - t) Deduction for expenditure on agriculture extension project [Section 35CCC];
 - u) Deduction for family Pension [Section 57(ia)]
 - v) Deduction in respect of certain incomes other than specified under Section 80JAA, 80CCD(2) and deduction under section 80LA for Unit located in IFSC [Part C of Chapter VI-A].
2. Total income of the assessee is calculated after claiming depreciation under section 32, other than additional depreciation, and without adjusting brought forward losses and depreciation from any earlier year (if such loss or depreciation pertains to any deduction under the aforesaid sections). Further, loss under the head house property can't be set off against other heads of Income. Moreover, such loss and depreciation will not be carried forward.
 3. If the assessee has any unabsorbed depreciation, relating to additional depreciation, which has not been given full effect, the corresponding adjustment shall be made to WDV of the block of assets in the prescribed manner.

4. In case the assessee has business or professional income, this option shall be exercised on or before the due date for furnishing the returns of income.
5. Once the assessee has exercised the option for any previous year, it cannot be subsequently withdrawn for the same or any other previous year. The option once exercised for any previous year can be withdrawn only once in subsequent previous year (other than the year in which it was exercised) and thereafter, he shall never be eligible to exercise this option again except where such person ceases to have any business income.
6. If assessee does not have business or professional income, the option must be exercised along with the return of income for every previous year. If an assessee, after opting for Section 115BAC, claims any of prescribed deduction or allowance in any previous year, then the option to pay tax at concessional rate shall become invalid for that year.

Special Tax Regime applicable to a Co-operative societies [Section 115BAD]

The Finance Act, 2020 has inserted a new section 115BAD in Income-tax Act to provide an option to the resident co-operative societies to get taxed at the rate of 22% *plus* 10% surcharge and 4% cess. The resident co-operative societies have an option to opt for taxation under newly section 115BAD of the Act w.e.f. Assessment Year 2021-22. The option once exercised under this section cannot be subsequently withdrawn for the same or any other previous year.

If the new regime of Section 115BAD is opted by a co-operative society, its income shall be computed without providing for specified exemption, deduction or incentive available under the Act. The societies opting for this section have been kept out of the purview of Alternate Minimum Tax (AMT). Further, the provision relating to computation, carry forward and set-off of AMT credit shall not apply to these assesseees.

The option to pay tax at lower rates shall be available only if the total income of cooperative society is computed without claiming following exemptions or deductions:

- a) Deduction for units established in Special Economic Zones (SEZ) [Section 10AA];
- b) Additional depreciation in respect of new plant and machinery [Section 32(1)(iia)];
- c) Deduction for investment in new plant and machinery in notified backward areas [Section 32AD];
- d) Deduction in respect of tea, coffee or rubber business [Section 33AB];
- e) Deduction in respect of business consisting of prospecting or extraction or production of petroleum or natural gas in India [Section 33ABA];
- f) Deduction for donation made to approved scientific research association, university college or other institutes for doing scientific research which may or may not be related to business [Section 35(1)(ii)];
- g) Deduction for payment made to an Indian company for doing scientific research which may or may not be related to business [Section 35(1)(iia)];
- h) Deduction for donation made to university, college, or other institution for doing research in social science or statistical research [Section 35(1)(iii)];

- i) Deduction for donation made to National Laboratory or IITs, etc. for doing scientific research which may or may not be related to business [Section 35(2AA)];
- j) Deduction in respect of capital expenditure incurred in respect of certain specified businesses, i.e., cold chain facility, warehousing facility, etc. [Section 35AD];
- k) Deduction for expenditure on agriculture extension project [Section 35CCC];
- l) Deduction in respect of certain incomes other than specified under Section 80JJAA [Part C of Chapter VI-A].

Where a co-operative society exercises option for availing benefit of lower tax rate under section 115BAD, it shall not be allowed to claim set-off of any brought forward losses or depreciation attributable to any restricted exemption or deduction in the Assessment Year for which the option has been exercised and for any subsequent Assessment Year.

AMENDMENTS MADE BY FINANCE ACT, 2018

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.

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 accrues or arises 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.

