

EXECUTIVE SUMMARY OF FINANCE BILL, 2018 - DIRECT TAXES

A. WIDENING AND DEEPENING OF TAX BASE					
CLAUSE(S) OF FINANCE BILL, 2017	PARTICULARS OF AMENDMENTS	SECTION	AMENDMENT / NEWLY INSERTED	APPLICABLE W.E.F.	BRIEF OF AMENDMENT
42	Requirement to obtain PAN for Entities and specified Individuals entering into Financial Transaction exceeding Rs 2.5 lakh in a financial year	139A	New Insertion of Clause (v) & (vi)	01/04/2018	<p>In order to use PAN as Unique Entity Number for non-individual entities, every person, not being an individual, which enters into a financial transaction of an amount aggregating to Rs 2,50,000/- or more in a financial year shall be required to apply to the Assessing Officer for allotment of PAN</p> <p>Further, in order to link the financial transactions with the natural persons, the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer or any person competent to act on behalf of such entities shall also apply to the Assessing Officer for allotment of PAN.</p>
3	Widening of scope of Accumulated Profits for the purposes of Dividend	Insertion of Explanation (2A) to Clause (22) of Section 2	Insertion of Explanation	01/04/2018	<p>A new Explanation has been inserted to provide that in case of an amalgamated company, the accumulated profits, whether capitalized or not, or loss, as the case may be, shall be increased by the accumulated profits, whether capitalized or not, of the accumulating company on the date of amalgamation.</p> <p><u>Author's Comment:-</u> This amendment has come to widen the scope of Deemed Dividend. However, non inclusion of word "Loss" of amalgamating company leaves ample gray area whether the loss, if any, of the amalgamating company would be allowed to lower the accumulated reserves of amalgamated company or not.</p>

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3	Widening of scope of Income	Insertion of sub clause (xiia) after sub clause (xii) of clause (24) of section 2	Insertion of sub clause (xiia) after sub clause (xii) of clause (24) of section 2	01.04.2019	The definition of income has been widened to include the FMV of inventory referred to in clause (via) of Section 28
3	Widening of scope of Income	Insertion of sub clause (xviib) after sub clause (xviiia) of clause (24) of section 2	Insertion of sub clause (xviib) after sub clause (xviiia) of clause (24) of section 2	01.04.2019	The definition of income has been widened to include any compensation or other payment referred to in clause (xi) of sub-section (2) of section 56
3	Widening of definition of Short Term Capital Assets	Insertion of sub clause (ba) after sub clause (b) of clause (i) of Explanation to Clause (42A) of section 2	Insertion of sub clause (ba) after sub clause (b) of clause (i) of Explanation to Clause (42A) of section 2	01.04.2019	The definition of Short Term Capital Asset has been widened so as to include the period of holding w.r.t. conversion of Stock in trade into capital assets wherein the holding period shall commence from the date of conversion of such converted capital asset.
38 & 39	Deemed Dividend u/s 2(22)(e) made taxable in the hands of Corporates and provisions of DDT made applicable on same.	115-O & 115Q	New Insertion & Amendment	01/04/2018	<p>New proviso inserted after sub-section (1) so as to provide for levy of tax at the rate of thirty percent on distributed profits in the nature of dividend under sub-clause (e) of clause (22) of section 2 (popularly known as Deemed Dividend).</p> <p>Another proviso inserted after sub-section (1B) so as to exclude the amount of dividend under sub-clause (e) of clause (22) of section 2 from the applicability of grossing up provisions.</p> <p>Explanation after Section 115Q deleted so as to bring deemed dividend also under the scope of dividend distribution tax in parity with above amendments.</p>

