

# Amendment as per Finance Act, 2011

## Amendments brought in by the Finance Act, 2011

### (A) Amendments made in Income-tax Act

#### Rates of income-tax for assessment year 2012-13

Tax on total income of an assessee is chargeable at the following two types of rates:

- (1) Normal rates
- (2) Special rates prescribed under Chapter XII and XII-A of the Income Tax Act, 1961.

#### 1. Normal Rates of Income Tax

**(A) In the case of every Individual or Hindu undivided family or AOP/BOI (other than a co-operative society) whether incorporated or not, or every artificial judicial person**

Upto ₹ 1,80,000	Nil
₹ 1,80,001 to ₹ 5,00,000	10%
₹ 5,00,001 to ₹ 8,00,000	20%
Above ₹ 8,00,000	30%

**II. In the case of every individual, being a woman resident in India, and below the age of sixty years at any time during the previous year.**

Upto ₹ 1,90,000	Nil
₹ 1,90,001 to ₹ 5,00,000	10%
₹ 5,00,001 to ₹ 8,00,000	20%
Above ₹ 8,00,000	30%

**III. In the case of every individual, being a resident in India, who is of the age of 60 years or more at any time during the previous year. [Senior citizen]**

Upto ₹ 2,50,000	Nil
₹ 2,50,001 to ₹ 5,00,000	10%
₹ 5,00,001 to ₹ 8,00,000	20%
Above ₹ 8,00,000	30%

**IV. In the case of every individual, being a resident in India, who is of the age of 80 years or more at any time during the previous year. [Very senior citizen]**

Upto ₹ 5,00,000	Nil
₹ 5,00,001 to ₹ 8,00,000	20%
Above ₹ 8,00,000	30%

**Note :** No surcharge is payable by the above assesseees.

'Education Cess' @ 2%, and 'Secondary and Higher Education Cess (SHEC)' @ 1% on income tax shall be chargeable.

#### (B) In the case of every co-operative society

(1) where the total income does not exceed ₹ 10,000	10% of the total income;
(2) where the total income exceeds ₹ 10,000 but does not exceed ₹ 20,000	₹ 10,000 plus 20% of the amount by which the total income exceeds ₹ 10,000;
(3) where the total income exceeds ₹ 20,000	₹ 3,000 plus 30% of the amount by which the total income exceeds ₹ 20,000.

No surcharge is payable by a co-operative society.

'Education Cess' @ 2% and SHEC @ 1% on income tax shall be chargeable.

#### (C) In case of any firm (including limited liability partnership) – 30%.

No surcharge is payable by a firm (including limited liability partnership).

'Education Cess' @ 2% and SHEC @ 1% on income tax shall be chargeable.

#### (D) In case of every local authority – 30%

No surcharge is payable by a local authority.

Education cess @ 2% and SHEC @ 1% on income tax shall be chargeable.

#### (E) In the case of a company

- (i) For domestic companies : 30%, surcharge @ 5% on tax payable shall be levied where total income of the company exceeds one crore rupees.
- (ii) For foreign company : 40%, surcharge @ 2% on tax payable shall be levied where total income of the foreign company exceeds one crore rupees.

'Education Cess' @ 2%, and 'Secondary and Higher Education Cess' @ 1% on income tax (inclusive of surcharge if applicable) shall be chargeable.

## Amendment as per Finance Act, 2011

### (2) Special Rates of Income Tax

- (a) On short-term capital gain covered under section 111A - 15%
- (b) On long-term capital gain covered under section 112 - 20% (10% in certain cases)
- (c) On winning of lotteries, crossword puzzles, card games, etc. [Section 115BB] -30%

Besides the above, certain incomes of non-residents are taxable at special rates.

