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July 10, 2012

The Finance Bill was introduced on 16.03.2012 when the Government was facing lot of criticism amongst the Public and the opposition due to outcome of various scams, the 2G being the biggest one fingering on the quality of the Governance by UPA-II. Hence, the eyes of the public were on the quality of the Budget proposals that may be brought by the veteran leader, Hon'ble Finance Minister, Mr. Pranab Mukherjee.

Looking from the tax proposal front, the FM has cracked down on the tax evaders. The realty transactions have been nailed with the introduction of TDS provisions. This budget has also seen the FM introducing the white paper on the Black Money. However, since the provisions of GAAR have been postponed by one year, the harsh provisions are diluted.

As we all know, the major thrust in this budget has also been the Service sector where the taxes have been fastened with increasing rates from 10% to 12%. It is opined that the higher taxes will lead to a rise in inflation. Since the services account for 59% of GDP, the hike in service tax rates and the introduction of the negative list concept may increase inflation.

Since the FM has been confident and has assured to work in reducing the fiscal deficit from 5.9% to 5.1% next year. Certainly, Finance Minister deserves kudos for GDP forecast at 7.6% which is fairly achievable if the efforts are sincerely made.

Finally, the hope of the public and India Inc is that the economy should revive and the markets should improve so that India regains its position in the International Market.

We have made detailed analysis of the important budget proposals on Direct tax front laid down by the FM in the form of Finance Act, 2012. The major changes made subsequent to the introduction of the Bill are marked in BLUE.

The copy is also available on our website <http://www.amcount.com>.

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Union Budget 2012-13

FINANCE ACT, 2012
HIGHLIGHTS & COMMENTS

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direct taxes.....

Sr. No.	Subject	
A1	Advance Tax	
Amended		
Sec.	+/-	w.e.f.
209	-	01.04.2013

Highlights

1. Currently, for the purpose of calculation of advance tax liability tax deductible or collectible at source was required to be reduced even though the tax was actually not deducted. Therefore, in such cases, there was no interest liability.
2. Now it is provided that unless such tax is actually deducted, the same should not be considered while computing the advance tax liability.

Comments

Now a person could be deemed to be an assessee in default by an order, in respect of non/short deduction of tax if the TDS on his income is not paid by the payer. Thus, for the default of the payer, the payee / assessee will have to suffer. These provisions are impractical and harsh.

Sr. No.	Subject	
A2	Advance Tax – Exemption	
Amended		
Sec.	+/-	w.e.f.
207	+	01.04.2013

Highlights

An individual, who is of the age of sixty years or more at any time during the previous year and who does not have any income chargeable under the head 'Profits and gains of business or profession' is now not required to pay advance tax.

Comments

The amendment is made to ensure that senior citizen do not have face trouble to pay heavy interest liability when they do not have any business income.

Sr. No.	Subject	
A3	Appeals	
Amended		
Sec.	+/-	w.e.f.
253	+	01.07.2012 01.10.2009

Highlights

1. Any order passed u/s. 143(3), 147, 153A or 153C in pursuance of directions issued by the Approving Panel declaring the arrangement as "impermissible avoidance arrangement" shall be directly appealable before the Appellate Tribunal. This amendment is introduced w.e.f. 01.10.2009.
2. Similarly, the directions given by the DRP in the case of a foreign company or any person in whose case variation in the income arises due to order of the TP are binding on the Assessing Officer. It is now provided w.e.f. 01.07.2012 that the Assessing Officer can also file an appeal before the Appellate Tribunal

Comments

1. The orders passed by the Assessing Officer / DRP have been subjected to appeals before higher authorities as a measure to provide a check and balance to the assessee who have grievance against these orders.
2. This also ensure adherence of the quality standards amongst the lower authorities as their orders are liable to be challenged in the higher forums.

Sr. No.	Subject	
A4	Assessment – Search cases	
Amended		
Sec.	+/-	w.e.f.
153A	+	01.07.2012

Highlights

1. As per the existing provisions for assessment of search cases, the assessment has to be taken up for all the 6 years, in case whether the search was conducted or cancelled.
2. It is also now provided that the Central Govt. can notify the cases where the Assessing Officer shall not be required to initiate proceedings for all the 6 years.

Comments

1. The said amendment will help to reduce unwanted assessment being taken up by the department, more so when such assessments are not required to be carried out.
2. This step is also reducing unwarranted paper work and piling up of files having no relevance of the assessee.

Sr. No.	Subject	
A5	Assessment-Processing of returns	
Amended		
Sec.	+/-	w.e.f.
143(1D)	-	01.04.2012

Highlights

1. Presently, every return is required to be processed u/s. 143(1) irrespective whether the case has been selected for scrutiny or not and the refund, if any, is to be issued.
2. It is now provided that in respect of a return being selected for scrutiny assessment u/s. 143(2), it will not be necessary to process the return u/s. 143(1).

Comments

1. The amendment is made to reduce cumbersome of processing return by excluding process of those returns which have been selected for scrutiny.
2. This will result into not granting of the refund due as per the return of income if the case is selected for scrutiny.

Sr. No.	Subject	
A6	Assessment-Reassessment	
Amended		
Sec.	+/-	w.e.f.
147	-	01.04.2012

Highlights

1. It is provided that if a person is found to have any asset located outside India or financial interest in any entity outside India, income shall be deemed to have escaped assessment.
2. In such a case, the time limits for reopening of the cases have been increased to 16 years instead of 6 years.
3. It is also provided to deem the escapement of income if an assessee is failed to furnish transfer pricing report.
4. Similar amendments are also made under the Wealth Tax provisions.

Comments

1. The provisions for re-assessment of income have been made very stringent for assessee having financial interest in an entity outside India. Henceforth, if any income escaping assessment is found in respect of the assessee having assets outside India, the powers of the officers have been widened by allowing them to reopen the assessment of past 16 years.
2. Thus, it is made compulsory for such assessee to keep the books of account and other records alive for 16 years. However, such provisions can lead to misuse of powers by the officers.
3. Similarly, the provisions relating to transfer pricing regulations and the reopening of the assessment are also made harsh by presuming escapement of income if the assessee failed to furnish transfer pricing report.

Sr. No.	Subject	
A7	Assessment-Time Limit	
Amended		
Sec.	+/-	w.e.f.
153, 153B	+	01.07.2012

Highlights

It is provided to extend time limit for completion of assessment by 3 months. It is therefore provided that the assessment proceedings may be completed within 24 months from the end of the relevant A.Y. as against 21 months as per the existing provisions.