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. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

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

10. 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.
- vi. 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.
- vii. 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.
- xi. 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.
- xii. 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.

AMENDMENTS MADE BY FINANCE ACT, 2020

Income from fund or trust or institution or university or other educational institution or hospital or other medical institution [Section 10(23C)]

Any income received by any person on behalf of fund or trust or institution or university or other educational institution or hospital or other medical institution specified in Section 10(23C) of the Income Tax Act, 1961 is exempt from tax subject to certain condition.

Exemption in respect of certain income of wholly owned subsidiary of Abu Dhabi Investment Authority and Sovereign Wealth Fund [Section 10(23FE)]

In order to promote investment of sovereign wealth fund, including the wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA), An exemption has been provided to any income of a specified person in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India, whether in the form of debt or equity, in a company or enterprise carrying on the business of developing, or operating and maintaining, or developing, operating or maintaining any infrastructure facility as defined in Explanation to clause (i) of sub-section (4) of section 80-IA of the Act or such other business as may be notified by the Central Government in this behalf. In order to be eligible for exemption, the investment is required to be made on or before 31st March, 2024 and is required to be held for at least three years.

For the purpose of this exemption, “specified person” is proposed to be defined to mean,-

(a) a wholly owned subsidiary of the ADIA, which is a resident of the United Arab Emirates (UAE) and which makes investment, directly or indirectly, out of the fund owned by the Government of the United Arab Emirates; and

(b) a sovereign wealth fund which satisfies the following conditions:

- A. It is wholly owned and controlled, directly or indirectly, by Government of a foreign country;
- B. It is set up and regulated under the law of the foreign country;
- C. Its earnings are credited either to the account of the Government of the foreign country or to any other account designated by that Government such that no portion of the earnings inures any benefit to any private person;
- D. Its asset vest in the Government of the foreign country upon dissolution;
- E. It does not undertake any commercial activity whether within or outside India; and
- F. It is notified by the Central Government in the Official Gazette for this purpose.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Income on Buyback of Shares [Section 10(34A)]

Any income arising to an assessee, being a shareholder, on account of buy back of shares by the company as referred to in section 115QA is exempt from tax.

Exemption of income of foreign company from sale of leftover stock of crude oil on termination of agreement or arrangement [Section 10(48B)]

Any income of foreign company on account of sale of leftover stock of crude oil from the facility in India after the expiry or on termination of the agreement or the arrangement shall be exempt, in accordance with the terms mentioned therein.

Income accruing or arising to Indian Strategic Petroleum Reserves Limited (ISPRL) [Section 10(48C)]

Any income accruing or arising to Indian Strategic Petroleum Reserves Limited (ISPRL), being a wholly owned subsidiary of Oil Industry Development Board under the Ministry of Petroleum and Natural Gas, as a result of an arrangement for replenishment of crude oil stored in its storage facility in pursuance to directions of the Central Government in this behalf.

This exemption shall be subject to the condition that the crude oil is replenished in the storage facility within three years from the end of the financial year in which the crude oil was removed from the storage facility for the first time.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

Modification of concessional tax schemes for domestic companies under section 115BAA and 115BAB

Section 115BAA and section 115BAB has been inserted in the Act to provide domestic companies an option to be taxed at concessional tax rates provided they do not avail specified deductions and incentives. Some of the deductions prohibited are deductions under any provisions of Chapter VI-A under the heading "C. Deduction in respect of certain incomes" other than the provisions of section 80JJAA.

An Amendment has been made vide Finance Act, 2020 to provide in section 115BAA and section 115BAB to not allow deduction under any provisions of Chapter VI-A other than section 80JJAA or section 80M, in case of domestic companies opting for taxation under these sections. These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

Withdrawal of exemption on certain perquisites or allowances provided to Union Public Services Commission (UPSC) Chairman and members and Chief Election Commissioner and Election Commissioners

Section 10(45) inserted by the Finance Act, 2011, provides that any allowance or perquisite as may be notified by the Central Government, paid to the serving/ retired Chairman or Members of UPSC shall not be included in computing their total income and hence shall be exempt from income-tax.