Section	Amendment
	<b>Basic Concepts of Income Tax Law</b>
2(24)	Definition of income includes - Voluntary Contribution received by an Electoral Trust. Money or Value of Property u/s 56(2)(vii). Value of Shares of a Company (not being a Company in which the public are substantially interested)
115BBD	<b>Income Tax on Dividend Income from Foreign Company :</b> If the Total Income of an Indian Company, includes any income by way of dividends from a specified foreign company, the income tax payable shall be the aggregate of - (a) The amount of Income Tax calculated on the income by way of such dividends at 15% and (b) The amount of Income Tax with which the Assessee would have been chargeable had its total income been reduced by the aforesaid income by way of dividends.
	<b>Analysis of Exemptions</b>
10(21)	Exemption is available for all Research Associations and not restricted to only Scientific Research Associations.
10A	Exemption u/s 10A available till Assessment Year 2011-12.
10B	Exemption u/s 10B available till Assessment Year 2011-12.
10(34)	The Following Explanation is removed - <b>Explanation</b> - Dividend u/s 115-0 shall not be included in total income of a Developer or Entrepreneur. Hence, Developer or Entrepreneur of an SEZ shall be liable for Dividend Distribution Tax.
10(45)	Any Notified allowance or perquisite, paid to the Chairman or a retired Chairman or any other member or retired member of the Union Public Service Commission is exempt.
10(46)	Any Specified income arising to a body or authority or Board or Trust or Commission is exempt from tax. <b>Conditions :</b> (a) It has been established or constituted a Central, State or Provisional Act, or constituted by the Central Government or State Government, to regulate or administer any activity for the benefit of the General Public. (b) It is not engaged in any Commercial Activity. (c) It is notified by the Central Government in the Official Gazette.
10(47)	Any income of the notified Infrastructure Debt Fund, set up in accordance with the prescribed guidelines is exempt from tax.
13B	Voluntary contributions received by an Electoral Trust shall not be included in the Total Income if it distributes to any political party 95% of aggregate donations received by it during the previous year along with surplus.
	<b>Income from Salaries</b>
10(10C)/89	VRS Compensation not eligible for Section 89(1) relief.
17(2)	Perquisites taxable in the hands of the employees - <ul style="list-style-type: none"> <li>• Securities offered under ESOP scheme</li> <li>• Employer's Contribution to approved Superannuation Fund in excess of ` 1 Lakh</li> <li>• Value of any other prescribed fringe benefit.</li> </ul>

## Amendment as per Finance Act, 2011

Profits and Gains of Business or Profession	
35(2AA)	Weighted deduction at 200% for contribution to National Laboratory, University, etc.
35(2AB)	Weighted deduction on in-house research by a company engaged in business of bio-technology or of manufacture or production of any article or thing not being any article specified in the list of the Eleventh Schedule. <ul style="list-style-type: none"> <li>• 200% of revenue or capital expenditure incurred except land and building. Building 100% allowed,</li> <li>• Prior Period Expenditure 100% allowed.</li> </ul>
35AD	Assessees engaged in the business of Cold chain facility, Warehousing facility, Cross country natural gas network, Building 2 Star Hotel, Hospital with at least 100 beds, housing project for slum redevelopment can claim deduction in respect of capital expenditure incurred for the specified business. Capital expenditure incurred during the previous year prior to commencement of operation can be claimed as deduction in the year of commencement of operation subject to fulfillment of conditions.
35AD	<b>Specified Business :</b> The following Businesses are "Specified Business" : (a) Developing and building a housing project under a scheme for affordable housing framed by the Central or State Government and notified by the board in accordance with the guidelines prescribed. (b) New plant or in newly installed capacity in an existing plant for production of Fertilizer.
36(1)(iva)	Contribution to a Pension Scheme u/s 80CCD, on account of an employee to the extent it does not exceed 10% of the Salary of the Employee in the Previous Year is an allowable expenditure. Salary = Basic + D.A. (Considered for Retirement Benefits).
40A(9)	Any Contribution made by the assessee, as an Employer to any Unrecognised or Non-Statutory Welfare Fund is <b>not</b> allowable as a deduction, except his contribution to funds as explained in Section 36(1)(iv) / (iva) / (v).
44AA and 44AB	Assessees declaring income lower than specified u/s 44AD and whose Total income exceeds Basic Exemption shall maintain books of accounts and get them audited.
44AD	Presumptive taxation of 8% of Gross receipts (When Turnover is Less than 60 Lakhs) extended to all businesses except business covered u/s 44AE. However eligible assessee restricted to Resident Individual, Resident HUF, Resident Firm (other than LLP)
44AE	<b>Increase in presumptive income :</b> For Heavy Goods Vehicle from - ` 3,500 to ` 5,000 For Other than Heavy goods vehicle - ` 3,150 to ` 4,500
44AF	<b>Presumptive Taxation u/s 44AF withdrawn.</b>
Income from Capital Gains	
The Cost Inflation Index for the previous year 2011-12 is 785.	
49(2AA)	Cost of acquisition of shares/securities allotted under ESOP shall be the FMV determined u/s 17(2)(vi). Cost of acquisition of property taxable u/s 56(2)(vii) shall be the value determined u/s 56(2)(vii)
50B	Cost of acquisition of capital assets which have been allowed as a deduction for the purposes of slump sale shall be Nil.
Income under the head Other Sources	
56(2)	Gift of Immovable Property shall be taxable only if it is received without consideration and its Stamp Value is greater than ` 50,000.
Expln to Sec.56(2)	Property for Section 56(2) should be a Capital Asset and also includes "Bullion"
Set – off and carry forward of losses	
72A(6A)	<ul style="list-style-type: none"> <li>• In case of conversion of Private Company or Unlisted Public Company into LLP [which satisfies the condition u/s 47(xiiib)], accumulated loss and unabsorbed depreciation of the predecessor Company shall be deemed to be the loss and depreciation for the LLP in the year of conversion.</li> <li>• If the conditions u/s 47(xiiib) are not satisfied, the loss or depreciation set off by the LLP shall be taxable in its hands in the year of non-compliance.</li> </ul>

