



INCOME TAX

BUDGET ANALYSIS 2017-18



Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
<p>Proviso to Section 2(42A)</p>	<p>1st day of April, 2018;</p>	<p>Definition of Short-term capital asset</p>	<p>“short-term capital asset” means a capital asset held by an assessee for not more than thirty-six months immediately preceding the date of its transfer : Provided that in the case of a security (other than a unit) listed in a recognized stock exchange in India] or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963) or a unit of an equity oriented fund or a zero coupon bond, the provisions of this clause shall have effect as if for the words "thirty-six months", the words "twelve months" had been substituted: Provided also that in the case of a share of a company (not being a share listed in a recognised stock exchange in India), the provisions of this clause shall have effect as if for the words "thirty-six months", the words "twenty-four months" had been substituted.</p>	<p>In the third proviso as inserted by section 3 of the Finance Act, 2016, after the words and brackets “a company (not being a share listed in a recognised stock exchange in India)”, the words “or an immovable property, being land or building or both,” shall be inserted with effect from the 1st day of April, 2018;</p>	<p>With a view to promote the real-estate sector and to make it more attractive for investment, it is proposed to amend section 2(42A) of the Act so as to reduce the period of holding from the existing 36 months to 24 months in case of immovable property, being land or building or both, to qualify as long term capital asset so that concessional rate of tax and indexation benefit for taxation of capital gains arising from transfer of long-term capital asset will be provided.</p>

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Section 2(42A)	1st day of April, 2018	Explanation to definition of Short-term capital asset	New provision	(hf) in the case of a capital asset, being equity shares in a company, which becomes the property of the assessee in consideration of a transfer referred to in clause (xb) of section 47, there shall be included the period for which the preference shares were held by the assessee;”;	To include equity shares to provide exemption on account of capital gain arising on conversion/ transfer of preference shares to equity shares.
Explanation to Section 2(42A)	1st day of April, 2018	Explanation to definition of Short-term capital asset	New provision	(hg) in the case of a capital asset, being a unit or units, which becomes the property of the assessee in consideration of a transfer referred to in clause (xix) of section 47, there shall be included the period for which the unit or units in the consolidating plan of a mutual fund scheme were held by the assessee;”.	Period of holding of the units of consolidated plan of mutual fund scheme shall include the period for which the units in consolidating plan of mutual fund scheme were held by the assessee.
Sec 9(1)(i) Explanation 5A	1st April 2012 (AY 2012-13)	Income Deemed to accrue or arise in India	-	For the removal of doubts, it is hereby clarified that nothing contained in Explanation 5 shall apply to an asset or capital asset mentioned therein, which is held by a nonresident by way of investment, directly or indirectly, in a Foreign Institutional Investor as referred to in clause (a) of the Explanation to section 115AD and registered as Category-I or Category-II foreign portfolio investor under the	Finance Act 2012 inserted Explanation 5 to clarify that an asset or capital asset, being any share or interest in a company or entity registered or incorporated outside India shall be deemed to be situated in India, if the share or interest derives, directly or indirectly, its value substantially from the

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				Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992.”.	assets located in India. Further, clarificatory Circular 41/2016 dated 21 st December, 2016 was issued which resulted in multiple taxation. Hence, Explanation 5A has been inserted to clarify to exclude assets held by Non resident.
Proviso to Section 9A	1st day of April, 2016	Certain activities not to constitute business connection in India	New provision	Provided further that nothing contained in this clause shall apply to a fund which has been wound up in the previous year;	In order to rationalise the regime, it is proposed to remove the condition that “the monthly average of the corpus of the fund shall not be less than one hundred crore rupees”, for the fund which is wound up in previous year with retrospective effect.
Section 10(4)(ii)	1st day of April, 2013	Incomes not included in total income	Provided that such individual is a person resident outside India as defined in clause (q) of section 2 of the said Act or is a person who has been permitted by the Reserve Bank of India to maintain the aforesaid Account	Provided that such individual is a person resident outside India as defined in clause (w) of section 2 of the said Act or is a person who has been permitted by the Reserve Bank of India to maintain the aforesaid Account	Section 2(q) of Foreign Exchange Management Act defines “Indian currency” and Section 2(w) defines “person resident outside India”. Provisions of Section 10(4)(ii) of Income Tax Act relates to person resident outside India. Hence, reference of section corrected with retrospective effect.

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Section 10 (12B)	1 st day of April, 2018	Incomes not included in total income	New Provision	(12B) Any payment from the National Pension System Trust to an employee under the pension scheme referred to in section 80CCD, on partial withdrawal made out of his account in accordance with the terms and conditions, specified under the Pension Fund Regulatory and Development Authority Act, 2013 and the regulations made thereunder, to the extent it does not exceed twenty five per cent. Of the amount of contributions made by him.	Exemption is provided for partial withdrawal from scheme referred to in Section 80CCD from National Pension System Trust not exceeding 25% of the contribution made by an employee.
10(23C)(iiiiaaaa)	1 st day of April, 1998	Incomes not included in total income	New provision	“(iiiiaaaa) the Chief Minister’s Relief Fund or the Lieutenant Governor’s Relief Fund in respect of any State or Union territory as referred to in sub-clause (iiihf) of clause (a) of sub-section (2) of section 80G.”	Exemption is provided to the Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund.
Section 10(23C)	1 st day of April, 2018	Incomes not included in total income	New Provision	Provided also that any amount credited or paid out of income of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), to any trust or institution registered under section 12AA, being voluntary contribution made with a specific	Voluntary contribution made with specific direction shall form part of the corpus of the trust or institution and shall not be treated as application of income.

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				direction that they shall form part of the corpus of the trust or institution, shall not be treated as application of income to the objects for which such fund or trust or institution or university or educational institution or hospital or other medical institution, as the case may be, is established.”;	
10(37A)	1 st day of April, 2015	Incomes not included in total income	New Provision	(37A) Any income chargeable under the head “Capital gains” in respect of transfer of a specified capital asset arising to an assessee, being an individual or a Hindu undivided family, who was the owner of such specified capital asset as on the 2nd day of June, 2014 and transfers that specified capital asset under the Land Pooling Scheme (herein referred to as “the scheme”) covered under the Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 made under the provisions of the Andhra Pradesh Capital Region Development Authority Act, 2014 and the rules, regulations and Schemes made under the said Act.	Tax incentive is given for the development of capital of Andhra Pradesh by providing relief to an individual or Hindu undivided family who was the owner of such land as on 2nd June, 2014, and has transferred such land under the land pooling scheme.
				Explanation.—For the purposes of this clause, “specified capital asset” means,— (a) the land or building or	

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				both owned by the assessee as on the 2nd day of June, 2014 and which has been transferred under the scheme; or (b) the land pooling ownership certificate issued under the scheme to the assessee in respect of land or building or both referred to in clause (a); or (c) the reconstituted plot or land, as the case may be, received by the assessee in lieu of land or building or both referred to in clause (a) in accordance with the scheme, if such plot or land, as the case may be, so received is transferred within two years from the end of the financial year in which the possession of such plot or land was handed over to him;	
10(38)	1st day of April, 2018	Incomes not included in total income	New Provision	Provided also that nothing contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not	To prevent misuse of exemption by certain persons for declaring their unaccounted income under section 10(38) as exempt long-term capital gains, the proviso is inserted to give exemption under aforesaid section for income arising on transfer of equity share acquired or on after 1st day of October, 2004 shall be available only if the

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				chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004	acquisition of share is chargeable to Securities Transactions Tax.
Section 10(48B)	1st day of April, 2018	Incomes not included in total income	New Provision	(48B) any income accruing or arising to a foreign company on account of sale of leftover stock of crude oil, if any, from the facility in India after the expiry of the agreement or the arrangement referred to in clause (48A) subject to such conditions as may be notified by the Central Government in this behalf	At present, benefit of exemption is not available to foreign company on sale out of the leftover stock of crude after the expiry of said agreement or the arrangement. Hence, to provide exemption on any income accruing or arising to a foreign company for the aforesaid transaction, clause 48B to Section 10 is inserted.
Explanation to Sec 10AA (1)	1st April 2018	Exemption to SEZ unit		“Explanation.—For the removal of doubts, it is hereby declared that the amount of deduction under this section shall be allowed from the total income of the assessee computed in accordance with the provisions of this Act, before giving effect to the provisions of this section and the deduction under this section shall not exceed such total income of the assessee.”.	
Explanation 2 to Sec 11(1)	1st April 2018	Exemption on Income from property held for charitable		“Explanation 2.—Any amount credited or paid, out of income referred to in clause (a) or clause (b) read with Explanation 1, to any other trust or institution registered	