Comments

The time limit for completion of the assessment is revival of the old provisions prior to 2006 where the assessments were to be completed within 24 months.

Sr. No.	Subject	
A8	Business Deduction – Capital Expenditure	
Amended		
Sec.	+/-	w.e.f.
35AD	+	01.04.2012

Highlights

1. Investment linked deduction of capital expenditure is extended to the following businesses:

- a) Setting up and operating an inland container depot or freight station.
- b) Warehousing facility for storage of sugar and beekeeping.
- c) Production of honey and beeswax.

2. Deduction is enhanced from 100% to 150% in respect of following businesses:

- (a) Cold chain facility
- (b) Warehousing for agricultural produce
- (c) Hospital with 100 beds.
- (d) Affordable housing projects.
- (e) Production of fertilizer.

3. Investment linked deduction of 100% is now extended to any assessee who is the owner of hotel of two or more star rating, even if the operation of the hotel is by a person other than the assessee.

Comments

The amendment is made with an objective to derive more investments in the specific industry.

Sr. No.	Subject	
A9	Business deduction – General	
Amended		
Sec.	+/-	w.e.f.
40(a)(ia)	+	01.07.2012

Highlights

It is provided to allow deduction of the expenditure even if the TDS is not deducted or paid within time if the deductee furnishes his return of income by including relevant income and furnishes a certificate from an accountant certifying this fact.

Comments

1. Earlier the provision of s. 40(a)(ia) required that the deduction cannot be allowed if the assessee has not deducted or paid TDS within specified time. This had the effect of creating undue litigation and the assessee was made to suffer once on account of penalty under the provisions of TDS and then on account of disallowance of the expenditure.
2. The representations were made by several sections and organizations that this was a very harsh provision more particularly when the Govt. is not deprived of the legitimate revenue since the payee had already paid taxes on the said amount.
3. The amendment is therefore brought to remove the said anomaly and reduce the hardship caused to the assessee.

Sr. No.	Subject	
A10	Business Deduction – R & D facility	
Amended		
Sec.	+/-	w.e.f.
35(2AB)	+	01.04.2012

Highlights

The deduction on account of in-house R&D facility is extended from 31.3.2012 to 31.03.2017.

Comments

This is a welcome provision.

Sr. No.	Subject	
A11	Business Deduction -Depreciation	
Amended		
Sec.	+/-	w.e.f.

32	+	01.04.2013
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Highlights

The assessee engaged in the business of generation or generation and distribution of power are allowed additional depreciation of 20% of the cost of new plant & machinery.

Comments

1. The benefit of additional depreciation is presently allowed to assessee engaged in the business of manufacture or produce of any article or things.
2. This benefit is extended to the business of generation/distribution of power.

Sr. No.	Subject	
A12	Capital Gain – M & A	
	Amended	
Sec.	+/-	w.e.f.
2(19AA), 47(vii)	+	01.04.2013

Highlights

1. The provisions relating to amalgamation and demerger provide for issue of shares to the shareholders upon amalgamation/demerger of the company.
2. In case where there is an amalgamation/demerger amongst holding and subsidiary companies, the said condition cannot be fulfilled since the holding company cannot issue shares to itself.
3. The condition as to issue of shares upon amalgamation or demerger has been done away with in case of amalgamation/demerger between holding and subsidiary companies.

Comments

The above amendment removes the ambiguity as to whether the holding company has to issue shares in case of amalgamation or de-merger of the undertaking belonging to its subsidiary.

Sr. No.	Subject	
A13	Capital Gains – Agricultural Land	
	Amended	
Sec.	+/-	w.e.f.
S.54B	+	01.04.2013

Highlights

The exemption on sale of agricultural land provided under s. 54B is now extended to such sales made by HUF.

Comments

1. There was no clarity as to whether HUF is eligible for exemption on sale of agricultural land although HUF was largely treated on the lines similar to individual.
2. It is therefore expressly provided to allow such exemption to HUF.

Sr. No.	Subject	
A14	Capital Gains – Conversion	
	Amended	
Sec.	+/-	w.e.f.
49	+	01.04.1999

Highlights

1. S. 47(xiii) and (xiv) excludes from the ambit of transfer, succession of a firm or a proprietary concern by a company.
2. The amendment provides that in such cases, cost of acquisition of assets in the hands of the company shall be the cost to the previous owner.

Comments

The lacuna in the provision has been removed and the clarity as to the correct cost of acquisition has been given.

Sr. No.	Subject	
A15	Capital Gains – Conversion of a foreign bank	
	Introduced	
Sec.	+/-	w.e.f.
115JG	+	01.04.2013

Highlights

1. The new provisions have been introduced to provide for conversion of a Indian branch of a foreign bank into a subsidiary Indian company.
2. The conversion is permitted subject to the scheme framed by the RBI for this purpose.
3. The capital gain arising on such conversion is exempt from income tax.

Comments

By introduction of these provisions, foreign bank branches have been kept outside the purview of capital gain tax arising out of conversion of such branches into subsidiary companies.

Sr. No.	Subject	
A16	Capital Gains – Exemption	
	Introduced	
Sec.	+/-	w.e.f.
54GB	+	01.04.2013

Highlights

1. A new s. 54GB is inserted to provide for exemption of capital gain to an individual and HUF on transfer of residential property (being house or plot of land), if the net consideration is utilized for subscribing to equity shares of an eligible company before the due date for filing of the return of income and the company in turn invests the amount received in acquiring certain new plant and machinery, within one year from the date of subscription to the shares.
2. If the whole of net consideration is not invested, proportionate exemption is available.
3. Eligible company has been defined, to be a company incorporated during the previous year, in which the capital gain arises. The company should be a small and medium enterprise, (SME) engaged in the business of manufacture of an article or thing, and the assessee should hold more than 50% share capital or voting power in the company.

Comments

This is a welcome provision to boost encouragement for small and medium enterprises.

Sr. No.	Subject	
A17	Capital Gains – Transfer by Sale	
	Introduced	
Sec.	+/-	w.e.f.
S.50D	-	01.04.2013

Highlights

The introduction of new provision provides the adoption of fair market value on transfer of the

assets in a situation where the value of consideration cannot be ascertained.

Comments

1. The decision in case of Dana Corporation [321 ITR 178] had held that where the consideration cannot be determined, the machinery section fails. Similarly, it was held in the case of Bharat Bijlee Limited v. ACIT that the presence of the money consideration is essential condition for slump sale since the slump sale is only in respect of the transaction as a result of sale. If the money consideration is not involved, it may be a case of barter but not sale. Hence, it was held that the provisions of s. 50C are not applicable.
2. By new s. 50D, it is provided that in such cases fair market value will be taken as full value of consideration for the purpose of capital gain.