## Amendment as per Finance Act, 2011

Section	Amendment
<b>Deductions under Chapter VI-A</b>	
80CCE	Contribution made by Central Government or any other employer on behalf of Assessee u/s 80CCD(2) to Pension Scheme is not covered for the purpose of aggregate deduction allowable i.e. ₹ 1,00,000.
80CCF	Subscription to long-term infrastructure bonds notified by the Central Government during the previous year 2011-2012 is eligible for a maximum deduction of ₹ 20,000.
80D	Mediclaim Policy or any contribution made to the Central Government Health Scheme. Aggregate Premium paid or ₹ 15,000 whichever is less is allowed. If the premium is paid for a Senior Citizen, then deduction is aggregate premium paid or ₹ 20,000, whichever is lower.
80GGA	<ul style="list-style-type: none"> <li>• Deduction shall be allowed for payments made to any <b>Research Association</b> and not limited to Scientific Research Association alone.</li> <li>• Deduction shall also be allowed for contributions made to Research Associations whose object is to undertake research in Social Science or Statistical Research and not limited to a University alone.</li> </ul>
80IA(4)(iv)	Deduction is allowed if following entities commences set up / operations within 31.03.2012– <ol style="list-style-type: none"> <li>Undertaking set up for the generation and distribution of power if it begins to generate power.</li> <li>Undertaking that starts transmission or distribution by laying a network of new transmission or distribution lines.</li> <li>Undertakes substantial renovation and modernization of existing network of transmission or distribution lines.</li> </ol>
80IB	Commercial Production of Natural Gas under New Exploration Licending Policy was allowed as an open ended deduction without fixing the closing date. <b>However, Deduction is not available after 311 March 2011.</b>
80ID	The period of commencement of eligible hotels and convention centres is extended to 31st July 2010 from 31st March 2010.

<b>TAXATION OF LIMITED LIABILITY PARTNERSHIPS</b>	
<b>Taxation of Limited Liability Partnership</b>	
115JC	<ol style="list-style-type: none"> <li><b>Alternate Minimum Tax :</b> Where the Income Tax payable by a Limited Liability Partnership is less than the Alternate Minimum Tax payable for a Previous Year, it shall be liable to pay Income Tax at 18.5%.</li> <li>Adjusted Total Income shall be the total income increased by –               <ol style="list-style-type: none"> <li>Deductions included in Chapter VI-A from Section 80H to 80TT and</li> <li>Deduction claimed (if any) under Section 10AA</li> </ol> </li> <li>Every Limited Liability Partnership shall obtain a prescribed report, from an accountant certifying that the adjusted total income and the Alternate Minimum Tax are computed as per this Chapter and furnish such report on or before the due date for filing of Return u/s 139(1).</li> </ol>
115JD	<b>Credit of Alternate Minimum Tax :</b> <ol style="list-style-type: none"> <li>The Credit for tax paid by a LLP u/s 115JC shall be allowed to it.</li> <li>The Tax credit of an Assessment Year to be allowed under above shall be the excess of Alternate Minimum Tax Paid over the regular Income Tax payable for that year. No Interest shall be payable on Tax Credit allowed.</li> <li>The Tax Credit shall be carried forward and set off for 10 Years immediately succeeding the AY for which Tax Credit becomes allowable.</li> <li>In any Assessment Year in which the regular Income Tax exceeds the Alternate Minimum Tax, the Tax Credit shall be allowed to be set off to the extent of the excess of regular Income Tax over the Alternate Minimum Tax and the balance of the Tax Credit, shall be carried forward.</li> <li>If the amount of regular Income Tax or the Alternate Minimum Tax is reduced or increased as a result of any order passed under this Act, the amount of Tax credit allowed under this Section shall also be varied accordingly.</li> </ol>



