

# INCOME TAX

**BUDGET ANALYSIS 2018-19**

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
2 (22)	1 <sup>st</sup> April 2018	Definition of Dividend for the purpose of taxation on distribution	NA	Explanation 2A.— In the case of an amalgamated company, the accumulated profits, whether capitalized or not, or loss, as the case may be, shall be increased by the accumulated profits, whether capitalized or not, of the amalgamating company on the date of amalgamation.	The scope of the term 'accumulated profits' has been widened. Now the accumulated profits of the amalgamating company, whether capitalized or not, on the date of amalgamation will also be considered as accumulated profits of amalgamated company. This amendment has been made to avoid the abuse for reduction of Dividend Distribution Tax through following amalgamation route.
2 (24) & 28, 49	1 <sup>st</sup> April 2019	Definition of Income and Income from Business or profession. Cost of acquisition	NA	“(xiia) the fair market value of inventory referred to in clause (via) of section 28;”	The Fair Market value of inventory converted to Capital Assets needs to be added as business income so as to tax such transactions under the head of Profits & Gains from Business profession.
2 (24) & 56	1 <sup>st</sup> April 2019	Definition of Income	NA	“(xviib) any compensation or other payment referred to in clause (xi) of sub-section (2) of section 56;”	Receipt of compensation by employees in connection with termination of employment will be termed

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					as Income. Such Income is slated to taxed under the head of "Income from Other Sources". Earlier this was never been taxed, now brought under tax net.
9 (1)	1 <sup>st</sup> April 2019	Income deemed to accrue or arise in India	“(a) has and habitually exercises in India, an authority to conclude contracts on behalf of the non-resident or habitually concludes contracts or habitually plays the principal role leading to conclusion of contracts by that non-resident and the contracts are— (i) in the name of the non-resident; or (ii) for the transfer of the ownership of, or for the granting of the right to use, property owned by that non-resident or that non-resident has the right to use; or (iii) for the provision of services by the non-resident; or	(a) has and habitually exercises in India, an authority to conclude contracts on behalf of the non-resident, unless his activities are limited to the purchase of goods or merchandise for the non-resident; or	Under the earlier provision only the income pertaining to transactions wherein the India agent (PE) has entered contract was considered as Income accrued in India. Now the scope has been widened to include the transactions wherein the agent has played active / principal role which lead to conclusion of contract.

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9 (1)	1 <sup>st</sup> April 2019	Income deemed to accrue or arise in India	NA	<p>Explanation 2A.—For the removal of doubts, it is hereby clarified that the significant economic presence of a non-resident in India shall constitute “business connection” in India and “significant economic presence” for this purpose, shall mean—</p> <p>(a) transaction in respect of any goods, services or property carried out by a non-resident in India including provision of download of data or software in India, if the aggregate of payments arising from such transaction or transactions during the previous year exceeds such amount as may be prescribed; or</p> <p>(b) systematic and continuous soliciting of business activities or engaging in interaction with such number of users as may be prescribed, in India through digital means:</p> <p>Provided that the transactions or activities shall constitute significant economic presence in India, whether or not the non-</p>	<p>The current provision of Section 9 considers physical presence to decide the taxability of Income arising in India in case of Nonresidents. In order to enhance the scope of taxation for Income arising from India, section 9 is proposed to be amended so as to include concept of “Significant Economic Presence”. The income of Non-residents arising from the transaction of any goods, services or property in India (including provision for download of Data or software in India) or soliciting its business activities by interacting through the digital means will be considered as Income accrued in India. Necessary amendments will be carried out in DTAA to give effect of this amendment.</p>

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				resident has a residence or place of business in India or renders services in India: Provided further that only so much of income as is attributable to the transactions or activities referred to in clause (a) or clause (b) shall be deemed to accrue or arise in India.’.	
10 (6D)	1 <sup>st</sup> April 2018	Exemption from Tax on specified Incomes	NA	“(6D) any income arising to a non-resident, not being a company, or a foreign company, by way of royalty from, or fees for technical services rendered in or outside India to, the National Technical Research Organisation;”	The income arising to non-resident, not being a company, or a foreign company, by way of royalty from, or fees for technical services rendered in or outside India to, the NTRO will be exempt from income tax. The NTRO will not be required to deduct any tax on such payments.
10 (12A)	1 <sup>st</sup> April 2019	Exemption from Tax on specified Incomes	any payment from the National Pension System Trust to an employee on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed	any payment from the National Pension System Trust to an assessee on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed forty per cent of the total amount payable to him at the time	Under the existing provisions of the clause (12A) of section 10 of the Act, an employee contributing to the NPS is allowed an exemption in respect of 40% of the total amount payable to him on