Sr. No.	Subject	
A18	DDT	
	Amended	
Sec.	+/-	w.e.f.
115- O	+	01.04.2013

Highlights

1. Presently dividend distributable by a company liable for DDT, is to be reduced by dividends only if it is not a subsidiary of any other company i.e. only in case of a two tier corporate structure.
2. To remove the cascading effect in a multi-tier corporate structure, the condition of the domestic company not being a subsidiary of any other company has been withdrawn.

Comments

With the amendment, any domestic company receiving dividend from any subsidiary company and declaring dividend in the same year will be allowed to reduce the amount of such dividend for determining the liability of DDT if the subsidiary has paid DDT payable by it.

Sr. No.	Subject	
A19	Deduction – Bank interest	
	Introduced	
Sec.	+/-	w.e.f.
80TTA	+	01.04.2013

Highlights

Deduction is granted upto Rs.10,000/- to an individual or HUF in respect of saving account interest.

Comments

The extinct of s. 80L has partially been revived in the form of the above section by granting benefit of exemption in respect of savings bank account interest.

Sr. No.	Subject	
A20	Deduction – Donation	
	Amended	
Sec.	+/-	w.e.f.
80G	+	01.04.2013

Highlights

Deduction is granted in respect of donation payment in excess of Rs.10,000/- only if the same is paid in any mode other than cash.

Comments

The amendment seeks to curb malpractices in respect of donation payments claimed by certain assessees.

Sr. No.	Subject	
A21	Deduction – Health benefits	
	Amended	
Sec.	+/-	w.e.f.
80D	+	01.04.2013

Highlights

Deduction is granted on account of preventive health check up of self, spouse or dependent children, parents upto Rs.5,000/-.

Comments

1. The benefit of s. 80D is to be extended to the expenditure incurred on preventive health check up.

2. Similarly, the deduction is also enhanced to Rs.20,000/- where the premium is paid on health of senior citizen.

Sr. No.	Subject	
A22	Deduction – Investments	
	Introduced	
Sec.	+/-	w.e.f.
80CCG	+	01.04.2013

Highlights

1. The deduction has been introduced in respect of investments made under notified equity savings scheme if the following conditions are fulfilled:

- (a) The assessee is a resident individual (may be ordinarily resident or not ordinarily resident)
- (b) His gross total income does not exceed Rs .10 lakhs;
- (c) He has acquired listed shares in accordance with a notified scheme;
- (d) The assessee is a new retail investor as specified in the above notified scheme;
- (e) The investor is locked-in for a period of 3 years from the date of acquisition in accordance with the above scheme;
- (f) The assessee satisfies any other condition as may be prescribed.

2. The above deduction has to be calculated @ 50% of the investment amount subject to maximum of Rs.25,000/-.

Comments:

The introduction of the above provisions encourages two fold aspects i.e. saving habits of the Indians and the boosting of the equity markets.

Sr. No.	Subject	
A23	Deduction - LIP	
	Amended	
Sec.	+/-	w.e.f.
80C, 10 (10D)	-	01.04.2012

Highlights

1. As per the existing provisions, amount received under the policy is exempt provided the amount does not exceed 20% of the sum assured during the

policy period. This limit is reduced to 10% in case of policy issued on or after 01.04.2012.

2. Similarly, the benefit on deduction u/s. 80C of the Act is provided in respect of premium to the extent of 10% of the sum assured.

Comments

1. Earlier, the deduction u/s. 80C as well the exemption from tax on the maturity proceeds from Life Insurance policies was provided, if the premium on the policy does not exceed 20% of the sum assured.
2. By reducing this percentage to 10%, the legislature has sought to make the benefit available to the assessee more stringent on the other hand ensuring the polices to be of a longer period.

Sr. No.	Subject	
A24	Deduction – Senior Citizen	
	Amended	
Sec.	+/-	w.e.f.
80DDB	+	01.04.2013

Highlights

1. The provision is amended reduce the qualifying age of senior citizen from 65 to 60 years for the purpose of deduction.
2. Similarly, it is provided to grant higher deduction of Rs.60,000/- on the amount spent on medical treatment of specified disease of senior citizen.

Comments

The benefit granted to senior citizen is a welcome provision.

Sr. No.	Subject	
A25	GAAR – International transactions	
Sec.	+/-	w.e.f.
90	-	01.04.2014

Highlights

1. The legislature seeks to introduce the provisions of General Anti-Avoidance Rule (GAAR) which would apply to an assessee even if they are not beneficial to him.
2. For the purpose of obtaining treaty benefit, it is provided that the non-resident assessee should furnish a certificate of his being

resident of that country obtained by him from the Govt. of that country.

3. It is also provided that the terms not defined under the Act or the treaty would get their meaning from the notifications issued by the Govt. and would be effective from the date of coming into force of the relevant DTAA.

Comments

1. The introduction of GAAR will have a draconian impact on the Indian economy and its relationship with the other countries on the tax front. Under the provisions of GAAR, it would not be entitled to take shelter under the beneficiary provisions of the treaty.
2. The manner in which these provisions are sought to be implemented is to put check on for the structuring of investment into India in order to take advantage of beneficiary treaty with India.
3. The common structure adopted is that the global corporation sets up holding co in intermediaries like Mauritius or Singapore which then invests into India, thereby fetching a huge tax benefit. It may be difficult for Mauritius Company to obtain a certificate from Mauritius since they do not have substantial existence in that country.
4. By the amendment, this may hamper such beneficial structuring carrying out by many entities.

Sr. No.	Subject	
A26	GAAR – Tax evasion	
	Introduced	
Sec.	+/-	w.e.f.
95 to 102	-	01.04.2014

Highlights

1. The present Finance Act 2012 has introduced the provisions of GAAR under the Act. GAAR empowers the Tax Dept to declare an 'arrangement' entered into by an assessee to be an 'Impermissible Avoidance Arrangement' (IAA) and the consequence thereof could be denial of tax benefit.