An Amendment has been made vide Finance Act, 2020 to delete Section 10(45) and Withdraw exemption on certain perquisites or allowances provided to Union Public Services Commission (UPSC) Chairman and members and Chief Election Commissioner and Election Commissioners. These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Rationalization of provisions of start-ups

The existing provisions of section 80-IAC of the Act provide for a deduction of an amount equal to one hundred per cent of the profits and gains derived from an eligible business by an eligible start-up for three consecutive assessment years out of seven years, at the option of the assessee, subject to the condition that the eligible start-up is incorporated on or after 1st April, 2016 but before 1st April, 2021 and the total turnover of its business does not exceed twenty-five crore rupees.

In order to further rationalise the provisions relating to start-ups, an Amendment has been made vide Finance Act, 2020 to section 80-IAC of the Act so as to provide that-

- (i) the deduction under the said section 80-IAC shall be available to an eligible start-up for a period of three consecutive assessment years out of ten years beginning from the year in which it is incorporated;
- (ii) the deduction under the said section shall be available to an eligible start-up, if the total turnover of its business does not exceed one hundred crore rupees in any of the previous years beginning from the year in which it is incorporated.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Extending time limit for approval of affordable housing project for availing deduction under section 80-IBA of the Act

The existing provisions of section 80-IBA of the Act, inter alia, provide that where the gross total income of an assessee includes any profits and gains derived from the business of developing and building affordable housing projects, there shall, subject to certain conditions specified therein, be allowed a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business. The conditions contained in the section, inter alia, prescribe that the project is approved by the competent authority during the period from 1st June, 2016 to 31st March, 2020. In order to incentivise building affordable housing to boost the supply of such houses, the period of approval of the project by the competent authority is proposed to be extended to 31st March, 2021.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Extending time limit for sanctioning of loan for affordable housing for availing deduction under section 80EEA of the Act

The existing provisions of section 80EEA of the Act provide for a deduction in respect of interest on loan taken from any financial institution for acquisition of an affordable residential house property. The deduction allowed is up to one lakh fifty thousand rupees and is subject to certain conditions. One of the conditions is that loan has been sanctioned by the financial institution during the period from 1st April, 2019 to 31st March, 2020. The said deduction is aimed to incentivise first time buyers to invest in residential house property whose stamp duty does not exceed forty-five lakh rupees.

In order to continue promoting purchase of affordable housing, the period of sanctioning of loan by the financial institution is amended by Finance Act, 2020 extended to 31st March, 2021. This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Modification in conditions for offshore funds' exemption from "business connection"

Section 9A of the Act provides for a special regime in respect of offshore funds by providing them exemption from creating a "business connection" in India on fulfilment of certain conditions. It provides that in the case of an eligible investment fund, the fund management activity carried out through an eligible fund manager acting on behalf of such fund shall not constitute business connection in India of the said fund. Further, an eligible investment fund shall not be said to be resident in India merely because the eligible fund manager undertaking fund management activities on its behalf is located in India. The benefit under section 9A is available subject to the conditions as provided in sub-sections (3), (4) and (5) thereof. Sub-section (3) of section 9A provides the conditions for eligibility of the fund.

One of the conditions for eligibility of the fund provided under clause (c) of said sub-section (3) requires that the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent of the corpus of the fund. Representations have been received in this regard stating that this condition is difficult to comply with in the initial years for the reason that eligible fund manager, who is resident in India, is required to invest his money as "skin in the game" to create reputation to attract investment.

One other condition for eligibility of the fund provided under clause (j) of said sub-section (3) requires that the monthly average of the corpus of the fund shall not be less than one hundred crore rupees except where the fund has been established or incorporated in the previous year in which case, the corpus of fund shall not be less than one hundred crore rupees at the end of a period of six months from the last day of the month of its establishment or incorporation, or at the end of such previous year, whichever is later. This condition does not apply in a case where the fund has been wound up.

Representations have been received in this regard stating that as per this condition, the period for fulfilling the requirement of monthly average of the corpus of one hundred crore rupees ranges from six months to eighteen months, in so far as the fund established or incorporated on last day of the financial year would get six months and the fund established or incorporated on first day of the financial year would get eighteen months. It has been stated that this results in anomaly as certain funds due to its date of establishment and incorporation get favoured or discriminated against.