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			forty per cent of the total amount payable to him at the time of such closure or his opting out of the scheme	of such closure or his opting out of the scheme	closure of his account or on his opting out. This exemption is not available to non-employee subscribers. In order to provide a level playing field, it is proposed to amend clause (12A) of section 10 of the Act to extend the said benefit to all subscribers.
10 (23C) & 11	1 <sup>st</sup> April 2019	Exemption from Tax on specified Incomes and Income from Property held for Charitable or religious purpose	NA	Provided also that for the purposes of determining the amount of application under item (a) of the third proviso, the provisions of sub-clause (ia) of clause (a) of section 40 and sub-sections (3) and (3A) of section 40A, shall, mutatis mutandis, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession	The provision of disallowance of expenses in case TDS is not deducted has been made applicable to Trusts, religious trusts, charitable hospitals, universities and educational institutions. In case these institutions do not deduct the taxes, the disallowed expenses will be considered as Income and will be subjected to Income Tax. Also the Government will get the audit trail of such expenses.

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10 (38)		Insertion of explanation to exemption on LTCG in case of Equity Shares	Provided also that nothing contained in this clause shall apply to any income arising from the transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, made on or after the 1st day of April, 2018	NA	The Income arising from long term capital gains will not be exempted from the Tax. The details of the this is mentioned in subsequent points.
16 & 17	1 <sup>st</sup> April 2019	Deduction from Salary		“(ia) a deduction of forty thousand rupees or the amount of the salary, whichever is less	It has been proposed to allow a standard deduction upto Rs 40,000/- or the amount of salary received, whichever is less. Consequently the present exemption in respect of Transport Allowance (except in case of differently abled persons) and reimbursement of medical expenses, which was supported by medical bills is proposed to be withdrawn

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28	1 <sup>st</sup> April 2019	Income from Business or Profession	NA	“(e) any person, by whatever name called, at or in connection with the termination or the modification of the terms and conditions, of any contract relating to his business	Any compensation received or receivable, whether revenue or capital, in connection with the termination or the modification of the terms and conditions of any contract relating to its business shall be taxable as business income
36 & 40A	1 <sup>st</sup> April 2017	Other deductions	NA	xviii) marked to market loss or other expected loss as computed in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145.”.	While computing income from Business or profession, marked to market loss or other expected loss as computed in the manner provided in income computation and disclosure standards notified under sub-section (2) of section 145, to be allowed deduction.
43	1 <sup>st</sup> April 2019	Definitions of certain terms relevant to income from profits and gains from business or professions	NA	“Provided further that for the purposes of clause (e) of the first proviso, in respect of trading in agricultural commodity derivatives, the requirement of chargeability of commodity transaction tax under Chapter VII of the Finance Act, 2013 shall not apply.”.	In order to encourage participation in trading of agricultural commodity derivatives, it is proposed to amend the provisions of clause (5) of section 43 to provide that a transaction in respect of

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					trading of agricultural commodity derivatives, which is not chargeable to CTT, in a registered stock exchange or registered association, will be treated as non-speculative transaction.
43AA	1 <sup>st</sup> April 2017	Taxation of Foreign Exchange fluctuation	NA	43AA.(1) Subject to the provisions of section 43A, any gain or loss arising on account of any change in foreign exchange rates shall be treated as income or loss, as the case may be, and such gain or loss shall be computed in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145. (2) For the purposes of sub-section (1), gain or loss arising on account of the effects of change in foreign exchange rates shall be in respect of all foreign currency transactions, including those relating to— (i) monetary items and non-monetary items; (ii) translation of financial	Any gain or loss arising on account of effects of changes in foreign exchange rates in respect of specified foreign currency transactions shall be treated as income or loss, which shall be computed in the manner provided in ICDS as notified under sub-section (2) of section 145

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				statements of foreign operations; (iii) forward exchange contracts; (iv) foreign currency translation reserves.”.	
43CA, 50C and 56	1 <sup>st</sup> April 2019	capital gains, Income from business & profession and income from other sources		Provided 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.	In order to minimize hardship in case of genuine transactions in the real estate sector, it is proposed to provide that no adjustments shall be made in a case where the variation between stamp duty value and the sale consideration is not more than five percent of the sale consideration. This should have been considered liberally considering the slow down in Real Estate Sector.
43CB	1 <sup>st</sup> April 2017	Computation of Income from Construction and Service contracts	NA	43CB. (1) The profits and gains arising from a construction contract or a contract for providing services shall be determined on the basis of percentage of completion method in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145:.....	The profits arising from a construction contract or a contract for providing services shall be determined on the basis of percentage of completion method except for certain service contracts, and that the contract revenue