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5 & 31	Abolition of Sec 10(38) & taxation of long term gains on sale of specified shares / units	10(38) & 112A	New provision	01/04/2019	<p>Exemption u/s 10(38) abolished. Further exemption provided for long term gains under 10(38) is now taxable @10%, provided the gains exceed Rs.1,00,000. The gains, till 31/01/2018, accruing / arising from such provision have been saved by providing for inflated cost of acquisition to the extent of such gains.</p> <p>It has been clarified u/s 112A that while no rebate shall be permissible against the LTCG u/s 87A and also that no deduction under chapter VI-A shall be allowed against the such income.</p> <p>No benefit of indexation shall also be permissible. The cost of acquisition shall be the higher of:-</p> <ul style="list-style-type: none"> (i) The actual cost of acquisition (ii) the lower of— <p>(a) the fair market value of such asset; and</p> <p>(b) the full value of consideration received or accruing as a result of the transfer of the capital asset.</p> <p>However, as per the Authors, since the exemption u/s 10(38) has been done away wef 01.04.2018, the LTCG shall be exempt till 31.03.2018 u/s 10(38) of the Act.</p>
40, 41 & 214	Income distributed by Growth Oriented and Dividend paying mutual funds made taxable at 10 percent in the hands of payer in line to DDT	115R & 115T	Amendment	01/04/2018	<p>With a view to providing a level playing field between growth oriented funds and dividend playing funds, in the wake of new capital gains tax regime for unit holders of equity oriented funds, Section 115R and 115T are being amended to provide that where any income is distributed by a Mutual Fund being an Equity Oriented Fund, the Mutual Fund shall be liable to pay additional income-tax at 10% on income se distributed.</p> <p>The meaning of Equity Oriented Fund will be the same as assigned to it in section 112A of the Act.</p>

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32	Consequential amendment post abolition of Sec 10(38) & insertion of Sec 112A	115AD	Amendment	01/04/2019	Taxation @10% on gains, exceeding Rs.1,00,000/-, earlier exempt u/s 10(38) arising to Foreign Institutional Investor
5 & 6	Applicability of TDS provisions & restrictions on cash payments	10(23C) & 11	New Explanation inserted	01/04/2019	Provision relating to disallowance of expenses on non-deduction of tax [Sec 40(a)(ia)] and on payment in cash exceeding specified limit [40A(3) & (3A)] made applicable to entities claiming exemption u/s 10(23C)(iv)/(v)/(vi)/(via) and Section 11.
4	Expansion of scope of “business connection”	9(1)(i)	Amendment	01/04/2019	<p>Scope of business connection expanded:-</p> <ol style="list-style-type: none"> 1. To include that activities of agents which plays principal role in conclusion of contracts by non-resident (‘NR’) which are made in its name or for provision of services by it or concerns transfer of ownership or granting right to use the property owned or of property which it has right to use. 2. Significant economic presence (‘SEP’) to constitute business connection. SEP of NR to be determined on the basis of aggregate payments received or interaction with users. <p>Value of payments & number of users to be prescribed by CBDT</p>
9	Taxability of Compensation in connection to business	28(ii)(e)	Newly inserted	the 1st day of April, 2019	The newly inserted section provides that any compensation received or receivable, whether revenue or capital, in connection with the termination or the modification of the terms and conditions of any contract relating to its business shall be taxable as business income.

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21	Restriction on Variation of sale consideration and Stamp duty value	56(2)(x)(b)(B)	Amended	01/04/2018	<p>A. The word "and" has been inserted</p> <p>B. Receipt of Property by a whole owned Indian subsidiary from its holding and by an Indian holding company from its subsidiary shall not be deemed to be Income from Other Sources.</p> <p>C. Any compensation or other payment , due or recd by any person by whatever name called due to employment termination and modification of terms of engagement will be deemed as income from Other Sources</p>
16	Amendment of section 44AE	Sub section (2)	New Insertion	01/04/2019	<p>Presumptive Income for heavy goods vehicles (more than 12 tonnes) - 1000 per tonne for month or part of month or actually declared whichever is higher.</p> <p>Earlier it was applicable to all with assessee having 10 or less irrespective of tonnage capacity.</p>
B. MEASURES FOR PROMOTING EQUITY					
24	Deduction for health insurance premium / medical expenditure to senior citizens	80D	Amendment	01/04/2019	Current deduction available u/s 80D increased from 30,000/- to 50,000/- in the case of Senior citizens
25	Deduction for medical treatment of specified diseases to senior / very senior citizen	80DDB	Amendment	01/04/2019	Current deduction available to senior citizen being Rs.60,000/- & to very senior citizen being Rs.80,000/- increased to 1,00,000/-