Accordingly, an amendment has been made vide Finance Act, 2020 in section 9A of the Act to relax these two conditions so as to provide that,-

(i) for the purpose of calculation of the aggregate participation or investment in the fund, directly or indirectly, by Indian resident, contribution of the eligible fund manager during first three years up to twenty-five crore rupees shall not be accounted for; and

(ii) if the fund has been established or incorporated in the previous year, the condition of monthly average of the corpus of the fund to be at one hundred crore rupees shall be fulfilled within twelve months from the last day of the

month of its establishment or incorporation. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

Amendment of section 115BAB of the Act to include generation of electricity as manufacturing

The newly inserted section 115BAB provides that new manufacturing domestic companies set up on or after 1st October, 2019, which commence manufacturing or production by 31st March, 2023 and do not avail of any specified incentives or deductions, may opt to pay tax at a concessional rate of 15 per cent. Further, Explanation to clause (b) of sub-section (2) thereof provides that for the purposes of the said section, businesses engaged in development of computer software, mining, conversion of marble blocks or similar items into slabs, bottling of gas into cylinder, printing of books or production of cinematograph film or any other business as may be notified by the Central Government will not be considered as manufacturing or production.

Representations have been received from various stakeholders requesting to provide that the benefit of the concessional rate under section 115BAB of the Act may also be extended to business of generation of electricity, which otherwise may not amount to manufacturing or production of an article or thing.

Accordingly, an amendment has been made to explain that, for the purposes of this section, manufacturing or production of an article or thing shall include generation of electricity. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

Providing an option to the assessee for not availing deduction under section 35AD

Section 35AD of the Act, relating to deduction in respect of expenditure on specified business, provides for 100 per cent. deduction on capital expenditure (other than expenditure on land, goodwill and financial assets) incurred by the assessee on certain specified businesses. Under sub-section (1) of section 35AD, the said deduction of 100 per cent. of the capital expenditure is allowable during the previous year in which such expenditure has been incurred. Further, sub-section (4) provides that no deduction is allowable under any other section in respect to the expenditure referred to in sub-section (1). At present, an assessee does not have any option of not availing the incentive under said section.

Due to this, a legal interpretation can be made that a domestic company opting for concessional tax rate under section 115BAA or section 115BAB of the Act, which does not claim deduction under section 35AD, would also be denied normal depreciation under section 32 due to operation of sub-section (4) of section 35AD. This has not been the intention of the statute.

Therefore, an amendment has been made in sub-section (1) of section 35AD to make the deduction thereunder optional. It is further proposed to amend sub-section (4) of section 35AD to provide that no deduction will be allowed in respect of expenditure incurred under sub-section (1) in any other section in any previous year or under this section in any other previous year, if the deduction has been claimed by the assessee and allowed to him under this section. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

Increase in safe harbour limit of 5 percent under section 43CA, 50C and 56 of the Act to 10 percent

Section 43CA of the Act, inter alia, provides that where the consideration declared to be received or accruing as a result of the transfer of land or building or both, is less than the value adopted or assessed or assessable by any authority of a State Government (i.e. “stamp valuation authority”) for the purpose of payment of stamp duty in respect of such transfer, the value so adopted or assessed or assessable shall for the purpose of computing profits and gains from transfer of such assets, be deemed to be the full value of consideration. The said section also provide that where the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed one hundred and five per cent of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration.

Section 50C of the Act provides that where the consideration declared to be received or accruing as a result of the transfer of land or building or both, is less than the value adopted or assessed or assessable by stamp valuation authority for the purpose of payment of stamp duty in respect of such transfer, the value so adopted or assessed or assessable shall be deemed to be the full value of the consideration and capital gains shall be computed on the basis of such consideration under section 48 of the Act. The said section also provides that where the value adopted or assessed or assessable by the stamp valuation authority does not exceed one hundred and five per cent of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of section 48, be deemed to be the full value of the consideration.