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		or religious purposes.		under section 12AA, being contribution with a specific direction that they shall form part of the corpus of the trust or institution, shall not be treated as application of income for charitable or religious purposes.”	
Sec 12A(1)(ab)	1 st April 2018	Conditions for applicability of sections 11 and 12.		“(ab) the person in receipt of the income has made an application for registration of the trust or institution, in a case where a trust or an institution has been granted registration under section 12AA or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996], and, subsequently, it has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, in the prescribed form and manner, within a period of thirty days from the date of said adoption or modification, to the Principal Commissioner or Commissioner and such trust or institution is registered under section 12AA;”;	Clarificatory provision to amend registration in case there are changes in the objects for which the registration has been obtained
Section 13A (b)	1 st day of April, 2018	Special provision relating to	(b) in respect of each such voluntary contribution in excess of twenty thousand	(b) in respect of each such voluntary contribution other than contribution by way of electoral	Words “other than contribution by way of electoral bond” are inserted

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		incomes of political parties	rupees, such political party keeps and maintains a record of such contribution and the name and address of the person who has made such contribution; and	bond in excess of twenty thousand rupees, such political party keeps and maintains a record of such contribution and the name and address of the person who has made such contribution;	after “such voluntary contribution”, so as to bifurcate voluntary contribution vis-à-vis contribution other than by way of electoral bond.
Section 13A (d)	1st day of April, 2018	Special provision relating to incomes of political parties	New Provision	(d) no donation exceeding two thousand rupees is received by such political party otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account or through electoral bond. Explanation. —For the purposes of this proviso, “electoral bond” means a bond referred to in the Explanation to sub-section (3) of section 31 of the Reserve Bank of India Act, 1934.;	In order to discourage the cash transactions and to bring transparency in the source of funding to political parties, it is proposed that donations of Rs. 2,000/- or more to be received by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account or through electoral bonds.
2nd proviso to Section 13A	1st day of April, 2018	Special provision relating to incomes of political parties	New Provision	“Provided also that such political party furnishes a return of income for the previous year in accordance with the provisions of sub-section (4B) of section 139 on or before the due date under that section.”	Political party is required to file its return of income under section 139(4B) of the Act, if its income exceeds the maximum amount not chargeable to tax (without considering the exemption under section 13A).

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Sec 23(5)	1 st April 2018	Annual Value for House Property	--	“(5) Where the property consisting of any building or land appurtenant thereto is held as stock-intrade and the property or any part of the property is not let during the whole or any part of the previous year, the annual value of such property or part of the property, for the period up to one year from the end of the financial year in which the certificate of completion of construction of the property is obtained from the competent authority, shall be taken to be nil.”.	Notional Income to be considered only after one year from the completion certificate to enable real estate developers to liquidate their inventory.
Section 35AD(8)(f)	1 st April 2018	Deduction in respect of expenditure on specified business	Any expenditure of capital nature shall not include any expenditure incurred on the acquisition of land or goodwill or financial instrument	In clause (f), after the words “shall not include”, the words “any expenditure in respect of which the payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand Rupees	In order to promote cashless economy, this provision is made.
36(1)(vii)(a)	1 st April 2018	Other deductions	A scheduled bank [not being a bank incorporated by or under the laws of a country outside India] or a non-scheduled bank or a co-operative bank other than a primary agricultural	For the words “seven and one-half per cent”, the words “ eight and one-half per cent ” shall be substituted.	In order to strengthen the financial position of the specified entities in the section 36, increase of 1% in deduction limit in respect of provision for bad and doubtful debts.

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			credit society or a primary co-operative agricultural and rural development bank, an amount not exceeding seven and one-half per cent of the total income (computed before making any deduction under this clause and Chapter VIA) and an amount not exceeding ten per cent of the aggregate average advances made by the rural branches of such bank computed in the prescribed manner		
Proviso to Section (2a)	1 st April 2016	Expenses or payments not deductible in certain circumstances	New provision	In sub-section (2), in clause (a), in the proviso, after the words "Provided that", the words, figures and letters " for an assessment year commencing on or before the 1st day of April, 2016 " shall be inserted;	Period mentioned
40A(3)	1 st April 2018	Expenses or payments not deductible in certain circumstances	Where the assessee incurs any expenditure in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, exceeds	Where the assessee incurs any expenditure in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, exceeds ten thousand rupees , no deduction	Measures are taken to discourage cash transactions

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			twenty thousand rupees , no deduction shall be allowed in respect of such expenditure.	shall be allowed in respect of such expenditure.	
40A(3A)	1 st April 2018	Expenses or payments not deductible in certain circumstances	Where an allowance has been made in the assessment for any year in respect of any liability incurred by the assessee for any expenditure and subsequently during any previous year (hereinafter referred to as subsequent year) the assessee makes payment in respect thereof, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, the payment so made shall be deemed to be the profits and gains of business or profession and accordingly chargeable to income-tax as income of the subsequent year if the payment or aggregate of payments made to a person in a day, exceeds twenty thousand rupees	Where an allowance has been made in the assessment for any year in respect of any liability incurred by the assessee for any expenditure and subsequently during any previous year (hereinafter referred to as subsequent year) the assessee makes payment in respect thereof, otherwise than by an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account , the payment so made shall be deemed to be the profits and gains of business or profession and accordingly chargeable to income-tax as income of the subsequent year if the payment or aggregate of payments made to a person in a day, exceeds ten thousand rupees	Measures are taken to discourage cash transactions

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First proviso to Section 40A(3A)	1 st April 2018	Expenses or payments not deductible in certain circumstances	Provided that no disallowance shall be made and no payment shall be deemed to be the profits and gains of business or profession under sub-section (3) and this sub-section where a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, exceeds twenty thousand rupees, in such cases and under such circumstances as may be prescribed, having regard to the nature and extent of banking facilities available, considerations of business expediency and other relevant factors	Provided that no disallowance shall be made and no payment shall be deemed to be the profits and gains of business or profession under sub-section (3) and this sub-section where a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees , in such cases and under such circumstances as may be prescribed, having regard to the nature and extent of banking facilities available, considerations of business expediency and other relevant factors	Measures are taken to discourage cash transactions
Second proviso to Section 40A(3A)	1 st April 2018	Expenses or payments not deductible in certain circumstances	Provided further that in the case of payment made for plying, hiring or leasing goods carriages, the provisions of sub-sections (3) and (3A) shall have effect as if for the words	Provided further that in the case of payment made for plying, hiring or leasing goods carriages, the provisions of sub-sections (3) and (3A) shall have effect as if for the words "ten thousand rupees", the	Measures are taken to discourage cash transactions

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			"twenty thousand rupees", the words "thirty-five thousand rupees" had been substituted.	words "thirty-five thousand rupees" had been substituted.	
Second proviso to Section 40A(4)	1 st April 2018	Expenses or payments not deductible in certain circumstances	Notwithstanding anything contained in any other law for the time being in force or in any contract, where any payment in respect of any expenditure has to be made by an account payee cheque drawn on a bank or account payee bank draft in order that such expenditure may not be disallowed as a deduction under sub-section (3), then the payment may be made by such cheque or draft; and where the payment is so made or tendered, no person shall be allowed to raise, in any suit or other proceeding, a plea based on the ground that the payment was not made or tendered in cash or in any other manner.	Notwithstanding anything contained in any other law for the time being in force or in any contract, where any payment in respect of any expenditure has to be made by an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account in order that such expenditure may not be disallowed as a deduction under sub-section (3), then the payment may be made by such cheque or draft; or electronic clearing system and where the payment is so made or tendered, no person shall be allowed to raise, in any suit or other proceeding, a plea based on the ground that the payment was not made or tendered in cash or in any other manner.	Measures are taken to discourage cash transactions
Section 43D(a)	1 st April 2018	Special provision in case of income of public	a. In the case of a public financial institution or a scheduled bank or a State financial corporation or a	a. In the case of a public financial institution or a scheduled bank or a co-operative bank other than a primary agricultural credit society	The scope has been extended to co-operative banks