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29, 30 & 47	Deduction for interest income to senior citizen & consequential amendment in TDS provision	80TTB & 194A	Newly Inserted & Amendment	01/04/2019	<p>Deduction upto Rs.50,000/- for interest income derived from deposits held with Bank, co-operative society or post office to be provided to senior citizens</p> <p>Also no limit of deduction of TDS on interest income for senior citizens to be raised from 10,000/- to 50,000/-</p>
7	Introduction of Standard Deduction for Salaried	16(ia)	Newly Inserted	the 1st day of April, 2019	<p>This new sub-clause in Section 16, provides for standard deduction in computing income chargeable under the head “Salaries”. upto Rs 40,000/- or the amount of salary received, whichever is less, however, the present exemption in respect of Transport Allowance (except in case of differently abled persons) and reimbursement of medical expenses as permissible per Income tax Rules of Rs. 1600/- pm and Rs. 1250/- pm respectively is proposed to be withdrawn.</p>
8	Removing reimbursement of medical expenses of Rs. 15,000 from the exception to the definition of “Perquisites”	Clause (v) in the Proviso occurring after Section 17(2)(viii)	Omitted	the 1st day of April, 2019	<p>The definition of “Perquisites” earlier excluded any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family upto an amount not exceeding fifteen thousand rupees.</p> <p>The same has now been included back and will be added to taxable perquisites, mainly because of alternative standard deduction made available to them.</p>
C. TAX INCENTIVE					

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28	Extension of deduction provided in primary agriculture activities	80PA	Newly Inserted	01/04/2019	100% deduction for five years extended to Farm Producer Companies having turnover upto 100 crores whose income is derived from its members by marketing / processing of their agriculture produce or from purchase of agricultural implements / other articles for agriculture for purpose of supplying to its members
26	Expansion of scope of deduction available to start-ups	80-IAC	Amendment	01/04/2018	<ul style="list-style-type: none"> • Benefit of 100% deduction from profits extended to start-ups being incorporated between 01/04/2019 to 01/04/2021 • Eligible business definition expanded to include start-ups engaged in improving products / processes or services or a scalable business model with high potential of employment or wealth generation
36	Amendment of section 115JC	115JC(4)	Newly Inserted	01.04.2019	Units located in International Financial Service Centre, Income derived solely convertible into Foreign Exchange , than AMT at 9 % instead of 18.5%
37	Amendment to Section 115JF	Section 115JF	Amendment/ Insertion of Clause	01/04/2019	Alongwith section 115JC, AMT at 9% on adjusted total income for assessee covered under sub-section (4) of section 115JC. Basically section split into two parts. Consequential amendment.
27	Incentive for employment generation	80-JJAA	Amendment	01/04/2019	<ul style="list-style-type: none"> • Relaxation of minimum period for which new employees should be employed is relaxed from present 240 days to 150 days for footwear and leather industry also • 30% deduction also available in case of new employees being employed for lesser period than prescribed if he/she continues to be in employment during subsequent period for minimum prescribed time. However, the deduction u/s 80JJAA shall be

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					available only for the subsequent period in which the minimum prescribed employment condition is fulfilled.
12	Amendment in section 43	43	insertion of proviso	01/04/2019	income or loss in dealings in Agriculture commodity derivatives (even if not chargeable to CTT) in a Recognized Stock Exchange/Registered Association will not to be considered as speculative under section 43(5)
5	Exemption to foreign company dealing in crude oil in certain cases	10(48B)	Amendment	01/04/2019	Present exemption to apply even if the leftover stock of crude is sold on termination of the notified agreement
5	Exemption from payment of royalty / FTS in certain cases	10(6D) & 195	New provision	01/04/2018	Royalty / FTS income arising to NR / foreign company from services rendered to National Technical Research Organization is exempt from taxation Consequential amendment is made under Section 195 providing for non-deduction of tax in such cases
D. FACILITATING INSOLVENCY RESOLUTION					
35	Amendment of section 115JB	115JB	Newly Inserted	1.04.2018 01.04.2001	For Companies where application under Insolvency and Bankruptcy Code (IBC), 2016 admitted then, In Computing MAT Unabsorbed Depreciation + Brought Forward Loss allowed to be reduced from book profits. Retrospective Amendment for Foreign Companies MAT Calculation No MAT applicable if Total Income comprises profits & gains from section 44B/44BB/44BBA/44BBB and taxed as per specified rates.