Clause (x) of sub-section (2) of section 56 of the Act, inter alia, provides that where any person receives, in any previous year, from any person or persons on or after 1st April, 2017, any immovable property, for a consideration which is less than the stamp duty value of the property by an amount exceeding fifty thousand rupees, the stamp duty value of such property as exceeds such consideration shall be charged to tax under the head “income from other sources”. It also provide that where the assessee receives any immovable property for a consideration and the stamp duty value of such property exceeds five per cent of the consideration or fifty thousand rupees, whichever is higher, the stamp duty value of such property as exceeds such consideration shall be charged to tax under the head “Income from other sources”.

Thus, the present provisions of section 43CA, 50C and 56 of the Act provide for safe harbour of five per cent. Representations have been received in this regard requesting that the said safe harbour of five per cent may be increased. It is, therefore, an amendment has been made vide Finance Act, 2020 to increase the limit to ten per cent. This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Amendment for providing attribution of profit to Permanent Establishment in Safe Harbour Rules under section 92CB and in Advance Pricing Agreement under section 92CC

Section 92CB of the Act empowers the Central Board of Direct Taxes (Board) for making safe harbour rules (SHR) to which the determination of the arm's length price (ALP) under section 92C or section 92CA of the Act shall be subject to. As per Explanation to said section the term “safe harbour” means circumstances in which the Income-tax Authority shall accept the transfer price declared by the assessee. This section was inserted in the Act to reduce the number of transfer pricing audits and prolonged disputes especially in case of relatively smaller assesseees. Besides reduction of disputes, the SHR provides certainty as well.

Further, section 92CC of the Act empowers the Board to enter into an advance pricing agreement (APA) with any person, determining the ALP or specifying the manner in which the ALP is to be determined, in relation to an international transaction to be entered into by that person. APA provides tax certainty in determination of ALP for five future years as well as for four earlier years (Rollback).

SHR provides tax certainty for relatively smaller cases for future years on general terms, while APA provides tax certainty on case to case basis not only for future years but also Rollback years. Both SHR and the APA have been successful in reducing litigation in determination of the ALP.

It has been represented that the attribution of profits to the PE of a non-resident under clause (i) of sub-section (1) of section 9 of the Act in accordance with rule 10 of the Rules also results in avoidable disputes in a number of cases. In order to provide certainty, the attribution of income in case of a non-resident person to the PE is also required to be clearly covered under the provisions of the SHR and the APA.

In view of the above, An amendment has been made vide Finance Act, 2020 in section 92CB and section 92CC of the Act to cover determination of attribution to PE within the scope of SHR and APA. With respect to section 92CB, the amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years. With respect to section 92CC, the amendment will take effect from 1st April, 2020 and therefore will apply to an APA entered into on or after 1st April, 2020.

Allowing deduction for amount disallowed under section 43B, to insurance companies on payment basis

Section 44 of the Act provides that computation of profits and gains of any business of insurance, including any such business carried on by a mutual insurance company or a co-operative society shall be computed in accordance with the rules contained in the First Schedule to the Act.

Section 43B of the Act provides for allowance of certain deductions, irrespective of the previous year in which the liability to pay such sum was incurred by the assessee according to the method of accounting regularly employed by the assessee, only in the previous year in which such sum is actually paid.

Rule 5 of the said Schedule provides for computation of profits and gains of other insurance business. It states that profits and gains of any business of insurance other than life insurance shall be taken to be the profit before tax and appropriations as disclosed in the profit and loss account prepared in accordance with the provisions of the Insurance Act, 1938 or the rule made thereunder or the provisions of the Insurance Regulatory and Development Authority Act, 1999 or the regulations made thereunder, subject to the condition that any expenditure debited to the profit and loss account which is not admissible under the provisions of sections 30 to 43B shall be added back; any gain or loss on realisation of investment shall be added or deducted, as the case may be, if the same is not credited or debited to the profit and loss account; any provision for diminution in the value of investment debited to the profit and loss account shall be added back. Thus, there is no specific provision, in this rule, in the case of other insurance companies, to allow deduction for any payment of certain expenses specified in section 43B if they are paid in subsequent previous year. There is a possibility that such sum may not be allowed as deduction in the previous year in which the payment is made. This has not been the intention of the legislature.