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		financial institutions, public companies, etc.	<p>State industrial investment corporation, the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed having regard to the guidelines issued by the Reserve Bank of India in relation to such debts</p> <p>b. In the case of a public company, the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed having regard to the guidelines issued by the National Housing Bank in relation to such debts</p> <p>shall be chargeable to tax in the previous year in which it is credited by</p>	<p>or a primary co-operative agricultural and rural development bank or a State financial corporation or a State industrial investment corporation, the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed having regard to the guidelines issued by the Reserve Bank of India in relation to such debts</p> <p>b. In the case of a public company, the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed having regard to the guidelines issued by the National Housing Bank in relation to such debts</p>	
			<p>the public financial institution or the scheduled bank or the State financial corporation or the State industrial investment corporation or the public company to its profit and loss account for that year or, as the case may be, in</p>	<p>shall be chargeable to tax in the previous year in which it is credited by the public financial institution or the scheduled bank or a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank or the State financial</p>	

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			which it is actually received by that institution or bank or corporation or company, whichever is earlier.	corporation or the State industrial investment corporation or the public company to its profit and loss account for that year or, as the case may be, in which it is actually received by that institution or bank or corporation or company, whichever is earlier.	
Explanation after Section 43D(f)	1 st April 2018	Special provision in case of income of public financial institutions, public companies, etc.	New Provision	(g) "co-operative bank", "primary agricultural credit society" and "primary co-operative agricultural and rural development bank" shall have the meanings respectively assigned to them in the <i>Explanation</i> to sub-section (4) of section 80P.	The scope has been extended to co-operative banks
Proviso to Section 44AD(1)	1 st April 2018	Special provision for computing profits and gains of business on presumptive basis.	New Provision	Provided that this sub-section shall have effect as if for the words "eight per cent.", the words " six per cent " had been substituted, in respect of the amount of total turnover or gross receipts which is received by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account during the previous year or before the due date specified in subsection (1) of section 139 in respect of that previous year.'	Measures are taken for promoting digital payments in case of small unorganized businesses

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Section 47(viiaa)	1 st April 2018	Transactions not regarded as transfer	New Provision	Any transfer, made outside India, of a capital asset being rupee denominated bond of an Indian company issued outside India, by a non-resident to another non-resident;”	Extension of capital gain exemption is given to Rupee Denominated Bonds.
Section 47(xb)	1 st April 2018	Transactions not regarded as transfer	New Provision	Any transfer by way of conversion of preference shares of a company into equity shares of that company	Tax neutrality is provided so that such conversion of preference shares into equity shares is not regarded as transfer for the purpose of levy of capital gains tax.
Fifth proviso to section 48	1 st April 2018	Mode of computation of capital gains tax	Provided also that in case of an assessee being a non-resident, any gains arising on account of appreciation of rupee against a foreign currency at the time of redemption of rupee denominated bond of an Indian company subscribed by him, shall be ignored for the purposes of computation of full value of consideration under this section	Provided also that in case of an assessee being a non-resident, any gains arising on account of appreciation of rupee against a foreign currency at the time of redemption of rupee denominated bond of an Indian company held by him, shall be ignored for the purposes of computation of full value of consideration under this section	Extension of exemption to holders of rupee denominated bond of an Indian company
Section 49(2AE)	1 st April 2018	Cost with reference to certain modes of acquisition of capital asset	New Provision	Where the capital asset, being equity share of a company, became the property of the assessee in consideration of a transfer referred to in clause (xb) of section 47, the	Amended as per changes in Section 47

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				cost of acquisition of the asset shall be deemed to be that part of the cost of the preference share in relation to which such asset is acquired by the assessee.”	
Section 49(2AE)	1st April 2018	Cost with reference to certain modes of acquisition of capital asset	New Provision	Where the capital asset, being a unit or units in a consolidated plan of a mutual fund scheme, became the property of the assessee in consideration of a transfer referred to in clause (xix) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the unit or units in the consolidating plan of the scheme of the mutual fund.	Amended as per changes in Section 47
Section 49(6)	1st April 2018	Cost with reference to certain modes of acquisition of capital asset	New Provision	Where the capital gain arises from the transfer of a specified capital asset referred to in clause (c) of the <i>Explanation</i> to clause (37A) of section 10, which has been transferred after the expiry of two years from the end of the financial year in which the possession of such asset was handed over to the assessee, the cost of acquisition of such specified capital asset shall be deemed to be its stamp duty value as on the last day of the second financial year after the end of the financial year in	

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				which the possession of the said specified capital asset was handed over to the assessee.	
				Explanation.—For the purposes of this sub-section, “stamp duty value” means the value adopted or assessed or assessable by any authority of the State Government for the purpose of payment of stamp duty in respect of an immovable property.	
Section 49(7)	1st April 2018	Cost with reference to certain modes of acquisition of capital asset	New Provision	Where the capital gain arises from the transfer of a capital asset, being share in the project, in the form of land or building or both, referred to in sub-section (5A) of section 45, not being the capital asset referred to in the proviso to the said sub-section, the cost of acquisition of such asset, shall be the amount which is deemed as full value of consideration in that sub-section.	
Section 49(8)	1st June 2016	Cost with reference to certain modes of acquisition of capital asset	New Provision	Where the capital gain arises from the transfer of an asset, being the asset held by a trust or an institution in respect of which accreted income has been computed and the tax has been paid thereon in accordance with the	

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				provisions of Chapter XII-EB, the cost of acquisition of such asset shall be deemed to be the fair market value of the asset which has been taken into account for computation of accreted income as on the specified date referred to in sub-section (2) of section 115TD."	
50CA	1 st April 2018	Special provision for full value of consideration for transfer of share other than quoted share.		Where the consideration received or accruing as a result of the transfer by an assessee of a capital asset, being share of a company other than a quoted share, is less than the fair market value of such share determined in such manner as may be prescribed, the value so determined shall, for the purposes of section 48, be deemed to be the full value of consideration received or accruing as a result of such transfer.	Insertion of new section 50CA as a special provision for full value of consideration for transfer of share other than quoted share
54EC(3)(ba)	1st April 2018	Capital gains not to be charged on investment in certain bonds	long-term specified asset" for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3	long-term specified asset" for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by	The above section has been amended to widen the scope of the section for bonds eligible for deduction under section 54EC.

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			of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited , a company formed and registered under the Companies Act, 1956.	the Rural Electrification Corporation Limited , a company formed and registered under the Companies Act, 1956, or any other bond notified by the Central Government in this behalf	
55(1)(b)(2)(i)	1 st April 2018		where the capital asset became the property of the previous owner or the assessee before the 1st day of April, 2001 , means all expenditure of a capital nature incurred in making any additions or alterations to the capital asset on or after the said date by the previous owner or the assessee, and	where the capital asset became the property of the previous owner or the assessee before the 1st day of April, 1981 , means all expenditure of a capital nature incurred in making any additions or alterations to the capital asset on or after the said date by the previous owner or the assessee, and	
55(b)(2)	1 st April 2018	Meaning of “adjusted”, “cost of improvement”, “cost of acquisition”	(i) where the capital asset became the property of the assessee before the 1st day of April, 2001 , means the cost of acquisition of the asset to the assessee or the	(i) where the capital asset became the property of the assessee before the 1st day of April, 1981 , means the cost of acquisition of the asset to the assessee or the fair market value of the asset on the 1st day of	The section has been amended to help overcome the genuine difficulties faced by the assessee in computing the capital gains