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					shall include retention money, and contract cost shall not be reduced by incidental interest, dividend and capital gains.
44AE	1 <sup>st</sup> April 2019	<b>Presumptive Income in case of Transporters</b>	NA	2) For the purposes of sub-section (1), the profits and gains from each goods carriage,— (i) being a heavy goods vehicle, shall be an amount equal to one thousand rupees per ton of gross vehicle weight or unladen weight, as the case may be, for every month or part of a month during which the heavy goods vehicle is owned by the assessee in the previous year or an amount claimed to have been actually earned from such vehicle whichever is higher; (ii) other than heavy goods vehicle, shall be an amount equal to seven thousand five hundred rupees for every month or part of a month during which the goods carriage is owned by the assessee in the previous year or an amount claimed to have been actually earned from such goods carriage,	It is proposed to amend the section 44AE of the Act to provide that, in the case of heavy goods vehicle (more than 12MT gross vehicle weight), the income would deemed to be an amount equal to one thousand rupees per ton of gross vehicle weight or unladen weight, as the case may be, per month or part of a month for each goods vehicle or the amount claimed to be actually earned by the assessee, whichever is higher. The vehicles other than heavy goods vehicle will continue to be taxed as per the existing rates. In other words, income generated from heavy vehicles will be taxed.

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				whichever is higher.”;	
47	1 <sup>st</sup> April 2019	Transactions not regarded as Transfer	NA	‘(viiab) any transfer of a capital asset, being— (a) bond or Global Depository Receipt referred to in sub-section (1) of section 115AC; or (b) rupee denominated bond of an Indian company; or (c) derivative, made by a non-resident on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.	In order to promote the development of world class financial infrastructure in India, it is proposed to amend the section 47 of the Act so as to provide that transactions in the specified assets, by a non-resident on a recognized stock exchange located in any International Financial Services Centre shall not be regarded as transfer, if the consideration is paid or payable in foreign currency
54EC	1 <sup>st</sup> April 2019	Capital Gains not to be charged on investment in certain bonds	Where the capital gain arises from the transfer of a long term capital asset and the assessee has any time within a period of six months after the date of such transfer invested the whole or any part of the capital gains in the long term specified assets.....	Where the capital gain arises from the transfer of a long term capital asset being land or building or both and the assessee has any time within a period of six months after the date of such transfer invested the whole or any part of the capital gains in the long term specified assets.....	The exemption from LTCG on investing into specified bonds will now be restricted to LTCG arising from Land or building or both. Earlier it was available to any LTCG.

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79	1 <sup>st</sup> April 2018	Carry forward and setoff of losses	NA	Provided also that nothing contained in this section shall apply to a company where a change in the shareholding takes place in a previous year pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016, after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.”.	It is proposed to relax the rigors of section 79 in case of such companies, whose resolution plan has been approved under the Insolvency and Bankruptcy Code, 2016, after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.
80AC	1 <sup>st</sup> April 2018	Deduction not to be allowed unless return furnished	Where in computing the total income of an assessee of the previous year relevant to the assessment year commencing on the 1st day of April, 2006 or any subsequent assessment year, any deduction is admissible under section 80-IA or section 80-IAB or section 80-IB or section 80-IC or section 80-ID or section 80-IE, no such deduction shall be allowed to him unless he furnishes a return of his income for	80AC. Where in computing the total income of an assessee of any previous year relevant to the assessment year commencing on or after— (i) the 1st day of April, 2006 but before the 1st day of April, 2018, any deduction is admissible under section 80-IA or section 80-IAB or section 80-IB or section 80-IC or section 80-ID or section 80-IE; (ii) the 1st day of April, 2018, any deduction is admissible under any provision of this Chapter under the heading “C.—Deductions in respect of certain incomes”,	It is proposed to extend the scope of section 80AC to provide that the benefit of deduction under the entire class of deductions under the heading “C.—Deductions in respect of certain incomes” in Chapter VIA shall not be allowed unless the return of income is <b>filed by the due date.</b>

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			<b>such assessment year on or before the due date specified under sub-section (1) of section 139.</b>	no such deduction shall be allowed to him unless he furnishes a return of his income for such assessment year on or before the due date specified under sub-section (1) of section 139.'.	
80D	1 <sup>st</sup> April 2019	Deduction in respect of health insurance premia	Deduction in respect of health insurance premia	Deduction in respect of health insurance premia	It is proposed to amend section 80D so as to raise this monetary limit of deduction from Rs 30,000/- to Rs 50,000/- towards annual premium on health insurance policy, or preventive health check-up, of a senior citizen, or medical expenditure in respect of very senior citizen.
80DDB	1 <sup>st</sup> April 2019	Deduction in respect of medical treatment etc.	Deduction in respect of medical treatment etc.	Deduction in respect of medical treatment etc.	It is proposed to amend the provisions of section 80DDB of the Act so as to raise this monetary limit of deduction to Rs 1,00,000/- for both senior citizens and very senior citizens from Rs. 60000 and Rs. 80000 respectively .
80-IAC	1 <sup>st</sup> April 2018	Special provision in	"eligible business" means a business which involves	"eligible business" means a business carried out by an eligible	The definition of eligible business has been