## Amendment as per Finance Act, 2011

115JE	All other provisions of this Act (Otherwise provided in this Chapter) shall apply to a Limited Liability Partnership.
115JF	<b>Meaning of Terms :</b> 1. "Alternate Minimum Tax" means the amount of tax computed on Adjusted Total Income at a rate of 18.5%. 2. "Regular Income Tax" means the Income Tax payable for a Previous Year by a Limited Liability Partnership on its Total Income in accordance with the provisions of this Act other than the provisions of this chapter.
<b>TAXATION OF COMPANIES</b>	
115JA/JB	Book Profits shall be increased any amount set aside as provision for diminution in the value of any asset. Supreme Court Ruling in CIT VS HCL Comnet Systems & Services Ltd 305 ITR 409 overruled.
115JAA	MAT credit can be carried forward for 10 Assessment Years. <b>MAT Credit</b> of Private Co. or Unlisted Public Co. <b>cannot be claimed</b> by the successor LLP on conversion.
115JB	1. <b>Rate of MAT</b> is increased to <b>18.5% of Book Profits</b> from 18%. 2. <b>MAT is also payable by</b> business carried on or services rendered by an entrepreneur or a Developer in a Unit or Special Economic Zone. 3. W.r.e.f. 01.04.2005, amount of deduction as computed u/s 80HHC/80HHE/80HHF is withdrawn.
115-O	<b>DDT on SEZs: W.e.f. 01.06.2011</b> , an undertaking or enterprise engaged in developing or developing and operating or developing, operating and maintaining a Special Economic Zone for any Assessment Year <b>shall be liable for Tax</b> on any amount declared, distributed or paid by such developer or enterprise, by way of dividends (whether interim or otherwise)
115-R	1. <b>Money Market Fund / Liquid Fund</b> - For Individual/HUF It is 25%, For any other Person <b>it is increased to 30%</b> from 25%. 2. <b>Other than Money Market Mutual Fund / Liquid Fund</b> - For Individual/HUF it is 12.5%, For any other Person <b>it is increased to 30%</b> from 25%.
<b>ASSESSMENT OF CHARITABLE TRUSTS</b>	
2(15)	<b>General Public Utility</b> shall <b>not</b> be a charitable purpose if – (a) It involves the carrying on of any activity in the nature of trade, commerce or business, or Any activity of rendering any service in relation to any trade, commerce or business for a cess or fee or any other consideration, and (b) Aggregate value of receipts from these activities exceeds ` <b>25 lakhs</b> . (c) Irrespective of the nature of use or application or retention of the income from such activity.
<b>TAXATION OF NON-RESIDENTS</b>	
115A	<b>W.e.f. 01.06.2011, Interest from an Infrastructure Debt Fund</b> as u/s 10(47) is chargeable to tax at the <b>rate of 5%</b> and not at the rate at which other interests are charged under this Section (i.e. at the rate of 20%)
285	Every Person being a Non Resident having a Liaison Office in India set up in accordance with the guidelines issued by the RBI shall, in respect of its activities in a FY, prepare and deliver or cause to be delivered to the AO having jurisdiction, within 60 days from the end of such FY, a Statement in a form containing particulars as may be prescribed.