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
			<p>fair market value of the asset on the 1st day of April, 2001, at the option of the assessee</p> <p>(ii) where the capital asset became the property of the assessee by any of the modes specified in sub-section (1) of section 49, and the capital asset became the property of the previous owner before the 1st day of April, 2001, means the cost of the capital asset to the previous owner or the fair market value of the asset on the 1st day of April, 2001, at the option of the assessee</p>	<p>April, 1981, at the option of the assessee</p> <p>(ii) where the capital asset became the property of the assessee by any of the modes specified in sub-section (1) of section 49, and the capital asset became the property of the previous owner before the 1st day of April, 1981, means the cost of the capital asset to the previous owner or the fair market value of the asset on the 1st day of April, 1981, at the option of the assessee</p>	by shifting of the base year from 1981 to 2001.
56(2)(vii)	1 st April 2017	Income from other Sources	where an individual or a Hindu undivided family receives, in any previous year, from any person or persons on or after the 1st day of April, 2017	where an individual or a Hindu undivided family receives, in any previous year, from any person or persons on or after the 1st day of October, 2009	
56(2)(viii)	1 st April 2017	Income from other Sources	where a firm or a company not being a company in which the public are substantially interested, receives, in any previous year, from any person or persons, on or after the 1st	where a firm or a company not being a company in which the public are substantially interested, receives, in any previous year, from any person or persons, on or after the 1st day of June, 2010 , any property, being shares of a	

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
			day of April, 2017, any property, being shares of a company not being a company in which the public are substantially interested	company not being a company in which the public are substantially interested	
56(2)(x)	1 st April 2017	Income from other Sources		where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017,— (a) any sum of money, without consideration, the aggregate value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum; (b) any immovable property,— (A) without consideration, the stamp duty value of which exceeds fifty thousand rupees, the stamp duty value of such property; (B) 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:	New clause has been inserted

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				<p>Provided that where the date of agreement fixing the amount of consideration for the transfer of immovable property and the date of registration are not the same, the stamp duty value on the date of agreement may be taken for the purposes of this sub-clause:</p> <p>Provided further that the provisions of the first proviso shall apply only in a case where the amount of consideration referred to therein, or a part thereof, has been paid by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account, on or before the date of agreement for transfer of such immovable property:</p>	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				<p>Provided also that where the stamp duty value of immovable property is disputed by the assessee on grounds mentioned in sub-section (2) of section 50C, the Assessing Officer may refer the valuation of such property to a Valuation Officer, and the provisions of section 50C and sub-section (15) of section 155 shall, as far as may be, apply in relation to the stamp duty value of such property for the purpose of this sub-clause as they apply for valuation of capital asset under those sections</p> <p>(c) any property, other than immovable property,—</p> <p>(A) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;</p> <p>(B) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration:</p>	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				Provided that this clause shall not apply to any sum of money or any property received— (I) from any relative; or (II) on the occasion of the marriage of the individual; or (III) under a will or by way of inheritance; or (IV) in contemplation of death of the payer or donor, as the case may be; or (V) from any local authority as defined in the <i>Explanation</i> to clause (20) of section 10; or (VI) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or	
				(VII) from or by any trust or institution registered under section 12AA; or (VIII) by any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v)	

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				<p>or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or (IX) by way of transaction not regarded as transfer under clause (i) or clause (vi) or clause (via) or clause (viaa) or clause (vib) or clause (vic) or clause (vica) or clause (vicb) or clause (vid) or clause (vii) of section 47.</p> <p><i>Explanation.</i>— For the purposes of this clause, the expressions “assessable”, “fair market value”, “jewellery”, “property”, “relative” and “stamp duty value” shall have the same meanings respectively assigned to them in the <i>Explanation</i> to clause (vii).’.</p>	
Section 71(3A)	1 st April 2018	Set off of loss from one head against income from another.	New Provision	Notwithstanding anything contained in sub-section (1) or sub-section (2), where in respect of any assessment year, the net result of the computation under the head “Income from house property” is a loss and the assessee has income assessable under any other head of income, the assessee shall not be entitled to set off such loss, to the extent the amount of the loss exceeds two lakh rupees, against income under the other head.’	This amendment is to provide that set-off of loss under the head "Income from house property" against any other head of income shall be restricted to two lakh rupees for any assessment year. However, the unabsorbed loss shall be allowed to be carried forward for set-off in subsequent years in accordance with the

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
Section 79	1 st April 2018	Carry forward and set off of losses in the case of certain companies	Substitution of new section for section 79.	Notwithstanding anything contained in this Chapter, where a change in shareholding has taken place in a previous year,— (a) in the case of a company not being a company in which the public are substantially interested and other than a company referred to in clause (b), no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per cent. of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent. of the voting power on the last day of the year or years in which the loss was incurred;	existing provisions of the Act. In order to facilitate ease of doing business and to promote start up India, it is proposed to amend section 79 of the Act to provide that where a change in shareholding has taken place in a previous year in the case of a company, not being a company in which the public are substantially interested and being an eligible start-up as referred to in section 80 -IAC of this Act, loss shall be carried forward and set off against the income of the previous year, if all the shareholders of such company which held shares carrying voting power on the last day of the year or years in which the loss was incurred, being the loss incurred during the period of seven years beginning from the year in which such company is incorporated, continue to hold those shares on the

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
					last day of such previous year.
				<p>(b) in the case of a company, not being a company in which the public are substantially interested but being an eligible start-up as referred to in section 80-IAC, the loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, if, all the shareholders of such company who held shares carrying voting power on the last day of the year or years in which the loss was incurred,—</p> <p>(i) continue to hold those shares on the last day of such previous year; and</p> <p>(ii) such loss has been incurred during the period of seven years beginning from the year in which such company is incorporated:</p>	
				Provided that nothing contained in this section shall apply to a case where a change in the said voting power and shareholding takes place in a previous year consequent upon the death of a shareholder or on account of transfer of shares by way of gift to	

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				any relative of the shareholder making such gift: Provided further that nothing contained in this section shall apply to any change in the shareholding of an Indian company which is a subsidiary of a foreign company as a result of amalgamation or demerger of a foreign company subject to the condition that fifty-one per cent shareholders of the amalgamating or demerged foreign company continue to be the shareholders of the amalgamated or the resulting foreign company.”.	
Section 80CCD(1)(b)	1 st April 2018	Deduction in respect of contribution to pension scheme of Central Government	In any other case, ten per cent of his gross total income in the previous year.	In any other case, twenty per cent of his gross total income in the previous year.	In order to provide parity between an individual who is an employee and an individual who is self-employed, this section is amended so as to increase the upper limit of ten per cent of gross total income to twenty per cent in case of individual other than employee.
Section 80CCG(5)	1 st April 2018	Deduction in respect of investment made under an	New Provision	Notwithstanding anything contained in sub-sections (1) to (4), no deduction under this section shall be allowed in respect of any	Considering the fact that limited number of individuals availed this deduction and also to rationalize the multiplicity

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
		equity savings scheme		assessment year commencing on or after the 1st day of April, 2018: Provided that an assessee, who has acquired listed equity shares or listed units of an equity oriented fund in accordance with the scheme referred to in sub-section (1) and claimed deduction under this section for any assessment year commencing on or before the 1st day of April, 2017, shall be allowed deduction under this section till the AY commencing on the 1st day of April, 2019, if he is otherwise eligible to claim the deduction in accordance with the other provisions of this section.”.	of deductions available under Chapter VI-A of the Act, it is proposed to phase out this deduction by providing that no deduction under section 80CCG shall be allowed from assessment year 2018-19. However, an assessee who has claimed deduction under this section for assessment year 2017-18 and earlier assessment years shall be allowed deduction under this section till the assessment year 2019-20 if he is otherwise eligible to claim the deduction as per the provisions of this section.
Section 80G(5D)	1 st April 2018	Deduction in respect of donations to certain funds, charitable institutions, etc.	No deduction shall be allowed under this section in respect of donation of any sum exceeding ten thousand rupees unless such sum is paid by any mode other than cash.	No deduction shall be allowed under this section in respect of donation of any sum exceeding two thousand rupees unless such sum is paid by any mode other than cash.	In order to provide cash less economy and transparency, section is amended so as to provide that no deduction allowed in respect of donation of any sum exceeding two thousand rupees unless such sum is paid by any mode other than cash.
Section 80-IAC (2)	1 st day of April, 2018	Extending the period for	The deduction specified in sub-section (1) may, at the	The deduction specified in sub-section (1) may, at the option of the	Period of 5 years is extended to 7 years