2. The term IAA is defined to mean an arrangement whose main purpose or one of the main purposes is to obtain tax benefit. The tax benefit is referred to mean reduction, avoidance, deferral of tax or increase in refund.
3. The Approving Panel will consist of Income-tax Authorities not below the rank of the Commissioner and an Officer of the Indian Legal Service not below the rank of Joint Secretary to the Government of India
4. Once the arrangement is declared as an IAA, the consequence is the denial of tax benefits. Such denial could be in any manner including by way of disregarding a step, combining a step, re-characterizing step, disregarding an accommodating party, etc.
5. A Non-resident may make an application to the Authority for Advance Ruling (AAR), for determination by it whether an arrangement, which is proposed to be undertaken by him / it, is an impermissible avoidance arrangement?
6. Under the GAAR provisions an arrangement shall be deemed to lack commercial substance if it involves the location of asset or transaction or place of residence without substantial commercial purpose other than obtaining tax benefit.
7. Further, the onus to prove the main purpose of the arrangement is to be obtain a tax benefit may now be on the revenue, i.e. Government.
8. The CBDT was issued guidelines and prescribed conditions in the manner in which in accordance with GAAR can be invoked.
9. The provisions were to be made applicable from 1st April 2013, i.e. the Financial Year ending on or after 31st March 2013. Now they are applicable from 1st April 2014, i.e. the Financial Year ending on or after 31st March 2014.

Comments

1. Both the scope of GAAR provisions and the powers given to the tax authorities are inordinately wide and clearly note in light of the international best practices. Coupled with sought of ruling that are passed by the tax authorities at lower levels, it is likely to result in misusing of GAAR provisions.

2. The original threat that each and every arrangement is wrong until proved to the contrary seems to be fully reversed. Now the Department may have to prove that there is an impermissible arrangement.
3. The vague part in third clause has been diluted. A sense of balance is sought to be given to the Panel by induction of a Senior Legal Service Officer.
4. A sense of surprise and shock which could have been associated is being sought to be eliminated by providing a ruling from the AAR.
5. A sense of retrospective applicability of the law is sought to be corrected.
6. One can only hope that specific and objective criteria are introduced with respect to applicability of these provisions.

Sr. No.	Subject	
A27	Income – Business connection	
	Amended	
Sec.	+/-	w.e.f.
2(14), 2(47), 9(1)(i) & 195	-	01.04.1962

Highlights

1. In s. 9, the income accruing through business connection is chargeable to tax in India. The term 'through' has been now specifically defined and the scope of the said provisions has been extensively widened.
2. Similarly, it has also been clarified that any share or interest in a company incorporated outside India shall be deemed to be situated in India if the share or interest derives its value substantially from assets located in India.
3. The definition of capital assets is also enlarged to include any rights in relation to an Indian company. Similarly, the transfer of such rights is also covered under the definition of transfer.
4. Accordingly, TDS provisions are also made applicable to such transactions.

Comments

1. These amendments have been introduced with retrospective effect primarily to overturn the landmark decision to the Supreme Court in the case of Vodafone Intl Holdings BV v. Union of India [204 Taxman 408].
2. The primary object of these amendments was to cover any transactions carried out by any entity outside India which has an effect of transfer of any interest in any assets in India.
3. Perhaps this may have an impact on the FDIs inflow in India henceforth.

Sr. No.	Subject	
A28	Income – Charitable Purpose	
Amended		
Sec.	+/-	w.e.f.
10(23C) & 13	+	01.04.2009

Highlights

1. The term 'charitable purpose' is defined in s. 2 (15) to provide that the advancement of an object of general public utility will not be considered as charitable purpose if its involves carrying on an activity in the nature of trade.
2. It is now provided to permit such activity to be charitable purpose only if the value of receipts from said activity is Rs.25 lacs or less.

Comments

This amendment has given marginal relief to the charitable organizations who were having small activities of trade as per that of charitable objects.

Sr. No.	Subject	
A29	Income – Gift	
Amended		
Sec.	+/-	w.e.f.
s. 56(2)(vii)	+	01.10.2009

Highlights

1. The receipt of gift from the relative of the individual is not brought to tax in the hands of the recipient.
2. It is provided that the identical benefit should be extended to the HUF on receipt of gifts from its members.

Comments

This amendment confirms the Legislative intent that for the taxation purposes, the HUFs are treated on identical footing as Individual.

Sr. No.	Subject	
A30	Income – Royalty	
Amended		
Sec.	+/-	w.e.f.
9(1)(iv)	-	01.06.1976

Highlights

1. As per s. 9(1)(vi), 'royalty' means consideration received or receivable for transfer of all or any rights in respect of certain rights, property or information. The amendments have been inserted to clarify that the consideration for use of computer software is royalty and transfer of any rights includes transfer of rights to use computer software.
2. Similarly, it is also clarified that the royalty will include consideration in respect of rights, property or information irrespective whether the possession or control is with the payer, whether such rights is used directly by the payer or irrespective of the location of the rights.
3. Similarly, the term 'process' u/s. 9 has also been enlarged to include transmission by satellite, cable optic fibre, etc.

Comments

The taxability of computer software as royalty u/s. 9 of the Act was the subject matter of litigation. Different Courts have given conflicting decision on the issue. Delhi High Court in case of Ericsson Radio Systems has upheld the decision of special bench in the case of Motorola Inc. holding that the computer software cannot be considered as royalty. However, a contrary view was taken by the Kerala High Court in the case of Samsung Electronics and Lucent Electronics. Amendment has been made to reconfirm the legislative intent to tax payment for use of computer software as royalty.

Sr. No.	Subject	
A31	Income – Share Premium	
	Introduction	
Sec.	+/-	w.e.f.
s. 56(2)(viib)	-	01.04.2013

Highlights

The introduction of s. 56(2)(viib) seeks to tax the amount of share premium received by the companies in excess of the fair market value of its shares.

Comments

1. There were instances where the assessee companies were collecting premium in excess of the fair market value of its shares. Sometimes, these methods were used as a tool of tax evasion.
2. In order to prevent such evil practices, tax is levied on the amount of share premium received in excess of the company's worth in terms of fair market value of the shares with the view to curb the tax evasive tool.
3. However, to reduce the impact of the said provisions, the above provisions are also not applicable to the venture capital entity and also to the class or classes of the persons as may be notified by the Central Govt.

Sr. No.	Subject	
A32	Income – Unexplained receipts	
	Introduction	
Sec.	+/-	w.e.f.
68	-	01.04.2013

Highlights

1. The amendment seeks to lay down the burden of proving the genuineness of the amount received towards share capital in the hands of the company and not by the share holders.
2. The onus of establishing the genuineness of the receipt of share capital is laid down in the hands of the companies receiving such capital by establishing the source of the amount paid by the share holders.