## Amendment as per Finance Act, 2011

	<b>DOUBLE TAXATION AVOIDANCE AGREEMENT (DTAA) AND TAXABILITY OF INTERNATIONAL TRANSACTIONS</b>
92C	<p><b>ALP:</b> Where more than one price is determined by most appropriate method, the Arm's Length Price shall be taken as –</p> <ol style="list-style-type: none"> <li>The arithmetical average of such prices.</li> <li>The price of international transaction (as adopted by the assessee), if it varies from the above mentioned arithmetic mean by an amount not exceeding <b>such percentage of the price as notified by the Central Government.</b></li> </ol>
92CA	Where any other International Transaction [except those referred u/s 92CA(1)], comes to the notice of the Transfer Pricing Officer during the course of the proceedings before him, the provisions shall apply as if such other International Transaction is an International Transaction referred to him under Section 92CA(1).
94A	<p>Notified Jurisdictional Area :</p> <ol style="list-style-type: none"> <li>The Central Government having regard to the lack of effective exchange of information with any country or territory outside India notify such country or territory as a Notified Jurisdictional Area in relation to transactions entered into by any Assessee.</li> <li>If an Assessee enters into a transaction where one of the parties to the transaction is a person located in the Notified Jurisdictional Area, then – <ol style="list-style-type: none"> <li>All parties to transaction shall be deemed to associated enterprises</li> <li>Any transaction including a mutual agreement/arrangement provided or to be provided by or to the Assessee shall be deemed to be an International Transaction and relevant provisions shall apply.</li> </ol> </li> <li>No deduction allowed – <ol style="list-style-type: none"> <li>For any payment made to any financial institution located in Notified Jurisdictional Area, unless the Assessee furnishes an authorization in prescribed form authorizing the board or any other Income Tax Authority acting on its behalf to seek relevant information from the financial institution on behalf of the Assessee &amp;</li> <li>For any other expenditure (Including Depreciation) arising from the transaction with a person located in a Notified Jurisdictional Area shall be allowed, unless the Assessee maintains documents and furnishes the information as prescribed in this behalf.</li> </ol> </li> <li>Where, in any previous year, the Assessee has received or credited any sum from any person located in a Notified Jurisdictional Area and the Assessee does not offer any explanation about the source of the said sum in the hands of the person or in the hands of the beneficial owner (if such person is not the beneficial owner of the sum) or the explanation offered by the Assessee, in the opinion of the Assessing Officer, is not satisfactory, then the sum shall be deemed to be the income of the Assessee for that Previous Year.</li> <li>Where any person located in a Notified Jurisdictional Area is entitled to receive any sum or income or amount on which tax is deductible at source, the tax shall be deducted at the highest of the following - <ol style="list-style-type: none"> <li>At the rate or rates in force</li> <li>At the rate specified in the relevant provisions of the Act</li> <li>At the rate of 30%</li> </ol> </li> <li>Person located in the notified jurisdictional area shall include - <ol style="list-style-type: none"> <li>A person who is resident of the Notified Jurisdictional Area,</li> <li>A person (Other than Individual) which is established in the Notified Jurisdictional Area or</li> <li>A permanent establishment of a person (Other than above), in Notified Jurisdictional Area.</li> </ol> </li> </ol>