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
		claiming deduction by start-ups	option of the assessee, be claimed by him for any three consecutive assessment years out of five years beginning from the year in which the eligible start-up is incorporated.	assessee, be claimed by him for any three consecutive assessment years out of Seven years beginning from the year in which the eligible start-up is incorporated.	
Section 80-IBA (2)(b)	1st day of April, 2018	Deductions in respect of profits and gains from housing projects.	(b) the project is completed within a period of three years from the date of approval by the competent authority	(b) the project is completed within a period of five years from the date of approval by the competent authority	Period of 3 years is extended to 5 years
Section 80-IBA (2)(c)	1st day of April, 2018	Deductions in respect of profits and gains from housing projects.	(c) the built-up area of the shops and other commercial establishments included in the housing project does not exceed three per cent of the aggregate built-up area	(c) the carpet area of the shops and other commercial establishments included in the housing project does not exceed three per cent of the aggregate built-up area	Words "Built up area" is substituted by "Carpet area"
Section 80-IBA (2)(c)	1st day of April, 2018	Deductions in respect of profits and gains from housing projects.	(a) built-up area" means the inner measurements of the residential unit at the floor level, including projections and balconies, as increased by the thickness of the walls, but does not include the common areas shared with other residential units, including any open terrace so shared;	(a) "carpet area" shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016.'	Built-up area is replaced with carpet area

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
Section 87A	1 st day of April, 2018	Rebate of income-tax in case of certain individuals.	An assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees, 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 hundred per cent of such income-tax or an amount of five thousand rupees, whichever is less	An assessee, being an individual resident in India, whose total income does not exceed three hundred fifty thousand rupees, 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 hundred per cent of such income-tax or an amount of two thousand five rupees, whichever is less	This provision is revised to bring rebate in line with the decrease in slab rate of income. i.e. from 10% to 5% for the income from Rs. 250,000 to Rs. 500,000. Rebate shall be available to only resident individuals whose total income does not exceed Rs. 3,50,000.
Section 90	1 st day of April, 2018	Agreement with foreign countries or specified territories	New Provision	“Explanation 4.—For the removal of doubts, it is hereby declared that where any term used in an agreement entered into under sub-section (1) is defined under the said agreement, the said term shall have the same meaning as assigned to it in the agreement; and where the term is not defined in the said agreement, but defined in the Act, it shall have the same meaning as assigned to it in the Act and any	To define Term for the agreements entered into with reference to Section 90(1), term shall be 1. if defined under the agreement – as per agreement 2. If not defined under agreement but defined under the Act – as per meaning assigned in the Act

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				explanation given to it by the Central Government.”.	
Section 90A	1st day of April, 2018	Adoption by Central Government of agreement between specified associations for double taxation relief	New Provision	“Explanation 4.—For the removal of doubts, it is hereby declared that where any term used in an agreement entered into under sub-section (1) is defined under the said agreement, the said term shall have the same meaning as assigned to it in the agreement; and where the term is not defined in the said agreement, but defined in the Act, it shall have the same meaning as assigned to it in the Act and any explanation given to it by the Central Government.”	To define Term for the agreements entered into with reference to Section 90(1), term shall be 3. if defined under the agreement – as per agreement If not defined under agreement but defined under the Act – as per meaning assigned in the Act
Section 92BA	1st day of April, 2018	Meaning of specified domestic transaction.	Omission of provision	(i) any expenditure in respect of which payment has been made or is to be made to a person referred to in clause (b) of sub-section (2) of section 40A;	Omitted
Section 92CE	1st day of April, 2018	New Provision	New Provision	(1) Where a primary adjustment to transfer price,— (i) has been made suo motu by the assessee in his return of income; (ii) made by the Assessing Officer has been accepted by the assessee; (iii) is determined by an advance pricing agreement entered into by the assessee under section 92CC; (iv) is made as per the safe harbour rules framed under	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				section 92CB; or (v) is arising as a result of resolution of an assessment by way of the mutual agreement procedure under an agreement entered into under section 90 or section 90A for avoidance of double taxation, the assessee shall make a secondary adjustment	
				Provided that nothing contained in this section shall apply, if,— (i) the amount of primary adjustment made in any previous year does not exceed one crore rupees; and (ii) the primary adjustment is made in respect of an assessment year commencing on or before the 1st day of April, 2016 (2) Where, as a result of primary adjustment to the transfer price, there is an increase in the total income or reduction in the loss, as the case may be, of the assessee, the excess money which is available with its associated enterprise, if not repatriated to India within the time as may be prescribed,	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				shall be deemed to be an advance made by the assessee to such associated enterprise and the interest on such advance, shall be computed in such manner as may be prescribed.	
				(3) For the purposes of this section,— (i) “associated enterprise” shall have the meaning assigned to it in sub-section (1) and sub-section (2) of section 92A; (ii) “arm’s length price” shall have the meaning assigned to it in clause (ii) of section 92F; (iii) “excess money” means the difference between the arm’s length price determined in primary adjustment and the price at which the international transaction has actually been undertaken; (iv) “primary adjustment” to a transfer price means the determination of transfer price in accordance with the arm’s length principle resulting in an increase in the total income or reduction in the loss, as the case may be, of the assessee;	
				(v) “secondary adjustment” means an adjustment in the books of account of the assessee and	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				its associated enterprise to reflect that the actual allocation of profits between the assessee and its associated enterprise are consistent with the transfer price determined as a result of primary adjustment, thereby removing the imbalance between cash account and actual profit of the assessee.’.	
94B	01.04.18		<i>New Section</i>	(1) Notwithstanding anything contained in this Act, where an Indian company, or a permanent establishment of a foreign company in India, being the borrower, pays interest or similar consideration exceeding one crore rupees which is deductible in computing income chargeable under the head “Profits and gains of business or profession” in respect of any debt issued by a non-resident, being an associated enterprise of such borrower, the interest shall not be deductible in computation of income under the said head to the extent that it arises from excess interest, as specified in sub-section (2): Provided that where the debt is issued by a lender which is not associated but an associated	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				enterprise either provides an implicit or explicit guarantee to such lender or deposits a corresponding and matching amount of funds with the lender, such debt shall be deemed to have been issued by an associated enterprise.	
				(2) For the purposes of sub-section (1), the excess interest shall mean an amount of total interest paid or payable in excess of thirty per cent. of earnings before interest, taxes, depreciation and amortisation of the borrower in the previous year or interest paid or payable to associated enterprises for that previous year, whichever is less. (3) Nothing contained in sub-section (1) shall apply to an Indian company or a permanent establishment of a foreign company which is engaged in the business of banking or insurance. (4) Where for any assessment year, the interest expenditure is not wholly deducted against income under the head "Profits and gains of business or profession", so much of the interest	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				expenditure as has not been so deducted, shall be carried forward to the following assessment year or assessment years, and it shall be allowed as a deduction against the profits and gains, if any, of any business or profession carried on by it and assessable for that assessment year to the extent of maximum allowable interest expenditure in accordance with sub-section (2):	
				Provided that no interest expenditure shall be carried forward under this sub-section for more than eight assessment years immediately succeeding the assessment year for which the excess interest expenditure was first computed. (5) For the purposes of this section, the expressions— (i) “associated enterprise” shall have the meaning assigned to it in sub-section (1) and sub-section (2) of section 92A; Insertion of new section 94B. Limitation on interest deduction in certain cases.	