Comments

1. The Hon'ble Supreme Court in the case of Lovely Exports had held that once the

company establishes the identity of the shareholders, they cannot be called upon to establish the genuineness of the amount paid by the shareholders.

2. The department was therefore required to run behind the shareholders to find the genuineness and the source of the deposits made by them.
3. In order to overcome the said decision of Hon'ble Supreme Court, the amendment is made thereby putting the burden on the companies to ensure that the shareholder offers explanation about the source and nature of the amount credited.
4. On failure of the company to prove the same, the amount of share capital will be treated as income of the company and will be taxed at the flat rate of 30%.
5. This amendment lays down a heavy burden of proving the source of the share capital and deviates from the age old theories of law that the source of source cannot be proved.

Sr. No.	Subject	
A33	Income – unexplained receipts tax rate	
	Introduction	
Sec.	+/-	w.e.f.
115 BBE	-	01.04.2013

Highlights

It is provided to tax the income u/s. 68, 69, 69A, 69B, 69C and 69D at flat rate of 30% without granting any deduction of expenditure or allowance there against. Similarly, the benefit of threshold exemption available to the individual and HUF will also be not available to such amounts.

Comments

The taxation of unexplained income at a flat rate will have a wide reaching impact and amounts to granting undue powers to the tax authorities. This could even lead to misuse of powers granted under the provisions.

Sr. No.	Subject	
A34	Interest on refund	
	Amended	
Sec.	+/-	w.e.f.
234D	-	01.06.2003

Highlights

1. As per the existing provisions, s. 234D provides levy of interest @ 0.5% on the excess refund granted to the assessee.
2. It is provided that the interest shall be payable on excess refund for any assessment years, if the proceedings is completed on or before 01.06.2003.

Comments

1. The Delhi High Court in DIT v. Jacobs Civil Incorporated [330 ITR 578] had held that this provision will apply from A.Y. 2004-05 and no interest payable in respect of the earlier assessment years.
2. To overcome this ruling, it is now provided that interest shall be payable on excess refund for any earlier years, provided the proceedings are completed on or after 01.06.2003.

Sr. No.	Subject	
A35	MAT - Book Profits	
	Amended	
Sec.	+/-	w.e.f.
115 JB	-	01.04.2013

Highlights

1. It is provided that the books profits be calculated based on the accounts prepared as per Schedule VI of the Act in cases where the Companies Act is applicable to the assessee. In case of other entities like Insurance, Banking or Electricity Company, the accounts prepared in accordance with the respective Regulatory Acts will be considered for the purpose of book profits.
2. In the same breadth, an option is also given to the insurance, banking or any companies encourages in the generation of supply or electricity to prepare profit & loss account either in accordance with the provisions of Schedule VI of the Companies Act or in accordance with the provisions of the Governing Law.

3. The Life Insurance companies are exempt from the provisions of MAT.
4. It is also provided to enhance the book profit by revaluation of reserves relating to revalued assets disposed of, if the same has not been credited to the profit and loss account.

Comments

1. In number of decisions, it was held that since the MAT provisions are applicable only in respect of Schedule VI of the Companies Act, these provisions cannot be invoked in case of entities not required to maintain the accounts as per Schedule VI. This lacuna under the Act is sought to be removed by the said amendment.
2. The amendment relating to including revaluation of reserves is also made to cover the situation where the revaluation reserves is taken primarily to the general reserve without routing it through profit and loss account.

Sr. No.	Subject	
A36	MAT – All assesseees	
	Introduced	
Sec.	+/-	w.e.f.
115 JC	-	01.04.2011

Highlights

1. It is now provided to extend the provisions of AMT to all the non-corporate entities as against applicable only to the Limited Liability Partnership (LLP) under the existing provisions.
2. However, it has been specified that AMT will not be applicable to an individual or HUF, if the adjusted total income does not exceed Rs.20 lacs.

Comments

The amendment seeks to introduce the provisions of MAT in respect of all the entities thereby removing zero tax regimes for all the entities.

Sr. No.	Subject	
A37	Penalty – Search cases	
	Amended	
Sec.	+/-	w.e.f.
271AAA, 271AAB	-	01.04.2012

Highlights

1. As per the existing provisions, penalty in case of search carried out on or after 01.06.2007 is not leviable subject to certain conditions including that:
 - (a) The assessee admits the undisclosed income in a statement u/s. 132(4) recorded during the search,
 - (b) He specifies the manner in which such income has been derived, and
 - (c) He pays the tax together with interest, if any, in respect of such income.
2. It is now provided to levy penalty on undisclosed income of specified years where search has been carried out on or after 01.07.2012 as under:
 - (a) If the assessee admits undisclosed income during the course of search in a statement u/s. 132(4), specifies the manner in which such income has been derived, pays the tax with interest on such income and furnishes return of income declaring such income, penalty shall be 10% of the undisclosed income.
 - (b) If undisclosed income is not so admitted during the course of search but disclosed in the return of income filed after the search and he pays the tax with interest, penalty shall be 20% of undisclosed income.
 - (c) In other cases, penalty shall be 30% to 90% of the undisclosed income.

Comments

1. The existing provisions provided an immunity from the penalty if the assessee desires to come with the clean hands, even if caught. However, the said complete immunity has been withdrawn and the minimum penalty of 10% has been levied.
2. However, if the assessment is completed at higher amount than the returned income, the Assessing Officer has been given powers to levy penalty ranging from 30% to 90% which is very high and unreasonable.

Sr. No.	Subject	
A38	Penalty – TDS Statement	
	Amended	
Sec.	+/-	w.e.f.
234E & 271H	-	01.07.2012

Highlights

1. The existing provisions provided for penalty of Rs.100/- per day for delay in furnishing TDS/TCS statements within prescribed time.
2. The introduction of s. 234E provides for levy of fee of Rs.200/- per day for delay in filing TDS statements. Consequently, levy of penalty u/s. 272A has been omitted.
3. It is also provided to levy of penalty for not furnishing quarterly TDS statement within the prescribed time limit or for furnishing incorrect information. The penalty is ranging from Rs.10,000/- to Rs.1,00,000/-.

Comments

1. Stringent provisions are introduced as consequence of non-filing or delay in filing the TDS statements.
2. It appears to be mainly to ensure that the tax compliance of the assessee. However, the genuine hardships cannot be ruled out in such situations.