Therefore, An amendment has been made vide Finance Act, 2020 to insert a proviso after clause (c) of the said rule

5 to provide that any sum payable by the assessee which is added back under section 43B in accordance with clause (a) of the said rule shall be allowed as deduction in computing the income under the rule in the previous year in which such sum is actually paid. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

Rationalization of tax treatment of employer's contribution to recognized provident funds, superannuation funds and national pension scheme

Under the existing provisions of the Act, the contribution by the employer to the account of an employee in a recognized provident fund exceeding twelve per cent. of salary is taxable. Further, the amount of any contribution to an approved superannuation fund by the employer exceeding one lakh fifty thousand rupees is treated as perquisite in the hands of the employee. Similarly, the assessee is allowed a deduction under National Pension Scheme (NPS) for the fourteen per cent. of the salary contributed by the Central Government and ten per cent. of the salary contributed by any other employer. However, there is no combined upper limit for the purpose of deduction on the amount of contribution made by the employer. This is giving undue benefit to employees earning high salary income. While an employee with low salary income is not able to let employer contribute a large part of his salary to all these three funds, employees with high salary income are able to design their salary package in a manner where a large part of their salary is paid by the employer in these three funds. Thus, this portion of salary does not suffer taxation at any point of time, since Exempt-Exempt-Exempt (EEE) regime is followed for these three funds. Thus, not having a combined upper cap is iniquitous and hence, not desirable.

Therefore, An amendment has been made vide Finance Act, 2020 to provide a combined upper limit of seven lakh and fifty thousand rupee in respect of employer's contribution in a year to NPS, superannuation fund and recognised provident fund and any excess contribution is proposed to be taxable. Consequently, it is also proposed that any annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme may be treated as perquisite to the extent it relates to the employer's contribution which is included in total income. This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Modification of residency provisions

Sub-section (1) of section 6 of the Act provide for situations in which an individual shall be resident in India in a previous year. Clause (c) thereof provides that the individual shall be Indian resident in a year, if he,-

- (i) has been in India for an overall period of 365 days or more within four years preceding that year, and
- (ii) is in India for an overall period of 60 days or more in that year.

Clause (b) of Explanation 1 of said sub-section provides that an Indian citizen or a person of Indian origin shall be Indian resident if he is in India for 182 days instead of 60 days in that year. This provision provides relaxation to an Indian citizen or a person of Indian origin allowing them to visit India for longer duration without becoming resident of India.

Instances have come to notice where period of 182 days specified in respect of an Indian citizen or person of Indian origin visiting India during the year, is being misused. Individuals, who are actually carrying out substantial economic activities from India, manage their period of stay in India, so as to remain a non-resident in perpetuity

and not be required to declare their global income in India.

Sub-section (6) of the said section provides for situations in which a person shall be “not ordinarily resident” in a previous year. Clause (a) thereof provides that if the person is an individual who has been non-resident in nine out of the ten previous years preceding that year, or has during the seven previous years preceding that year been in India for an overall period of 729 days or less. Clause (b) thereof contains similar provision for the HUF.

This category of persons has been carved out essentially to ensure that a non-resident is not suddenly faced with the compliance requirement of a resident, merely because he spends more than specified number of days in India during a particular year. The conditions specified in the present law in respect of this carve out have been the subject matter of disputes, amendments and further disputes. Further, due to reduction in number of days, as proposed, for visiting Indian citizen or person of Indian origin, there would be need for relaxation in the conditions.

The issue of stateless persons has been bothering the tax world for quite some time. It is entirely possible for an individual to arrange his affairs in such a fashion that he is not liable to tax in any country or jurisdiction during a year. This arrangement is typically employed by high net worth individuals (HNWI) to avoid paying taxes to any country/ jurisdiction on income they earn. Tax laws should not encourage a situation where a person is not liable to tax in any country. The current rules governing tax residence make it possible for HNWIs and other individuals, who may be Indian citizen to not to be liable for tax anywhere in the world. Such a circumstance is certainly not desirable; particularly in the light of current development in the global tax environment where avenues for double non-taxation are being systematically closed.