## Amendment as per Finance Act, 2011

	<b>INCOME TAX AUTHORITIES</b>
282B	The provision with respect to the allotment of Document Identification Number Is removed.
131(2)	<ul style="list-style-type: none"> <li>• <b>Authority</b> : For an inquiry or investigation in relation to agreement u/s 90 or 90A, any Income Tax Authority of rank of Assistant Commissioner of Income Tax (ACIT) or higher as notified by the board shall be competent to exercise the powers u/s 131(1)</li> <li>• Despite that no proceedings with respect to such person or class of persons are pending before it or any other Income Tax Authority.</li> <li>• It is further amended that the aforesaid authority has the power to impound and retain any books of account and other documents produced before it in any proceedings.</li> </ul>
	<b>ASSESSMENT PROCEDURE</b>
133	For the purpose of an agreement referred in Section 90 or 90A, any Income Tax Authority notified u/s 131(2) may exercise all the powers conferred under this Section, despite that no proceedings are pending before it or any other Income Tax Authority.
139	<p><b>Due Date of Filing Return of Income:</b> Company which is required to furnish a report u/s 92E – <b>30th November of the Assessment Year.</b></p> <p>The Central Government may by notification, exempt any class or classes of persons from the furnishing a return of Income having regard to such conditions as may be specified in the notification.</p>
139	<p>The following is added -</p> <ol style="list-style-type: none"> <li>1. Body / Authority / Board / Trust / Commission u/s 10(46),</li> <li>2. Infrastructure Debt Fund u/s 10(47)</li> </ol> <p>Shall if the Total Income, without giving effect to Section 10, exceeds the maximum amount which is not chargeable to Income Tax, furnish a return of such Income of the Previous Year.</p>
296	Every notification issued under Section 139(1C) should also be laid before the Parliament.
139A	Powers of the Central Government and Assessing Officers w.r.t. allotment of PAN.
139B	Tax Return Preparers
139C	Board is empowered to dispense with furnishing of documents with Returns.
139D	Board is empowered to provide rules for classes of persons, the documents and the form and the manner in which such records are to be furnished in electronic form.
140	w.e.f. AY 2010-11, In case of Limited Liability Partnership Firm Signatory shall be designated Partner. If there is no designated Partner or the designated Partner is not able to sign then any partner.
140A	Procedure for determination of Self Assessment Tax
142(2A)/ (2D)	The AO should provide the assessee reasonable opportunity for being heard before issuing direction to get the accounts audited. Expenses shall be prescribed and paid by the Central Government.
142(2C)	AO can grant extension of time limit, suo motu/ on an application made by the assessee. Previously, the AO can grant extension only if an application has been made by the Assessee.
142A	For making <b>assessment or reassessment under this Act so as to determine the value of any</b> - (a) <b>Investment</b> u/s 69 or 69B, or (b) <b>Bullion or Jewellery or other Valuable Article</b> referred in Sec. 69A or 69B or (c) ( <b>w.e.f. 01.07.2010</b> ) Fair Market Value of any property referred to in Section 56(2).
143	The time limit for issue of notice is extended to 31st March 2012
143	Procedure for processing of Returns filed u/s 139 or in response to notice u/s 142(1).
147	w.r.e.f. AY 1989-90, The Assessing Officer may assess or reassess the income in respect of any issue which has escaped assessment which has come to his notice subsequently in the course of the proceedings u/s 147 even if reasons for such issue have not been included in the reasons recorded u/s 148(2).
147	If an income has escaped assessment and is not subject matter of appeal, reference or revision notice u/s 148 can be issued for assessment or reassessment for that income.

## Amendment as per Finance Act, 2011

### ASSESSMENT PROCEDURE

151	JCIT, CIT or CCIT being satisfied on the reasons recorded by the Assessing Officer about fitness of a case for the issue of notice u/s 148, need not issue the notice himself.
153	Period of limitation in case of an order which stands revived u/s 153A(2). Period of limitation in case of abatement of proceeding before Settlement Commission u/s 245HA.
153A	Revival of proceeding which has abated u/s 153(1).
153 & 153B	<b>The following is excluded in computing the period of limitation:</b> The period commencing from the date on which a reference for exchange of information is made by an authority competent under an agreement u/s 90 or 90A and ending with the date on which the information so requested is received by the CIT or a period of 6 months, whichever is less.
156	Intimation u/s 143(1) shall be deemed to be notice of demand in case where any sum is determined to be payable by the assessee.

SETTLEMENT COMMISSION	
245A(b)	<p>(a) <b>Proceeding for Assessment/Reassessment</b> u/s 153A/ 153C shall be deemed to have commenced on the date of issue of notice initiating such proceeding.</p> <p>(b) <b>For all other assessment</b> - it commences from 1st day of Relevant assessment year and concludes on the date on which assessment is made.</p>
245C	<p>The following is added for the purpose of application to the Settlement Commission. Where –</p> <p>(a) the applicant is related to the “specified person”, who has already made an application.</p> <p>(b) Application can be made if the Additional Income Tax payable exceeds ₹ 10,00,000, even if proceedings for assessment or reassessment for any of the assessment years u/s 153A(1)(b) or 153B(1)(b) have been initiated.</p> <p>Explanation –</p> <p>1. The applicant, in relation to the specified person means -</p>
	<b>Applicant can be</b>
	<p>(a) If specified person is</p> <p>(i) Individual</p> <p>(ii) Company, Firm, AOP or HUF</p> <p>Relative</p> <ul style="list-style-type: none"> <li>Director, Partner, Member of AOP or HUF</li> <li>Relatives of above</li> </ul>
	<p>(b) If specified person has Business or Profession</p> <ul style="list-style-type: none"> <li>Any individual having substantial interest or his relative</li> <li>Any Company, Firm, AOP or HUF whose Director, Partner or Member has substantial interest in the Business or Profession of specified person (or) Any other Director, Partner or Member of such company, Firm, AOP or HUF/their relatives</li> </ul>
	<p>(c) Any person carrying on a Business or Profession, specified person being</p> <p>(i) An Individual or his relative</p> <p>(ii) Company, Firm, HUF, AOP or Director, Partner, Member or their relatives</p> <ul style="list-style-type: none"> <li>Any person in whose Business or Profession, the individual has substantial interest</li> <li>Any person in whose Business or Profession they have substantial interest.</li> </ul>