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		respect of specified business	innovation, development, deployment or commercialisation of new products, processes or services driven by technology or intellectual property;	start up engaged in innovation, development or improvement of products or processes or services or a scalable business model with a high potential of employment generation or wealth creation;';	expanded to provide that the benefit would be available if it is engaged in innovation, development or improvement of products or processes or services, or a scalable business model with a high potential of employment generation or wealth creation. Also benefit of the section extended to the start ups incorporated before 1 <sup>st</sup> April 2021 from 1 <sup>st</sup> April 2019. Further income tax exemption would be extended for seven years.
80JJAA	1 <sup>st</sup> April 2019	Deduction in respect of employment of new employees	Deduction in respect of employment of new employees	Deduction in respect of employment of new employees	the minimum period of employment is relaxed to 150 days in the case of apparel industry. In order to encourage creation of new employment, it is proposed to extend this relaxation to footwear and leather industry. Further, it is also proposed to rationalize this

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					deduction of 30% by allowing the benefit for a new employee who is employed for less than the minimum period during the first year but continues to remain employed for the minimum period in subsequent year.
80PA	1 <sup>st</sup> April 2019	Deduction in respect of certain income of producer companies	NA	80PA. (1) Where the gross total income of an assessee, being a Producer Company having a total turnover of less than one hundred crore rupees in any previous year, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent. of the profits and gains attributable to such business for the previous year relevant to an assessment year commencing on or after the 1st day of April, 2019, but before the 1st day of April, 2025	Producer company having turnover less than 100 crores will be entitled for income tax exemption from income arising from marketing of agriculture produce, purchase of agriculture implements, seeds, live stocks or other article intended for agriculture or processing of agricultural produce. Such business should commence between 1 <sup>st</sup> day of April 2018 To 31 <sup>st</sup> March 2024.

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80TTB	1 <sup>st</sup> April 2019	Deduction in respect of interest on deposits in case of senior citizen	NA	<p>(2)...</p> <p><b>(1) Where the gross total income of an assessee, being a senior citizen, includes any income by way of interest on deposits with—</b></p> <p><b>(a) a banking company to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act);</b></p> <p><b>(b) a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank); or</b></p> <p><b>(c) a Post Office as defined in clause (k) of section 2 of the Indian Post Office Act, 1898.</b></p> <p><b>there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction—</b></p> <p><b>(i) in a case where the amount of such income does not exceed in the aggregate fifty thousand</b></p>	<p>It is proposed to insert a new section 80TTB so as to allow a deduction upto Rs 50,000/- in respect of interest income from deposits held by senior citizens.</p> <p>It is also proposed to amend section 194A so as to raise the threshold for deduction of tax at source on interest income for senior citizens from Rs 10,000/- to Rs 50,000/-.</p>

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				<p>rupees, the whole of such amount; and                      (ii) in any other case, fifty thousand rupees.                      (2) Where the income referred to in sub-section (1) is derived from any deposit held by, or on behalf of, a firm, an association of persons or a body of individuals, no deduction shall be allowed under this section in respect of such income in computing the total income of any partner of the firm or any member of the association or any individual of the body.                      Explanation.—For the purposes of this section, “senior citizen” means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year.’.</p>	
112A	1 <sup>st</sup> April 2019	Tax on long-term capital gains in certain cases	NA	Tax on long-term capital gains in certain cases – On transfer of long term equity shares / units of equity oriented fund / unit of business trust.	In order to minimize economic distortions and curb erosion of tax base, it is proposed to withdraw the exemption under clause (38) of section 10 and to introduce a new

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					section 112A in the Act to provide that long term capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10 per cent. of such capital gains exceeding one lakh rupees. The provision excludes the gains made by the assessee till 31 <sup>st</sup> January 2018.
115AD	01/04/2019 (FY 2018-19)	Tax on income of Foreign Institutional Investors from securities or capital gains arising from their transfer	(iii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, at the rate of ten per cent; and	(iii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, at the rate of ten per cent; <i>Provided that in case of income arising from the transfer of a long-term capital asset referred to in section 112A, income-tax at the rate of ten per cent. shall be calculated on such income exceeding one lakh rupees; and</i>	New proviso inserted to charge income tax @ 10% to FIIs on long term capital gain exceeding Rs. 1 Lakhs.