In the light of above, An amendment has been made vide Finance Act, 2020 as follows:

- i. the exception provided in clause (b) of Explanation 1 of sub-section (1) to section 6 for visiting India in that year be decreased to 120 days from existing 182 days.
- ii. an individual or an HUF shall be said to be “not ordinarily resident” in India in a previous year, if the individual or the manager of the HUF has been a non-resident in India in seven out of ten previous years preceding that year. This new condition to replace the existing conditions in clauses (a) and (b) of sub-section (6) of section 6.
- iii. an Indian citizen who is not liable to tax in any other country or territory shall be deemed to be resident in India.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Removing dividend distribution tax (DDT) and moving to classical system of taxing dividend in the hands of shareholders/unit holders.

Section 115-O provides that, in addition to the income-tax chargeable in respect of the total income of a domestic company, any amount declared, distributed or paid by way of dividends shall be charged to additional income-tax at the rate of 15 per cent. The tax so paid by the company (called DDT) is treated as the final payment of tax in respect of the amount declared, distributed or paid by way of dividend. Such dividend referred to in section 115-O is exempt in the hands of shareholders under clause (34) of section 10. In case of business trust, specific exemption

is provided under sub-section (7) of section 115-O, subject to certain conditions. Similarly, exemption is provided for distributed profits of a unit of an International Financial Service Centre, on fulfilment of certain conditions, under sub-section (8) of section 115-O.

Similarly under section 115R, specified companies and Mutual Funds are liable to pay additional income-tax at the specified rate on any amount of income distributed by them to its unit holders. Such income is then exempt in the hands of unit holders under clause (35) of section 10. The incidence of tax is, thus, on the payer company/Mutual Fund and not on the recipient, where it should normally be. The dividend is income in the hands of the shareholders and not in the hands of the company.

The incidence of the tax should therefore, be on the recipient. Moreover, the present provisions levy tax at a flat rate on the distributed profits, across the board irrespective of the marginal rate at which the recipient is otherwise taxed. The provisions are hence, considered, iniquitous and regressive. The present system of taxation of dividend in the hands of company/ mutual funds was reintroduced by the Finance Act, 2003 (with effect from the assessment year 2004-05) since it was easier to collect tax at a single point and the new system was leading to increase in compliance burden. However, with the advent of technology and easy tracking system available, the justification for current system of taxation of dividend has outlived itself.

In view of above, an amendment has been made so that dividend or income from units are taxable in the hands of shareholders or unit holders at the applicable rate and the domestic company or specified company or mutual funds are not required to pay any DDT. It is also provided that the deduction for expense under section 57 of the Act shall be maximum 20 per cent of the dividend or income from units.

Therefore, an amendment has been made to-

- (i) amend section 115-O to provide that dividend declared, distributed or paid after 1st April, 2003, but on or before 31st March, 2020 shall be covered under the provision of this section.
- (ii) amend clause (34) of section 10 to provide that the provision of this clause shall not apply to any income, by way of dividend, received on or after 1st April, 2020.
- (iii) amend section 115R to provide that the income distributed on or before 31st March, 2020 shall only be covered under the provision of this section.
- (iv) amend clause (35) of section 10 to provide that the provision of this clause shall not apply to any income, in respect of units, received on or after 1st April, 2020.
- (v) amend clause (23FC) of section 10 so that all dividends received or receivable by business trust from a special purpose vehicle is exempt income under this clause.
- (vi) amend clause (23FD) of section 10 to exclude dividend income received by a unit holder from business trust from the exemption so that the dividend income is taxable in the hand of unit holder of the business trust.
- (vii) amend sub-section (3) of section 115UA to delete reference to sub-clause (a) so that distributed income of the nature as referred to in clause (23FC) or clause (23FCA) of section 10 shall be deemed to be income of the unit holder and shall be charged to tax as income of the previous year. Thus dividend income distributed by a special purpose vehicle to business trust would be taxed in the hands of unit holder.
- (viii) remove reference of section 115-O dividend income in various sections like section 57, section 115A, section 115AC, section 115ACA, section 115AD and section 115C.
- (ix) remove the opening line of clause (23D) of section 10, as mutual fund no longer required to pay additional tax.
- (x) insert new section 80M as it existed before its removal by the Finance Act, 2003 to remove the cascading effect,

with a change that set off will be allowed only for dividend distributed by the company one month prior to the due date of filing of return, in place of due date of filing return earlier.