Sr. No.	Subject	
A39	Penalty – Transfer pricing	
	Amended	
Sec.	+/-	w.e.f.
271AA	-	01.04.2012

Highlights

1. Presently there is no penalty for non-reporting of an international transaction in report filed u/s. 92E or maintaining or furnishing of incorrect information or documents.
2. By way of the amendment, penalty @ 2% of the value of international transaction is provided, if the taxpayer –
 - (i) Fails to keep and maintain prescribed information and documents or
 - (ii) Fails to report any international transaction or
 - (iii) Maintains or furnishes any incorrect information or documents.

Comments

1. The non-reporting of international transactions has been subjected to be penal provisions. However, the penalty has been made on the basis of value of

international transactions and not on the basis of tax liability. This can increase the burden of the tax payers and also amounts to harsh provisions.

2. Similarly, identical provisions have also been introduced in respect of domestic transactions for TP.

Sr. No.	Subject	
A40	Prosecution	
	Amended	
Sec.	+/-	w.e.f.
276C	-	01.07.2012

Highlights

1. The provisions relating to prosecution are invoked in a case where the tax, penalty or interest exceeds Rs.1 lac. This limit has been enhanced to Rs.25 lacs.
2. Similarly, the period of imprisonment is ranging from 6 months to 7 years and with a fine. This period has been reduced to 2 years in cases where the penalty or interest evaded does not exceed Rs.2 lacs.

Comments

The provisions relating to prosecution have been made far simpler. This may result into initiation of prosecution proceedings without very strong reasons.

Sr. No.	Subject	
A41	Rectification – TDS statement	
	Amended	
Sec.	+/-	w.e.f.
154, 246A	+	01.07.2012

Highlights

1. A statement of tax deduction at source is processed u/s. 200A and an intimation is sent to the deductor as provided u/s. 200A(1). Presently, there is no provision for rectification or appeal against the said intimation.
2. It is now provided that any mistake apparent from the record in the intimation issued u/s. 200A shall be rectifiable u/s. 154.
3. It is also provided that the intimation issued u/s. 200A shall also be deemed to be a notice of demand u/s. 156 and an appeal will lie to the CIT(A) u/s. 246A.

Comments

The amendment is introduced to enable an assessee to rectify or challenge the intimation in respect of TDS processed by the Assessing Officer raising a demand.

Sr. No.	Subject	
A42	Return – Mandatory filing	
	Amended	
Sec.	+/-	w.e.f.
139	+	01.04.2013

Highlights

The provisions of s. 139 relating to mandatory filing of return is extended to the following categories:

- (a) the person is resident in India (but other than not ordinarily resident), and he or it has:
 - (i) any asset (including financial interest in any entity) located outside India; or
 - (ii) Signing authority in any account located outside India.

Comments

If the above two conditions are satisfied, furnishing of return by such person has become mandatory irrespective of the fact whether the person has taxable income or not. The above provisions are not applicable if the concerned person is non-resident or if he/it is resident but not ordinarily resident in India for the relevant assessment year.

Sr. No.	Subject	
A43	Tax Audit – Limit	
	Amended	
Sec.	+/-	w.e.f.
44AB	+	01.04.2012

Highlights

The threshold limits for the purpose of tax audits have been enhanced as follows:

Particulars	Existing limit	Amended limit
Business	Rs. 60 Lacs	Rs. 1 Crore
Profession	Rs.15 Lacs	Rs.25 Lacs

Comments

The amendment is well deserved amendment considering levels of business in the present scenario. This will also helps in reducing the burden of small entities by excluding them from the Tax Audit procedure.

Sr. No.	Subject	
A44	TCS - Purchase of jewellery	
	Amended	
Sec.	+/-	w.e.f.
206C	-	01.07.2012

Highlights

The provisions of TCS are made applicable even in case of sale of bullion or jewellery for value exceeding this specified limit.

Comments

1. The provisions of TCS are extended in respect of sale consideration of bullion (excluding any coin and article weighing 10 gms or less) exceeding Rs.2 lacs or sale consideration of jewellery exceeding Rs.5 lacs and out of the sale consideration any amount received in cash.
2. This will have a negative impact on the bullion world market due to tedious tax facilities.

Sr. No.	Subject	
A45	Tax rates - Capital Gains	
	Amended	
Sec.	+/-	w.e.f.
112	+	01.04.2013

Highlights

The provisions of s. 112 are amended to extend the concessional tax rate of 10% on the LTCG given to non-resident or foreign companies from transfer of securities.

Comments

The legislature has introduced s. 112 to provide the concessional tax rate @ 10% of the following conditions are fulfilled:

- (a) Tax payer is a non-resident (not being a company) or a foreign company;
- (b) LTCG arises on transfer of unlisted securities (i.e. unlisted shares, unlisted debentures, etc.)

(c) LTCG is calculated without giving effect to the first proviso to s. 48 (under this proviso capital gain is calculated in foreign currency if few conditions are satisfied).

(d) Capital gain is calculated without applying indexation provisions.

Sr. No.	Subject	
A46	TDS - Exemption limit	
	Amended	
Sec.	+/-	w.e.f.
193	+	01.07.2012

Highlights

1. The exemption limit of Rs.2,500/- in respect of TDS on interest on debentures issued by listed companies has been increased to Rs.5,000/-.
2. The said exemption is also extended in respect of interest issued by unlisted companies as well as interest paid to resident HUF.
3. The threshold limit in respect of TDS on compensation on compulsory acquisition of property u/s. 194LA is also increased from Rs. 1,00,000 to Rs. 2,00,000/-

Comments

This is a welcome provision.

Sr. No.	Subject	
A47	TDS - Interest on borrowing	
	Amended	
Sec.	+/-	w.e.f.
194LC	-	01.04.2013

Highlights

1. A new provision has been introduced for TDS by specified companies from payment of any interest on money borrowed in foreign currency.
2. The said provision is applicable to every Indian companies.

Comments

TDS provisions have been inserted for payment of interest on money borrowed in foreign currency by specified companies as follows:

- (a) generation or distribution or transaction of power; or
- (b) operation of aircraft; or
- (c) manufacture or production of fertilizers; or
- (d) construction of road including toll road or bridge; or
- (e) construction of port including inland port; or
- (f) construction of ships in a shipyard; or
- (g) construction of dam; or
- (h) developing and building a housing project as referred to in 35AD(8)(vii)(c).

on the pricing arrangements in respect of eligible transactions under TP.

Sr. No.	Subject	
A48	TDS – Professional Fees	
	Amended	
Sec.	+/-	w.e.f.
194J	-	01.04.2013

Highlights

It is amended to cover the fees, commission and remuneration paid or payable to a director, other than salary as professional fees, subjected to TDS.

Comments

The scope of TDS provisions has been enhanced to also cover the payment of fees, commission and remuneration to a director.