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115BA	01/04/2017 2016-17)	(FY Tax on income of certain domestic companies	(1) Notwithstanding anything contained in this Act but subject to the <b><u>provisions of section 111A and section 112</u></b> , the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2017, shall, at the option of such person, be computed at the rate of twenty-five per cent, if the conditions contained in sub-section (2) are satisfied.	(1) Notwithstanding anything contained in this Act but subject to the <b><u>other provisions of this chapter</u></b> , the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2017, shall, at the option of such person, be computed at the rate of twenty-five per cent, if the conditions contained in sub-section (2) are satisfied.	New companies set up and registered on or after 01/03/2016 were given one time option to pay income tax @ 25% (tax on capital gain to be paid as per sec 111 and 112). Amendment has been made to charge income tax on income which is liable at schedule rate and balance income @ 25%.
115BBE	01/04/2017 2016-17)	(FY <b>Tax on income referred to in section 68 or section 69 or section 69A or section 69B or section 69C or section 69D</b>	(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance 44[or set off of any loss] shall be allowed to the assessee under any provision of this Act in computing his income referred to in	(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance [or set off of any loss] shall be allowed to the assessee under any provision of this Act in computing his income referred to in clause (a) <b>and clause (b)</b> of sub-section (1).	No expenditure in relation to the unexplained income, expense or investment determined by the assessing officer shall be allowed as deduction for computing income. Earlier expenditure in respect of unexplained income, expense or investment u/s

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			clause (a) of sub-section (1).		68 & 69 which reflected in return was disallowed in computing income.
115JB	01/04/2019 2018-19)	(FY <b>Special provision for payment of tax by certain companies</b>	-	(iih) the aggregate amount of unabsorbed depreciation and loss brought forward in case of a company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016. Explanation.—For the purposes of this clause, the expression “Adjudicating Authority” shall have the meaning assigned to it in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 and the loss shall not include depreciation; or;	<b>Relief measure:-</b> New provision inserted to claim deduction in computation of book profit under minimum alternative tax for companies whose resolution of insolvency has been accepted by the Adjudicating Authority.
115JB	01/04/2019 2018-19)	(FY <b>Special provision for payment of tax by certain companies</b>	(iii) the amount of loss brought forward or unabsorbed depreciation, whichever is less as per books of account. Explanation.—For the purposes of this clause,—	(iii) the amount of loss brought forward or unabsorbed depreciation, whichever is less as per books of account <b><u>in case of a company other than the company referred to in clause (iih).</u></b> Explanation.—For the purposes of	The changes have been made in line with the insertion of (iih), i.e., for the rehabilitating companies, the condition of unabsorbed loss or unabsorbed depreciation

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			(a) the loss shall not include depreciation; (b) the provisions of this clause shall not apply if the amount of loss brought forward or unabsorbed depreciation is nil;	this clause,— (a) the loss shall not include depreciation; (b) the provisions of this clause shall not apply if the amount of loss brought forward or unabsorbed depreciation is nil;	whichever is less will not be applicable
115JB	01/04/2001 (FY 2000-01)	Special provision for payment of tax by certain companies	-	Explanation 4A.—For the removal of doubts, it is hereby clarified that the provisions of this section shall not be applicable and shall be deemed never to have been applicable to an assessee, being a foreign company, where its total income comprises solely of profits and gains from business referred to in section 44B or section 44BB or section 44BBA or section 44BBB and such income has been offered to tax at the rates specified in those sections.	Clarification issued that minimum alternative tax will not be applicable to non-resident company engaged in business of operation of ships (44B), exploration of mineral oils (44BB), operation of aircraft (44BBA) and business of civil construction in certain turnkey power projects (44BBB), and tax is levied at specified rate subject to the condition as specified under respective sections.
115JC	01/04/2019 (FY 2018-19)	Special provisions for payment of tax by certain persons other than a	-	(4) Notwithstanding anything contained in sub-section (1), where the person referred to therein, is a unit located in an International Financial Services Centre and derives its income solely in	New provision inserted that for unit, other a company, located in International Financial Service Centre (IFSC), the alternate minimum tax will

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		<b>company</b>		convertible foreign exchange, the provisions of sub-section(1) shall have effect as if for the words "eighteen and one-half per cent.", the words "nine per cent." had been substituted.	be 9% instead of 18.5%.
<b>115JF</b>	01/04/2019 (FY 2018-19)	<b>Interpretation in this Chapter</b>	(b) "alternate minimum tax" means the amount of tax computed on adjusted total income at a rate of eighteen and one-half per cent;	(b) "alternate minimum tax" means the amount of tax computed on adjusted total income,— <b><u>(i) in case of an assessee being a unit referred to in sub-section (4) of section 115JC, at a rate of nine per cent.;</u></b> <b><u>(ii) in any other case,</u></b> at a rate of eighteen and one-half per cent.	Amendment in line with relief given to units, other than company, in IFSC u/s 115JC.
<b>115JF</b>	01/04/2019 (FY 2018-19)	<b>Interpretation in this Chapter</b>	-	(ba) "convertible foreign exchange" means a foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purpose of the Foreign Exchange Management Act, 1999 and the rules made thereunder; (bb) "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005; (e) "unit" means a unit established	New provision inserted for clarification.