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				<p>(ii) "debt" means any loan, financial instrument, finance lease, financial derivative, or any arrangement that gives rise to interest, discounts or other finance charges that are deductible in the computation of income chargeable under the head "Profits and gains of business or profession";</p> <p>(iii) "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.'</p>	
<p>Explanation to 115BBDA(3)</p>	<p>01.04.18</p>	<p>Tax on certain dividends received from domestic companies.</p>	<p><i>New Explanation</i></p>	<p><i>Explanation.</i>—For the purposes of this section,—</p> <p>(a) "dividend" shall have the meaning assigned to it in clause (22) of section 2 but shall not include sub-clause (e) thereof;</p> <p>(b) "specified assessee" means a person other than,—</p> <p>(i) a domestic company; or</p> <p>(ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or</p>	

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				(iii) a trust or institution registered under section 12AA.'.	
Sec 115BBDA(1)	01.04.18	Tax on certain dividends received from domestic companies.	<p>Notwithstanding anything contained in this Act, where the total income of an assessee, being an individual, Hindu undivided family or a firm, resident in India, includes any income in aggregate exceeding ten lakh rupees, by way of dividends declared, distributed or paid by a domestic company or companies, the income-tax payable shall be the aggregate of—</p> <p>(a) the amount of income-tax calculated on the income by way of such dividends in aggregate exceeding ten lakh rupees, at the rate of ten per cent; and</p> <p>(b) the amount of income-tax with which the assessee would have been chargeable had the total income of the</p>	<p>Notwithstanding anything contained in this Act, where the total income of a specified assessee, resident in India, includes any income in aggregate exceeding ten lakh rupees, by way of dividends declared, distributed or paid by a domestic company or companies, the income-tax payable shall be the aggregate of—</p> <p>(a) the amount of income-tax calculated on the income by way of such dividends in aggregate exceeding ten lakh rupees, at the rate of ten per cent; and</p> <p>(b) the amount of income-tax with which the assessee would have been chargeable had the total income of the assessee been reduced by the amount of income by way of dividends.</p>	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
			<i>assessee been reduced by the amount of income by way of dividends.</i>		
115BBG	01.04.18		New Section	<p>(1) Where the total income of an assessee includes any income by way of transfer of carbon credits, the income-tax payable shall be the aggregate of—</p> <p>(a) the amount of income-tax calculated on the income by way of transfer of carbon credits, at the rate of ten per cent.; and</p> <p>(b) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (a).</p> <p>(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provision of this Act in computing his income referred to in clause (a) of sub-section (1).</p>	

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				<i>Explanation.</i> —For the purposes of this section “carbon credit” in respect of one unit shall mean reduction of one tonne of carbon dioxide emissions or emissions of its equivalent gases which is validated by the United Nations Framework on Climate Change and which can be traded in market at its prevailing market price.’.	
Proviso to sec 115JAA(2A)	01.04.18	Tax credit in respect of tax paid on deemed income relating to certain companies.	New Proviso	Provided further that where the amount of tax credit in respect of any income-tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, allowed against the tax payable under the provisions of sub-section (1) of section 115JB exceeds the amount of such tax credit admissible against the tax payable by the assessee on its income in accordance with the other provisions of this Act, then, while computing the amount of credit under this sub-section, such excess amount shall be ignored	
Section 115JB(2)					
Proviso to Sec 115JD(2)	01.04.18	Tax credit for alternate minimum tax.	New Proviso	Provided that where the amount of tax credit in respect of any income-tax paid in any country	

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				or specified territory outside India, under section 90 or section 90A or section 91, allowed against the alternate minimum tax payable exceeds the amount of the tax credit admissible against the regular income-tax payable by the assessee, then, while computing the amount of credit under this sub-section, such excess amount shall be ignored	
132	Retrospective amendment effective from the date of passing of Finance Bill.	Search and seizure	NA	Explanation. - For the removal of doubts, it is hereby declared that the reason to believe, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.	This explanation has been inserted retrospectively to avoid mischief through RTI or any other means. In order to maintain the confidentiality & sensitivity of the search & seizure, explanation has been added so that the investigating officer will not be required to be disclose to any person including Appellate Tribunal "the reasons behind undertaking search".
132		Search and seizure	NA	9B) Where, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorizations for search was executed, the authorized officer, for the reasons to be recorded in writing, is satisfied	Authority of provisional attachment is proposed during search & seizure proceeding for reasons to be recorded in writing for protecting the interest of revenue.

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				<p>that for the purpose of protecting the interest of revenue, it is necessary so to do, he may with the previous approval of the Principal Director General or Director General or the Principal Director or Director, by order in writing, attach provisionally any property belonging to the assessee, and for the said purpose the provisions of the Second Schedule shall, mutatis mutandis, apply.</p> <p>(9C) Every provisional attachment made under sub-section (9B) shall cease to have effect after the expiry of a period of six months from the date of the order referred to in sub-section (9B)</p> <p>(9D) The authorized officer may, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorizations for search was executed, make a reference to a Valuation Officer referred to in section 142A, who shall estimate the fair market value of the property in the manner provided under that section and submit a report of the estimate to the said officer within a period of sixty days</p>	<p>The maximum period for the provisional attachment is proposed to be 6 months.</p> <p>Within 60 days, from the date on which the last of the authorizations for search was executed a reference to Valuation officer who shall estimate fair market value of property.</p>

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				from the date of receipt of such reference	
132A	Retrospective amendment effective from the date of passing of Finance Bill.	Powers to requisition books of account, etc	NA	Explanation. - For the removal of doubts, it is hereby declared that the reason to believe, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.	In order to maintain the confidentiality & sensitivity of the search & seizure, explanation in the section 132A has been added so that the investigating officer will not be required to be disclose to any person including Appellate Tribunal "the reasons behind undertaking search"
133	1 st April 2017	Power to call for information	Provided that the powers referred to in clause (6), may also be exercised by the 83-84[Principal Director General or] Director-General, the 83-84[Principal Chief Commissioner or] Chief Commissioner, the 83-84[Principal Director or] Director and the 83-84[Principal Commissioner or] Commissioner	Provided that the powers referred to in clause (6), may also be exercised by the Principal Director General or Director-General, the Principal Chief Commissioner or Chief Commissioner, the Principal Director or Director or the Principal Commissioner or Commissioner or the Joint Director or Deputy Director or Assistant Director.	Considering the requirement of the work profile of the authorities working in the Investigation Directorate, it is proposed to amend the first proviso of the said section and provide that the power in respect of inquiry or proceeding under the Act, as referred to in clause (6) of the said section, may also be exercised by the Joint Director, the Deputy Director and the Assistant Director

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
133	1 st April 2017	Extension of Power of Survey	a business or profession is carried on, whether such place be the principal place or not of such business or profession, and require any proprietor, employee or any other person who may at that time and place be attending in any manner to, or helping in, the carrying on of such business or profession	at which a business or profession or an activity for charitable purpose is carried on, whether such place be the principal place or not of such business or profession or of such activity for charitable purpose, and require any proprietor, trustee, employee or any other person who may at that time and place be attending in any manner to, or helping in, the carrying on of such business or profession or such activity for charitable purpose	Government has widen the scope of power of survey. Now survey can be carried at which an activity for charitable purpose is carried on.
133C	1 st April 2017	Framework to enable centralized issuance of notice and processing of information	NA	(3) The Board may make a scheme for centralized issuance of notice and for processing of information or documents and making available the outcome of the processing to the Assessing Officer.	Central Board of Direct Taxes empowered to make a scheme for centralized issuance of notice calling for information and documents for the purpose of verification of information in its possession, processing of such documents and making the outcome thereof available to the Assessing Officer for necessary action.
139 (4C)	1 st April 2018	Filing of Return for specified assessee u/s 139 (4C)	NA	Every- (ca) person referred to in clause (23AAA) of section 10 (eba) Investor Protection Fund referred to in clause (23EC) or clause (23ED) of section 10;	Any person as referred to in clause (23AAA), Investor Protection Fund referred to in clause (23EC) or clause (23ED), Core Settlement Guarantee Fund referred to

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				(ebb) Core Settlement Guarantee Fund referred to in clause (23EE) of section 10 (fa) Board or Authority referred to in clause (29A) of section 10 shall, if the total income in respect of which such research association, news agency, association or institution, person or the , fund or trust or university or other educational institution or any hospital or other medical institution or trade union or body or authority or Board or Trust or Commission or infrastructure debt fund's assessable, without giving effect to the provisions of section 10, exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form.	in clause (23EE) and any Board or Authority referred to in clause (29A) of section 10 shall also be mandatorily required to furnish a return of income if total income exceeds the maximum amount which is not chargeable to income-tax.
139 (5)	1 st April 2018	Filing of the revised return	If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the expiry of one year from the end of the relevant assessment	If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time from the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.	The time for furnishing of revised return shall be available upto the end of the relevant assessment year or before the completion of assessment, whichever is earlier.