Sr. No.	Subject	
A49	Transfer Pricing – Advance Pricing Mechanism	
Sec.	+/-	w.e.f.
92CC	-	01.07.2012

Highlights

1. It is amended to introduce Advance Pricing Agreement (APA) between the assessee and the Govt.
2. The CBDT with approval of Central Govt. may enter into an agreement with any person, determining the arm's length price or specifying the manner in which ALP is to be determined in respect of specified transaction.

Comments

The provisions relating to APA will have the effect of binding the assessee as well as the Commissioner

Sr. No.	Subject	
A50	Transfer Pricing – Intangible property Introduced	
Sec.	+/-	w.e.f.
92B	-	01.04.2002

Highlights

1. It is amended to widen the definition of 'international transactions' by bringing into many more transactions demarcated as 'international transactions'.
2. These transactions include purchase, sale, transfer or lease of various kinds of tangible and intangible properties, various modes of capital financing, guarantees, business restructuring, etc.

Comments

This amendment has been made in light of recent judicial precedents which held that transfer pricing provisions cannot be applied in a case where there is no impact on profit or loss.

Sr. No.	Subject	
A51	Transfer Pricing – Scope Amended	
Sec.	+/-	w.e.f.
92	-	01.04.2013

Highlights

1. Presently Transfer Pricing (TP) provisions are only applicable in respect of the international transactions.
2. It is now provided to introduce this provision even in respect of specified domestic transactions.

Comments

1. The Hon'ble Supreme Court in CIT v. Glaxo SmithKline Asia (P) Ltd [195 Taxman 35] had observed that the

- Govt. should consider provisions of TP in respect of domestic transactions also.
- Moreover, although there are provisions like 40A which permits re-computation of income in respect of transactions with relative parties, they are presently benchmarked against fair market value.
 - However, with TP mechanism sought to be introduced, domestic transactions will make tax planning more stringent and complex with increased procedural burden.

Sr. No.	Subject	
A52	Transfer Pricing - Variations	
	Amended	
Sec.	+/-	w.e.f.
92C	-	01.04.2013

Highlights

- Presently in case if a variation between the ALP and TP does not exceed 5%; no modification in the pricing may be done by the Assessing Officer.
- It is provided to reduce such variations limit from 5% with 3% for the TP transactions.

Comments

The proposal amendment will lead to more cases undergoing hardships at TPO level consequently leading to increased litigation.

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retrospective amendments....

Section amended	Particulars	w.e.f.
Income tax Act, 1961		
2(14)	Definition of the 'Capital asset'	01.04.1962
2(16)	'Director' of Income-tax as 'Commissioner' of Income-tax	01.04.1988
2(47)	Definition of the 'Transfer'	01.04.1962
9(1)(i)	Provisions for 'Income deemed to accrue or arise in India'	01.04.1962
9(1)(vi)	Provisions for taxability of 'royalty' income	01.06.1976
10(23C)	Definition of Charitable purpose	01.04.2009
13(8)	Provisions for exemption to charitable trusts u/s. Sec. 11 & 12	01.04.2009
35AD(6A)	Deduction in respect of hotel business	01.04.2011
44AD(6)	Provisions of presumptive taxation scheme	01.04.2011
49(1)(iii) (e)	Cost with reference to certain modes of acquisition	01.04.1999
56(2)(vii)	HUF in the meaning of 'relative'	01.10.2009
90	Determination of meaning with reference to the notification	01.10.2009
90A	Determination of meaning used in treaty with reference to the notification	01.06.2006
92B	Meaning of 'International transaction'	01.04.2002
92C(2)	Transfer pricing regulations on variation in pricing	01.10.2009
92CA(2B)	Reference to TPO	01.06.2002
111A(1)	Tax rates of short term capital gain	01.04.2009
144C	Authorisation of DRP to increase the assessment	01.04.2009
195(1)	TDS on payments to Non-residences	01.04.1962
201(3)	Provisions relating to assessee in default	01.04.2010
234D	Provisions of interest on excess refund	01.06.2003

246A	Provisions of appealable orders before CIT(A)	01.10.2009
253(1)(d)	Provisions for 'appeal to the Appellate Tribunal'	01.10.2009
292CC	Provisions for 'Authorisation and assessment in case of search or requisition.'	01.04.1976
Wealth tax Act, 1957		
45(k)	Exemption to RBI from payment of wealth tax	01/04/57

budget 2012 & judicial decisions.....

Judicial decisions which have been overcome/incorporated in the Act

Sr. No.	Section	amendment	Court Rulings
1	2(14)	<p><i>Explanation</i> is to be inserted in s. 2(14) w.e.f. 01.04.1962 which clarifies that "property" includes and shall be deemed to have always included</p> <p>i) any rights in or in relation to an Indian company, including rights of management or control or any other rights whatsoever.</p> <p>ii) disposing of or parting with an asset or any interest therein, or creating any interest in any asset in any manner whatsoever, directly or indirectly, absolutely or conditionally, voluntarily or involuntarily, by way of an agreement or otherwise.</p>	Vodafone International Holdings B.V. v Union of India 204 Taxman 408 (SC)]
3	9(1)(i)	<p>i) Explanation seeks to clarify that the expression "through" shall mean and include and shall be deemed to have always meant and included "by means of", "in consequence of" or "by reason of".</p> <p>ii) <i>Explanation</i> to be inserted w.e.f. 01.04.1961 to provide that capital asset situated in India will also cover Share or interest in a foreign company/entity.</p>	Vodafone International Holdings B.V. v Union of India 204 Taxman 408 (SC)]
4	95 - 102	General Anti-Avoidance Rule [Provisions in New Chapter X-A (sections 95 to 102)]	<p>i) W.T. Ramsay Ltd. v. IRC [1981] 1 All E.R. 865</p> <p>ii) Vodafone International Holdings B.V. v Union of India 204</p>