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				in an International Financial Services Centre.	
115-O	01/04/2019 2018-19)	(FY Tax on distributed profits of domestic companies	-	Provided that in respect of dividend referred to in sub-clause (e) of clause (22) of section 2, this sub-section shall have effect as if for the words "fifteen per cent.", the words "thirty per cent." had been substituted;	Deemed dividend are subject to Dividend Distribution Tax (DDT) at the rate of 30% (without grossing up). This amendment is brought to tax the deemed dividend in the hand of the company instead of recipient.
115-O	01/04/2019 2018-19)	(FY Tax on distributed profits of domestic companies		(1B) Provided that this sub-section shall not apply in respect of dividend referred to in sub-clause (e) of clause (22) of section 2."	New proviso inserted that grossing up of DDT shall not be applicable for deemed dividend.
115Q	01/04/2019 2018-19)	(FY When company is deemed to be in default	Explanation : For the purposes of this Chapter, the expression "dividends" shall have the same meaning as is given to "dividend" in clause (22) of section 2 but shall not include sub-clause (e) thereof.	Omitted	Explanation omitted. Deemed dividend are subject to Dividend Distribution Tax.
115R	01/04/2019 2018-19)	(FY Tax on distributed income to unit holders	(i) twenty-five per cent on income distributed to any person being an individual or a Hindu undivided family	"(i) twenty-five per cent. on income distributed to any person being an individual or a Hindu undivided family by a money	Additional tax of 10% will be chargeable on income distributed by an equity oriented fund to any

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			by a money market mutual fund or a liquid fund; (ia) thirty per cent on income distributed to any other person by a money market mutual fund or a liquid fund; (ii) twenty-five per cent on income distributed to any person being an individual or a Hindu undivided family by a fund other than a money market mutual fund or a liquid fund; and (iii) thirty per cent on income distributed to any other person by a fund other than a money market mutual fund or a liquid fund	market mutual fund or a liquid fund; (ii) thirty per cent. on income distributed to any other person by a money market mutual fund or a liquid fund; <b><u>(iii) ten per cent. on income distributed to any person by an equity oriented fund;</u></b> (iv) twenty-five per cent. on income distributed to any person being an individual or a Hindu undivided family by a fund other than a money market mutual fund or a liquid fund or an equity oriented fund; and (v) thirty per cent. on income distributed to any other person by a fund other than a money market mutual fund or a liquid fund or an equity oriented fund:";	person.
115T	01/04/2019 2018-19)	(FY <b>Unit Trust of India or Mutual Fund to be an assessee in default</b>	(b) "equity oriented fund" means— (i) the Unit Scheme, 1964 made by the Unit Trust of India; and (ii) such fund where the investible funds are invested by way of equity	(b) "equity oriented fund" means a fund referred to in clause (a) of the Explanation to section 112A and the Unit Scheme, 1964 made by the Unit Trust of India	Definition in lined with the provisions of section 112A

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			shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of such fund : Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures		
139A	01/04/2018	Permanent Account Number	-	(1)(v) not being an individual, which enters into a financial transaction of an amount aggregating to two lakh fifty thousand rupees or more in a financial year; or (vi) who is the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of the person referred to in clause (v) or any person competent to act on behalf of the person referred to in clause (v),	PAN is required for: (a) persons, other than individual, who executes any financial transactions exceeding Rs.2.50 Lakhs in a financial year. (b) Managing directors, director, person acting on behalf of (a) above, etc.
140	01/04/2018	Return by whom to be verified	-	(c)where in respect of a company, an application for corporate insolvency resolution process has	Amendment to provide that during the resolution process under the

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				<p>been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016, the return shall be verified by the insolvency professional appointed by such Adjudicating Authority.</p> <p>Explanation.—For the purposes of this clause the expressions “insolvency professional” and “Adjudicating Authority” shall have the respective meanings assigned to them in clause (18) of section 3 and clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016</p>	<p>Insolvency and Bankruptcy Code, 2016, the return shall be verified by an insolvency professional appointed by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016.</p>
<b>143(a)</b>		Assessment		<p>(1)(a) Provided also that no adjustment shall be made under sub-clause (vi) in relation to a return furnished for the assessment year commencing on or after the 1st day of April, 2018</p>	<p>No more adjustments allowed on or after the 1st Apr 2018 w.r.t. any arithmetical error in the return; or (an incorrect claim, if such incorrect claim is apparent from any information in the return; for calculating the total income or loss</p>