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
			year or before the completion of the assessment, whichever is earlier.		
140A	1 st April 2018	Fee for delayed filing of return		After the word “ <i>interest</i> ”, words “ <i>and fees</i> ” has been inserted.	Now for delay of filing of the return, fee is payable along with interest on tax. Also amount of tax paid fall short then amount so paid shall first be adjusted towards the interest and fee payable.
143	1 st April 2018	Assessment		After the words “ <i>interest</i> ”, words “ <i>and fees</i> ” has been inserted.	Enabling provision has been made so to that in computation of amount payable or refund due, as the case may be, on account of processing of return under the said sub-section, the fee payable under section 234F shall also be taken into account.
153	1 st April 2017	Time limit for completion of assessment, reassessment and re-computation	NA	‘Provided that in respect of an order of assessment relating to the assessment year commencing on the 1st day of April, 2018, the provisions of this sub-section shall have effect, as if for the words “twenty-one months”, the words “eighteen months” had been substituted:	For the assessment year 2018-19, the time limit for making an assessment order under sections 143 or 144 shall be reduced from existing twenty-one months to eighteen months from the end of the assessment year, and for

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				Provided further that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted	the assessment year 2019-20 and onwards, the said time limit shall be twelve months from the end of the assessment year in which the income was first assessed.
153	1 st April 2017	Time limit for completion of reassessment, reassessment and re-computation	(2) No order of assessment, reassessment or re-computation shall be made under section 147 after the expiry of nine months from the end of the financial year in which the notice under section 148 was served.	(2) No order of assessment, reassessment or re-computation shall be made under section 147 after the expiry of twelve months from the end of the financial year in which the notice under section 148 was served.	The time limit for making an order of assessment, reassessment or re-computation under section 147, in respect of notices served under section 148 on or after the 1st day of April, 2019 has been increased to 12 months (existing 9 months) from the end of the financial year in which notice under section 148 is served
153A, 153B & 153C	1 st June 2016	Time limits for completion of search assessment		'Provided also that no notice for assessment or reassessment shall be issued by the Assessing Officer for the relevant assessment year or years unless— (a) the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income, represented	Provision has been inserted on the background of impact of demonetization when old currency amount deposited and therefore requisition assessment under 153A can be served for any years. Limit for 10 years is mentioned in

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				<p>in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more in the relevant assessment year or in aggregate in the relevant assessment years;</p> <p>(b) the income referred to in clause (a) or part thereof has escaped assessment for such year or years; and</p> <p>(c) the search under section 132 is initiated or requisition under section 132A is made on or after the 1st day of April, 2017.</p> <p>Explanation 1.—For the purposes of this sub-section, the expression “relevant assessment year” shall mean an assessment year preceding the assessment year relevant to the previous year in which search is conducted or requisition is made which falls beyond six assessment years but not later than ten assessment years from the end of the assessment year relevant to the previous year in which search is conducted or requisition is made.</p> <p>Explanation 2.—For the purposes of the fourth proviso, “asset” shall include immovable property being land or building or both, shares and</p>	<p>explanation memorandum. However, such amount should be more than 50 lacs.</p>

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
155	1 st April 2018	Other amendments	NA	“(14A) Where in the assessment for any previous year or in any intimation or deemed intimation under sub-section (1) of section 143 for any previous year, credit for income-tax paid in any country outside India or a specified territory outside India referred to in section 90, section 90A or section 91 has not been given on the ground that the payment of such tax was under dispute, and if subsequently such dispute is settled; and the assessee, within six months from the end of the month in which the dispute is settled, furnishes to the Assessing Officer evidence of settlement of dispute and evidence of payment of such tax along with an undertaking that no credit in respect of such amount has directly or indirectly been claimed or shall be claimed for any other assessment year, the Assessing Officer shall amend the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be, and the provisions of securities, loans and advances, deposits in bank account.’.	Good provision as it will allow the companies to claim the credit of the tax paid in foreign country after settlement of the dispute.

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<u>Sec No</u>	<u>Amendment Effective from</u>	<u>Provision</u>	<u>Existing provision</u>	<u>Amendment in existing provision / new provision</u>	<u>Remarks</u>
				section 154 shall, so far as may be, apply thereto: Provided that the credit of tax which was under dispute shall be allowed for the year in which such income is offered to tax or assessed to tax in India.	
194-IB	1 st June 2017	Payment of rent by certain individuals or Hindu undivided Family.	NA	'194-IB. (1) Any person, being an individual or a Hindu undivided family (other than those referred to in the second proviso to section 194-I), responsible for paying to a resident any income by way of rent exceeding fifty thousand rupees for a month or part of a month during the previous year, shall deduct an amount equal to five per cent. of such income as income-tax thereon.	TDS @ 5% needs to be deducted on rent paid by Individual / HUF in excess of Rs 50,000 per month. No need to obtain TAN and filed TDS return by the deductee.
194-IB	1 st June 2017	Payment under specified agreement.	NA	194-IC. Notwithstanding anything contained in section 194-IA, any person responsible for paying to a resident any sum by way of consideration, not being consideration in kind, under the agreement referred to in subsection (5A) of section 45, shall at the time of credit of such sum to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier,	TDS @ 10% will be required to be deducted in case of payment made as per Joint Development Agreement.

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
				deduct an amount equal to ten per cent. of such sum as income-tax thereon.”	
194J	1 st June 2017	Fees for professional or technical services	NA	Provided also that the provisions of this section shall have effect, as if for the words “ten per cent.”, the words “two per cent.” had been substituted in the case of a payee, engaged only in the business of operation of call center.	In case of payments made to Call Centre, TDS will be required deducted @ 2% instead of 10%.
194LA	1 st April 2017	Payment of compensation on acquisition of certain immovable property.	NA	“Provided further that no deduction shall be made under this section where such payment is made in respect of any award or agreement which has been exempted from levy of income-tax under section 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013”.	As income tax is exempted, the required of TDS to deducted has been removed in case the compensation has been paid under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.
194LC	1 st April 2018	Income by way of interest from Indian company	(a) under a loan agreement at any time on or after the 1st day of July, 2012 but before the 1st day of July, 2017; or (b) by way of issue of long-term infrastructure bonds at any time on or after the 1st day of July, 2012 but before the 1st day of October, 2014; or	(a) under a loan agreement at any time on or after the 1st day of July, 2012 but before the 1st day of July, 2020; or (b) by way of issue of long-term infrastructure bonds at any time on or after the 1st day of July, 2012 but before the 1st day of October, 2014; or (c) by way of issue of any long-term bond including long-term	Extension of concessional rate of TDS under sections 194LC of the Act to boost the economy by way of introduction of foreign capital has been given. Nor the borrowing done till July 2020. TDS rate is 5%.