			Taxman 408 (SC)]
5	195(1)	Section 195 amended w.e.f. 01.04.1962 to provide that Obligation to deduct tax u/s 195(1) applicable to all persons, whether resident or non-resident, whether or not the non-resident has a residence, place of business or business connection in India; or any other presence in any manner whatsoever	Vodafone International Holdings B.V. v Union of India 204 Taxman 408 (SC)]
6	9(1)(vi)	Amendments to resolve controversy consideration for use of computer software is royalty or not (Approving <i>CIT v Samsung Electronics Co. Ltd.</i> [2011] 16 taxmann.com 141/203 Taxman 477]	DIT v. Ericsson AB [2011]16 taxmann.com 371/[2012] 204 Taxman 192 (Delhi)
7,	9(1)(vi)	Amendments to resolve controversy of satellite payments is royalty or not.	i) Asia Satellite Telecommunication s Co. Ltd. v. DIT [2011] 197 Taxman 263/9 taxmann.com 168 (Delhi) ii) ISRO Satellite Centre, In re [2008] 175 Taxman 97 (AAR - New Delhi) iii) Infosys Technologies Ltd v Dy.CIT [2011] 45 SOT 157/10 taxmann.com 1 (Bang.)
8.	50D	Taxability of the capital gains based on the fair market value if the stamp duty value not determinable. (Approving <i>Dy. CIT v. Summit Securities Ltd</i> [2012] 19 taxmann.com 102 (Mum.)(SB)	i) Dana Corporation, In Re [2010]186 Taxman 187(AAR-New Delhi) ii) Goodyear Tire & Rubber Co., In Re [2011] 199 Taxman 121/11 taxmann.com 43 (AAR - New Delhi) iii) Amiantit International Holding Ltd., In re [2010]189 Taxman

			149(AAR - New Delhi)]
10.	40A(2)	Transfer pricing laws applicable to India (Following guidance given in <i>CIT v. Glaxo SmithKline Asia (P.) Ltd.</i> [2010] 195 Taxman 35 (SC))	CIT v. Glaxo SmithKline Asia (P.) Ltd. [2010] 195 Taxman 35 (SC)]
11.	68	Share capital, share premium etc. credited in the books of the company can be treated as unexplained in the hands of the company	<p>i) Lovely Exports(P.) Ltd. [Application No. 11993 of 2007, dated 11-1-2008]</p> <p>ii) Stellar Investment Ltd [2001] 115 Taxman 99 (SC)</p> <p>iii) CIT v Divine Leasing & Finance Ltd [2007] 158 Taxman 440(SC)</p> <p>iv) CIT v Kamdhenu Steel & Alloys Ltd. [2012] 19 taxmann.com 26 (Delhi)</p> <p>v) CIT v SIT Extrusion (P.) Ltd. [333 ITR 269 (MP)]</p> <p>vi) CIT v Arunananda Textiles(P.)Ltd [203 Taxman 32 (Kar.) (Mag.)</p> <p>vii) CIT v. Dwarkadhish Investment (P.) Ltd. [2010] 330 ITR 298/194 Taxman 43 (Delhi)</p>
12.	115JB	Companies not required to follow Schedule VI of the Companies Act also covered under the MAT	<p>i) In Krung Thai Bank PCL v. Jt. DIT(International Taxation) [2011] 16 taxmann.com 239/ [2012] 49 SOT 70 (Mum.)(URO)</p> <p>ii) Kerala State Electricity Board v. Dy. CIT [2011] 196 Taxman 1/[2010] 8 taxmann.com 118</p>

			iii) Union Bank of India v. Asstt. CIT [2011] 16 taxmann.com 304/[2012] 49 SOT 32 (Mum.) iv) Maharashtra State Electricity Board v. Jt. CIT [2002] 82 ITD 422 (Mum)
13.	115JB	Revaluation reserve directly taken to the Balance Sheet to be considered while computing Book profits for the purpose of MAT.	ITO v. Galaxy Saws (P.) Ltd. [2011] 13 taxmann.com 179/132 ITD 236 (Mum)
14.	234D	Class of persons or cases (to be notified by CBDT) responsible for making payment to a non-resident, whether or not such payment is chargeable under the Act, shall make an application to the AO to determine the appropriate proportion of sum chargeable.	GE India Technology Cen. (P.) Ltd. v CIT [2010] 193 Taxman 234 (SC)
15.	209	If no TDS deducted or collected from the income of the assessee, the income to be liable for advance tax.	Dy.CIT v. Pride Foramer SAS [2008] 24 SOT 59 (Delhi)
16	234D	S 234D would be applicable to any proceeding, which is completed on or after 1st June, 2003, irrespective of the assessment year to which it pertains.	ITO v. Ekta Promoters (P) Ltd. [2008] 113 ITD 719 (Delhi) (SB)

N.B.: While, some of the prominent decisions have been discussed in the analysis, the above table list out many other decisions which are affected due to the amendments in the Finance Act, 2012.

tax rates....

The comparative chart showing the tax rates for various levels of income during A.Y. 2012-13 and A.Y. 2013-14 is given below:

For Individual (below 60 years of age), HUF, AOP and BOI

Slab Rates	A.Y. 2012-13				A.Y. 2013-14			
	Tax	SC	EC	Total	Tax	SC	EC	Total
Upto 1,80,000	0	0	0	0	0	0	0	0
1,80,001 to 2,00,000	10.00	0.00	0.30	10.30	0	0	0	0
2,00,001 to 5,00,000	10.00	0.00	0.30	10.30	10.00	0.00	0.30	10.30
5,00,001 to 8,00,000	20.00	0.00	0.60	20.60	20.00	0.00	0.60	20.60
8,00,001 to 10,00,000	30.00	0.00	0.90	30.90	20.00	0.00	0.60	20.60
10,00,001 and above	30.00	0.00	0.90	30.90	30.00	0.00	0.90	30.90

For Senior Citizens (Between 60 years and 80 years)

Slab Rates	A.Y. 2012-13				A.Y. 2013-14			
	Tax	SC	EC	Total	Tax	SC	EC	Total
Upto 2,50,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,50,001 to 5,00,000	10.00	0.00	0.30	10.30	10.00	0.00	0.30	10.30
5,00,001 to 8,00,000	20.00	0.00	0.60	20.60	20.00	0.00	0.60	20.60
8,00,001 to 10,00,000	30.00	0.00	0.90	30.90	20.00	0.00	0.60	20.60
10,00,001 and above	30.00	0.00	0.90	30.90	30.00	0.00	0.90	30.90

For Senior Citizens (Above 80 years)

Slab Rates	A.Y. 2012-13				A.Y. 2013-14			
	Tax	SC	EC	Total	Tax	SC	EC	Total
Upto 5,00,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,00,001 to 8,00,000	20.00	0.00	0.60	20.60	20.00	0.00	0.60	20.60
8,00,001 to 10,00,000	30.00	0.00	0.90	30.90	20.00	0.00	0.60	20.60
10,00,001 and above	30.00	0.00	0.90	30.90	30.00	0.00	0.90	30.90

- There are no changes in the corporate rates and rates of tax on partnership firms.