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143		<b>Assessment</b>		<p>(3A) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of making assessment of total income or loss of the assessee under sub-section (3) so as to impart greater efficiency, transparency and accountability by—</p> <p>(a) eliminating the interface between the Assessing Officer and the assessee in the course of proceedings to the extent technologically feasible;</p> <p>(b) optimising utilisation of the resources through economies of scale and functional specialisation;</p> <p>(c) introducing a team-based assessment with dynamic jurisdiction.</p> <p>(3B) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (3A), by notification in the Official Gazette, direct that any of the provisions of this Act relating to assessment of total income or loss shall not apply or shall apply with such exceptions, modifications and</p>	<p>This is welcome step to bring in more transparency and eliminating the interface between the Assessing officer and the assessee new scheme is to be introduced by Central Government for scrutiny assessments . (e-assessment)</p>

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				<p>adaptations as may be specified in the notification:            Provided that no direction shall be issued after the 31st day of March 2020.            (3C) Every notification issued under sub-section (3A) and sub-section (3B) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.</p>	
<b>145A</b>		Method of accounting in certain cases	Notwithstanding anything to the contrary contained in section 145, the valuation of purchase and sale of goods and inventory for the purposes of determining the income chargeable under the head "Profits and gains of business or profession" shall be— (a) in accordance with the method of accounting regularly employed by the assessee; and (b) further adjusted to include the amount of any tax, duty, cess or fee (by whatever name called) actually paid or incurred by	<p>For the purpose of determining the income chargeable under the head "Profits and gains of business or profession",—            (i) the valuation of inventory shall be made at lower of actual cost or net realisable value computed in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145;            (ii) the valuation of purchase and sale of goods or services and of inventory shall be adjusted to include the amount of any tax, duty, cess or fee (by whatever name called) actually paid or incurred by the assessee to bring the goods or services to the place</p>	For computing profits and gains of business or profession income computation and disclosure standards (ICDS) to be followed w.r.t. valuation of inventories, validation of purchases and sale of goods, inventory being securities, etc.

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			<p>the assessee to bring the goods to the place of its location and condition as on the date of valuation. Explanation.— For the purposes of this section, any tax, duty, cess or fee (by whatever name called) under any law for the time being in force, shall include all such payment notwithstanding any right arising as a consequence to such payment.</p>	<p>of its location and condition as on the date of valuation; (iii) the inventory being securities not listed on a recognised stock exchange, or listed but not quoted on a recognised stock exchange with regularity from time to time, shall be valued at actual cost initially recognised in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145; (iv) the inventory being securities other than those referred to in clause (iii), shall be valued at lower of actual cost or net realisable value in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145: Provided that the comparison of actual cost and net realisable value of securities shall be made category-wise. Explanation 1.—For the purposes of this section, any tax, duty, cess or fee (by whatever name called) under any law for the time being in</p>	<p>Interest received by an assessee on any compensation or enhanced compensation will be accounted as the income of the previous year In other cases based on reasonable certainty of its realisation</p>

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				<p>force, shall include all such payment notwithstanding any right arising as a consequence to such payment.</p> <p>Explanation 2.—For the purposes of this section, “recognised stock exchange” shall have the meaning assigned to it in clause (ii) of Explanation 1 to clause (5) of section 43.</p> <p>145B. (1) Notwithstanding anything to the contrary contained in section 145, the interest received by an assessee on any compensation or on enhanced compensation, as the case may be, shall be deemed to be the income of the previous year in which it is received.</p> <p>(2) Any claim for escalation of price in a contract or export incentives shall be deemed to be the income of the previous year in which reasonable certainty of its realisation is achieved.</p> <p>(3) The income referred to in sub-clause (xviii) of clause (24) of section 2 shall be deemed to be the income of the previous year in</p>	

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				which it is received, if not charged to income-tax in any earlier previous year.	
194A		Interest other than "Interest on securities"		(3)(i) Provided also that in case of payee being a senior citizen, the provisions of sub-clause (a), sub-clause (b), and sub-clause (c) shall have effect as if for the words "ten thousand rupees", the words "fifty thousand rupees" had been substituted. Explanation.—For the purposes of this clause, "senior citizen" means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year;'. 1A On and from the date of appointment of the Customs Authority for Advance Rulings referred to in the proviso to subsection (1), the Authority shall act as an Appellate Authority, for the purpose of Chapter V of the Customs Act, 1962: Provided that the Authority shall not admit any appeal against any ruling or order passed earlier by it in the capacity of the Authority for	It is welcome move for senior citizen as TDS will not be blocked
2450		Authority for Advance Ruling		1A On and from the date of appointment of the Customs Authority for Advance Rulings referred to in the proviso to subsection (1), the Authority shall act as an Appellate Authority, for the purpose of Chapter V of the Customs Act, 1962: Provided that the Authority shall not admit any appeal against any ruling or order passed earlier by it in the capacity of the Authority for	Separate Appellate Authority as Customs Authority for advance ruling will be appointed for related matters