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
			(c) by way of issue of any long-term bond including long-term infrastructure bond at any time on or after the 1st day of October, 2014 but before the 1st day of July, 2017, as approved by the Central Government in this behalf; and	infrastructure bond at any time on or after the 1st day of October, 2014 but before the 1st day of July, 2020, as approved by the Central Government in this behalf; and	
194LC	1 st April 2016 (Retrospective)	Income by way of interest from Indian company	NA	“(ia) in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July, 2020, and	The benefit of section 194LC to rupee denominated bond issued outside India before the 1st July, 2020.
194 LD	1 st April 2018	Income by way of interest on certain bonds and Government securities	(2) The income by way of interest referred to in sub-section (1) shall be the interest payable on or after the 1st day of June, 2013 but before the 42[1st day of July, 2017] in respect of investment made by the payee in— (i) a rupee denominated bond of an Indian company ; or (ii) a Government security	(2) The income by way of interest referred to in sub-section (1) shall be the interest payable on or after the 1st day of June, 2013 but before the 42[1st day of July, 2017] in respect of investment made by the payee in— (i) a rupee denominated bond of an Indian company ; or (ii) a Government security	It is proposed to amend section 194LD to provide that the concessional rate of five per cent. TDS on interest will now be available on interest payable before the 1st July, 2020.
197A	1 st June 2017	No deduction to be made in certain cases		Sec 194 D: Insurance Commission (This section has been added in section 197A)	In the case of Individuals and HUFs, it is proposed to amend section 197A so as to make

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
					them eligible for filing self-declaration in Form No. 15G/15H for non-deduction of tax at source in respect insurance commission referred to in section 194D
204	1 st April 2017	Meaning of "person responsible for paying		“(iib) in the case of furnishing of information relating to payment to a non-resident, not being a company, or to a foreign company, of any sum, whether or not chargeable under the provisions of this Act, the payer himself, or, if the payer is a company, the company itself including the principal officer thereof;”.	Clarity has been brought in case payment made by the resident to a non-resident from the point of view of “person responsible for paying”. In these situation the payer & its principal officer will only be “person responsible for paying”
206C	1 st April 2017	Tax Collection at Source	TCS @ 1% required to be deducted on sale of Jewellery exceeding Rs 5,00,000/- in cash.	Provision to be abolished.	As there will be restriction of transaction in cash more than Rs 3,00,000/-, there cannot be any transaction mentioned in section 206C. Hence it has been omitted.
206C	1 st April 2017	Tax Collection at Source	TCS @ 1% was required to be deducted on sale of motor vehicle exceeding Rs 10 Lacs.	TCS @ 1% was required to be deducted on sale of motor vehicle exceeding Rs 10 Lacs except for. (A) the Central Government, a State Government and an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or	No TCS will be required to be deducted on sale of vehicle to Government, Local authorities & Public Sector companies.

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				(B) a local authority as defined in Explanation to clause (20) of section 10; or (C) a public sector company which is engaged in the business of carrying passengers.”;	
206CC	1 st April 2017	Requirement to furnish Permanent Account Number by collectee.	NA	206CC. (1) Notwithstanding anything contained in any other provisions of this Act, any person paying any sum or amount, on which tax is collectible at source under Chapter XVII-BB (herein referred to as collectee) shall furnish his Permanent Account Number to the person responsible for collecting such tax (herein referred to as collector), failing which tax shall be collected at the higher of the following rates, namely:— (i) at twice the rate specified in the relevant provision of this Act; or (ii) at the rate of five per cent.	Higher TCS i.e. twice the rate specified or 5% whichever in case the buyer do not provide PAN to the seller.
211 & 234C	1 st April 2017	Instalments of advance tax and due dates and interest thereon	an eligible assessee in respect of an eligible business referred to in section 44AD, to the extent of the whole amount of such advance tax during each financial year on or before the 15th March:	an eligible assessee in respect of an eligible business referred to in section 44AD & 44ADA, to the extent of the whole amount of such advance tax during each financial year on or before the 15th March:	Professional opting for presumptive taxation under section 44ADA will be required to be deposit Advance Tax in one go by 15 th March. Necessary amendment has also been made in Sec 234C pertaining to interest.

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Sec No	Amendment Effective from	Provision	Existing provision	Amendment in existing provision / new provision	Remarks
234C	1 st April 2017	Interest for deferment of advance tax	NA	after clause (c) and before the long line, the following clause shall be inserted, namely:— “(d) income of the nature referred to in sub-section (1) of section 115BBDA,”;	No interest on short payment of advance tax will be applicable on short projection of Dividend expected to be received.
234F	1 st April 2018	Fee for default in Furnishing return of income.		234F. (1) Without prejudice to the provisions of this Act, where a person required to furnish a return of income under section 139, fails to do so within the time prescribed in sub-section (1) of said section, he shall pay, by way of fee, a sum of,— (a) five thousand rupees, if the return is furnished on or before the 31st day of December of the assessment year; (b) ten thousand rupees in any other case: Provided that if the total income of the person does not exceed five lakh rupees, the fee payable under this section shall not exceed one thousand rupees. (2) The provisions of this section shall apply in respect of return of income required to be furnished for the assessment year commencing on or after the 1st day of April, 2018.”.	The proposed fee structure is as follows:— (i) a fee of five thousand rupees shall be payable, if the return is furnished after the due date but on or before the 31st day of December of the assessment year; (ii) a fee of ten thousand rupees shall be payable in any other case. However, in a case where the total income does not exceed five lakh rupees, it is proposed that the fee amount shall not exceed one thousand rupees.
241A	1 st April 2017	Withholding of refund in	NA	“241A. For every assessment year commencing on or after the 1st day	Enabling provision for withholding of the refund

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		certain cases.		of April, 2017, where refund of any amount becomes due to the assessee under the provisions of sub-section (1) of section 143 and the Assessing Officer is of the opinion, having regard to the fact that a notice has been issued under sub-section (2) of section 143 in respect of such return, that the grant of the refund is likely to adversely affect the revenue, he may, for reasons to be recorded in writing and with the previous approval of the Principal Commissioner or Commissioner, as the case may be, withhold the refund up to the date on which the assessment is made.”.	by the assessing officer has been made.
244A	1 st April 2017	Interest on refunds	NA	Interest on refund to the deductor of tax.	In case of deductor is eligible for refund then he will also be entitled for simple interest @ 1.5% per month.
245A		SETTLEMENT OF CASES	Time limit for closure of cases.	Time limit for closure of cases.	The meaning of conclusion of proceeding in the Explanation to clause (b) of section 245A has been amended so as to provide that conclusion of proceedings shall be construed in accordance with the time specified for making

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					assessment or reassessment under sub-section (1) of section 153.
245N	1 st April 2017	ADVANCE RULINGS	NA	Addition of applicants.	Common Advance Ruling authority for Income Tax, Central Excise, Customs & Service tax has been proposed.
269ST		Mode of undertaking transactions.	NA	No person shall receive an amount of three lakh rupees or more— (a) in aggregate from a person in a day; or (b) in respect of a single transaction; or (c) in respect of transactions relating to one event or occasion from a person, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account:	In order to curb Cash Transaction, restriction has been as under, No person shall receive an amount of three lakh rupees or more— (a) in aggregate from a person in a day; or (b) in respect of a single transaction; or (c) in respect of transactions relating to one event or occasion from a person
271DA	1 st April 2017	Penalty for failure to comply with provisions of section 269ST.	NA	“271DA. (1) If a person receives any sum in contravention of the provisions of section 269ST, he shall be liable to pay, by way of penalty, a sum equal to the amount of such receipt: Provided that no penalty shall be imposable if such person proves	100% Penalty has been proposed for cash transaction made in excess Rs 3,00,000/-.

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				that there were good and sufficient reasons for the contravention. (2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner.”.	
271F	1 st April 2018	Penalty for failure to furnish return of income	NA	Provided that nothing contained in this section shall apply to and in relation to the return of income required to be furnished for any assessment year commencing on or after the 1st day of April, 2018.”.	As the fine proposed for delay in filing, provision for penalty has been removed. The existing penalty was up to Rs 5,000.
271J & 273B	1 st April 2017	Penalty for furnishing incorrect information in reports or certificates.	NA	271J. Without prejudice to the provisions of this Act, where the Assessing Officer or the Commissioner (Appeals), in the course of any proceedings under this Act, finds that an accountant or a merchant banker or a registered valuer has furnished incorrect information in any report or certificate furnished under any provision of this Act or the rules made thereunder, the Assessing Officer or the Commissioner (Appeals) may direct that such accountant or merchant banker or registered valuer, as the case may be, shall pay, by way of penalty, a sum of ten thousand rupees for each such report or certificate.	Penalty of Rs 10,000 has been proposed on the Accountant, banker, valuer for incorrect certification / submission of information. No penalty can be imposed of the accountant, banker, valuer proves that there are reasonable cause of failure.

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