## Amendment as per Finance Act, 2011

	<p>2. A Person shall be deemed to have a Substantial Interest in a Business or Profession, if -</p> <p>(a) In a case where the Business or Profession is carried on by a Company, such person is, at any time during the Previous Year, the beneficial owner of shares (Not being shares entitled to a fixed rate of dividend, whether with or without a right to participate in profits) carrying not less than 20% of the voting power, and</p> <p>(b) In any other case, such person is, at any time during the Previous Year, beneficially entitled to not less than 20% of the profits of such Business or Profession.</p>
245D	<ul style="list-style-type: none"> <li>For rectifying any mistake apparent from the record, the Settlement Commission may amend the order within a period of 6 months from the date of order</li> <li><b>Condition:</b> Settlement Commission gives notice to the applicant and the Commissioner of its intention to do so, such an amendment which has the effect of modifying the liability of the applicant shall not be made.</li> </ul>
245D	<ul style="list-style-type: none"> <li>Where an application is made on or after 01.06.2007 but before 01.06.2010, the time limit is <b>within 12 months</b> from the <b>end of the month</b> in which <b>application</b> is made.</li> <li><b>For an Application made on or after 01.06.2010</b>, the time limit is <b>within 18 months</b> from the <b>end of the month</b> in which <b>application</b> is made.</li> </ul>



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TDS and TCS	
194B	The Exemption Limit is increased to ` 10,000
194BB	The Exemption Limit is increased to ` 5,000
194C	<ul style="list-style-type: none"> <li>Contract includes sub-contract.</li> <li><b>Rates of TDS revised as follows –</b>                      Payment made to Individual / HUF – 1%                      Payment made to person other than Individual / HUF – 2%                      If material value separately mentioned in the invoice then TDS on Invoice value excluding value of materials.</li> <li><b>Exclusions from TDS :</b>                      Contractor in the business of plying, hiring or leasing goods carriages on furnishing of PAN.                      If the Contractor purchases such materials from a person other than the customer, then such “Manufacture or supply” is not work for TDS purposes.</li> <li><b>Specified Person</b> includes Government of a Foreign State or a Foreign Enterprise or any Association or Body established outside India.</li> </ul>
194D	The Exemption Limit is increased to ` 20,000 p.a.
194H	The Exemption Limit is increased to ` 5,000 p.a.
194I	Rate of TDS revised as follows – Use of any Machinery, Plant or Equipment - 2% Use of any Land, Building (including Factory Building) or land appurtenant thereto, Furniture or Fittings - 10%
194J	The Exemption Limit is increased to ` 30,000 p.a.
194LB	Where any income by way of interest is payable to a non-resident / foreign company, by an infrastructure debt fund referred u/s 10(47), the person shall, at the time of credit of such income or at the time of payment, whichever is earlier, deduct Income Tax at 5%.
197A	No TDS shall be made from any payment to any person for or on behalf of New Pension System Trust.
200A	Procedure for processing of TDS Returns filed.
201	Interest Rate from the date of deduction of tax to the date of actual payment has been increased from 1% to <b>1.5%</b> . Interest rate from the date on which tax was deductible to the date of deduction is retained at 1%.
203	Provision that “ <i>For the TDS deducted or paid on or after 01.04.2010, there shall be no requirement for deductor to furnish TDS certificate to the deductee</i> ” has been omitted.
206C	Provision that “ <i>For the Tax collected on or after 01.04.2010, no certificate may be furnished by the person collecting the tax</i> ” has been omitted.

WEALTH TAX	
22D	(a) The Settlement Commission may, within a period of 6 Months from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by it. (b) However an amendment which has the effect of modifying the liability of the applicant shall not be made unless the Settlement Commission has given notice to the applicant and the Commissioner of its intention to do so and has allowed the applicant and the Commissioner an opportunity of being heard.