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				Advance Rulings in relation to any matter under Chapter V of the Customs Act, 1962 after the date of such appointment of the Customs Authority for Advance Rulings.	
245Q		Application for Advance Ruling		In section 245Q of the Income-tax Act, in sub-section (1), the words, letter and figures “or under Chapter V of the Customs Act, 1962” shall be omitted with effect from the date of appointment of the Customs Authority for Advance Rulings under section 28EA of the Customs Act, 1962.	Now application for advance ruling relating to custom matter will be made to the Customs Authority for Advance Rulings
271FA		Penalty for failure to furnish statement of financial transaction or reportable account	Penalty for failure to furnish annual information return. If a person who is required to furnish an annual information return, as required under sub-section (1) of section 285BA, fails to furnish such return within the time prescribed under that sub-section, the income-tax authority prescribed under the said sub-section may direct that such person shall pay, by	In section 271FA of the Income-tax Act,— (a) for the words “one hundred rupees”, the words “five hundred rupees” shall be substituted; (b) for the words “five hundred rupees”, the words “one thousand rupees” shall be substituted.	Increase in the penalty amount in case of failure to furnish annual information return from Rs.100 to Rs.500 per day And if after notice return is not filed Rs. 500 to Rs.1,000

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			<p>way of penalty, a sum of one hundred rupees for every day during which the failure continues.</p> <p>It is further provided that where such person fails to furnish the return within the period specified in the notice under sub-section (5) of section 285BA, he shall pay, by way of penalty, a sum of five hundred rupees for every day during which the failure continues, beginning from the day immediately following the day on which the time specified in such notice for furnishing the return expires.</p>		
286		Furnishing of report in respect of international group	2 Every parent entity or the alternate reporting entity, resident in India, shall, for every reporting accounting year, in respect of the international group of which it is a constituent, furnish a report, to the	(a) in sub-section (2), for the words, brackets and figures "on or before the due date specified under sub-section (1) of section 139, for furnishing the return of income for the relevant accounting year", the words "within a period of twelve months from the end of the said	Time limit for submitting report in respect of international group has been extended to 12 months from the end of the accounting year

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			prescribed authority on or before the due date specified under sub-section (1) of section 139, for furnishing the return of income for the relevant accounting year, in the form and manner as may be prescribed.	reporting accounting year” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017;	
			(3) For the purposes of sub-section (2), the report in respect of an international group shall include,— (a) the aggregate information in respect of the amount of revenue, profit or loss before income-tax, amount of income-tax paid, amount of income-tax accrued, stated capital, accumulated earnings, number of employees and tangible assets not being cash or cash equivalents, with regard to each country or territory in which the group operates; (b) the details of each	(b) in sub-section (3), after the word, brackets and figure “sub-section (2)”, the words, brackets and figure “and sub-section (4)” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017;	Reporting in sub section 3 is specifically in case of constituent entity

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			constituent entity of the group including the country or territory in which such constituent entity is incorporated or organised or established and the country or territory where it is resident; (c) the nature and details of the main business activity or activities of each constituent entity; and (d) any other information as may be prescribed.		
286		Furnishing of report in respect of international group	(4) A constituent entity of an international group, resident in India, other than the entity referred to in sub-section (2), shall furnish the report referred to in the said sub-section, in respect of the international group for a reporting accounting year, if the parent entity is resident of a country or territory,— (a)	(4) A constituent entity of an international group, resident in India, other than the entity referred to in sub-section (2), shall furnish the report referred to in the said sub-section, in respect of the international group for a reporting accounting year within the period specified in that sub-section, if the parent entity is resident of a country or territory,— (a)  with which India does not have an	Changes are made in line with amendments

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			<p>with which India does not have an agreement providing for exchange of the report of the nature referred to in sub-section (2); or (b)</p> <p>there has been a systemic failure of the country or territory and the said failure has been intimated by the prescribed authority to such constituent entity:</p>	<p>agreement providing for exchange of the report of the nature referred to in sub-section (2); or (b)</p> <p>there has been a systemic failure of the country or territory and the said failure has been intimated by the prescribed authority to such constituent entity:</p>	
286		Furnishing of report in respect of international group		(4) (a) where the parent entity is not obligated to file the report of the nature referred to in sub-section (2);	Insertion of clause w.r.t. where parent entity is not obligated to file the report
286		Furnishing of report in respect of international group	9(b) "agreement" means an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A or any agreement as may be notified by the Central Government in this behalf;	9(b) "agreement" means a combination of all of the following agreements, namely:— (i) an agreement entered into under sub-section (1) of section 90 or sub-section (1) of section 90A; and (ii) an agreement for exchange of the report referred to in sub-	

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				sections (2) and (4) and notified by the Central Government;'	

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