(xi) amend section 115BBDA which taxes dividend income in excess of ten lakh rupee in the hands of shareholder at ten per cent., to only dividend declared, distributed or paid by a domestic company on or before the 31st day of March, 2020.

(xii) amend section 57 to provide that no deduction shall be allowed from dividend income, or income in respect of units of mutual fund or specified company, other than deduction on account of interest expense and in any previous year such deduction shall not exceed twenty per cent. of the dividend income or income from units included in the total income for that year without deduction under section 57.

(xiii) amend section 194 to include dividend for tax deduction. At the same time the rates of ten per cent. is proposed to be prescribed and threshold is proposed to be increased from Rs 2,500/- to Rs 5,000/- for dividend paid other than cash. Further, at present the mode of payment is given as “an account payee cheque or warrant”. It is proposed to change this to any mode.

(xiv) amend section 194LBA to provide for tax deduction by business trust on dividend income paid to unit holder, at the rate of ten per cent. for resident. For non-resident, it would be 5 per cent for interest and ten per cent. for dividend.

(xv) insert a new section 194K to provide that any person responsible for paying to a resident any income in respect of units of a Mutual Fund specified under clause (23D) of section 10 or units from the administrator of the specified undertaking or units from the specified company shall at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax there on at the rate of ten per cent. It may also be provided for threshold limit of Rs 5,000/- so that income below this amount does not suffer tax deduction. It is also proposed to define “Administrator”, “specified company”, as already defined in clause (35) of section 10. It is also proposed to define “specified undertaking” as in clause (i) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002. It is also proposed to provide that where any income is credited to any account like suspense account, in the books of account of the person liable to pay such income, the liability for tax deduction under this section would arise at that time.

(xvi) amend section 195 to delete exemption provided to dividend referred to in section 115-O.

(xvii) amend section 196A to revive its applicability on TDS on income in respect of units of a Mutual Fund. It is also proposed to substitute “of the Unit Trust of India” with “from the specified company defined in Explanation to clause (35) of section 10” and “in cash or by the issue of a cheque or draft or by any other mode” with “by any mode”.

(xviii) amend section 196C to remove exclusion provided to dividend under section 115-O. It is also proposed to substitute “in cash or by the issue of a cheque or draft or by any other mode” with “by any mode”.

(xix) amend section 196D to remove exclusion provided to dividend under section 115-O. It is also proposed to substitute “in cash or by the issue of a cheque or draft or by any other mode” with “by any mode”.

Amendments at clause (i) to (xii) above will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years. Amendments at clause (xiii) to (xix) will take effect from 1st April, 2020.

Rationalization of provisions of section 55 of the Act to compute cost of acquisition

The existing provisions of section 55 of the Act provide that for computation of capital gains, an assessee shall be allowed deduction for cost of acquisition of the asset and also cost of improvement, if any. However, for computing capital gains in respect of an asset acquired before 1st April, 2001, the assessee has been allowed an

option of either to take the fair market value of the asset as on 1st April, 2001 or the actual cost of the asset as cost of acquisition.

An amendment has been made to rationalise the provision and to insert a proviso below sub-clause (ii) of clause (b) of Explanation under clause (ac) of sub-section (2) of the said section to provide that in case of a capital asset, being land or building or both, the fair market value of such an asset on 1st April, 2001 shall not exceed the stamp duty value of such asset as on 1st April, 2001 where such stamp duty value is available.

An Explanation has also been inserted to provide that for the purposes of sub-clause (i) and (ii), "stamp duty value" shall mean 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 an immovable property. These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years.

Note: Copy of the Amendments made by the Finance Act, 2020 is available at following weblink: <https://www.indiabudget.gov.in/doc/memo.pdf>. Students are advised to go through the detailed amendment made by Finance Act, 2020.