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22 & 43	Benefit of carry forward & set-off of losses	79 & 140	Amendment	01/04/2018	<ul style="list-style-type: none"> • Benefit of carry forward & set-off available even in case of change in beneficial ownership of more than 51% where the resolution plan is approved under the Insolvency and Bankruptcy Code, 2016 • The return of companies in resolution process under aforesaid code shall be verified by insolvency professional.
E. IMPROVING EFFECTIVENESS OF TAX ADMINISTRATION					
44	New Scheme for scrutiny assessment	143(3A), 143(3B), 143(3C)	Newly inserted	the 1st day of April, 2018	<p>It is proposed to amend the section 143, by inserting new sub-sections (3A),(3B),(3C) to prescribe a new scheme for the purpose of making assessments so as to impart greater transparency and accountability, by eliminating the interface between the Assessing Officer and the assessee, optimal utilization of the resources, and introduction of team-based assessment.</p> <p>Sub-section (3A), enabling the Central Government to prescribe the aforementioned new scheme for scrutiny assessments, by way of notification in the Official Gazette.</p> <p>sub-section (3B), enabling the Central Government to direct, by notification in the Official Gazette, that any of the provisions of this Act relating to assessment shall not apply, or shall apply with such exceptions, modifications and adaptations as may be specified therein. However, no such direction shall be issued after the 31st March 2020.</p> <p>sub-section (3C) in the said section, to provide that every notification issued under the sub-section (3A) and sub-section (3B), shall be laid before each House of Parliament, as soon as may be.</p>

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F. RATIONALISATION MEASURES					
52	Section 276CC Substitution of words in proviso to section 276CC, Clause (ii), sub- clause(b)	276CC (Failure to furnish return of income)	Amendment	01/04/2018	<p>Section 276CC of the Act provides that if a person willfully fails to furnish in due time the return of income which he is required to furnish, he shall be punishable with imprisonment for a term, as specified therein, with fine.</p> <p>The sub-clause (b) of clause (ii) of proviso to the section 276CC further provides that a person shall not be proceeded against under the said section for failure to furnish return for any assessment year commencing on or after the 1st day of April, 1975, if the tax payable by him on the total income determined on regular assessment as reduced by the advance tax, if any, paid and any tax deducted at source, does not exceed three thousand rupees.</p> <p>In order to prevent abuse of the said proviso by shell companies or by companies holding Benami properties, it is proposed to amend the provisions of the said sub-clause so as to provide that the said sub-clause shall not apply in respect of a company.</p>
44	Rationalisation of prima-facie adjustments during processing of return of income	Proviso to Sec 143(1)(a)(vi)	Newly inserted	the 1st day of April, 2018	<p>Sec143(1)(a)(vi) currently provides that at the time of processing of return, the total income or loss shall be computed after making the adjustments in respect of addition of income appearing in Form 26AS or Form 16A or Form 16 which has not been included in computing the total income in the return.</p> <p>It is now proposed to insert a new proviso to the said clause to provide that no adjustment under sub-clause (vi) of the said clause shall be made in respect of any return furnished on or after the assessment year commencing on the first day of April, 2018.</p>

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53	Rationalisation of provisions relating to Country-by-Country Report	286	Substituted / inserted	deemed to have been substituted/inserted with effect from the 1st day of April, 2017	<p>Section 286 of the Act contains provisions relating to specific reporting regime in the form of Country-by-Country Report (CbCR) in respect of an international group. Based on model legislation of Action Plan 13 of Base Erosion and Profit Shifting (BEPS) of the Organisation for Economic Co-operation and Development (OECD) and others, following amendments are proposed to be made so as to improve the effectiveness and reduce the compliance burden of such reporting:—</p> <p>a) the time allowed for furnishing the Country-by-Country Report (CbCR), in the case of parent entity or Alternative Reporting Entity (ARE), resident in India, is proposed to be extended to twelve months from the end of reporting accounting year; (earlier it was on or before due date u/s 139(1))</p> <p>b) constituent entity resident in India, having a non-resident parent, shall also furnish CbCR in case its parent entity outside India has no obligation to file the report of the nature referred to in sub-section (2) in the latter's country or territory;</p> <p>c) the time allowed for furnishing the CbCR, in the case of constituent entity resident in India, having a non-resident parent, shall be twelve months from the end of reporting accounting year;</p> <p>d) the due date for furnishing of CbCR by the the ARE of an international group, the parent entity of which is outside India, with the tax authority of the country or territory of which it is resident, will be the due date specified by that country or territory;</p> <p>e) Agreement would mean an agreement referred to in</p>
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					<p>sub-section (1) of section 90 or sub-section (1) of section 90A, and also an agreement for exchange of the report referred to in sub-section (2) and sub-section (4) as may be notified by the Central Government;</p> <p>f) “reporting accounting year” has been defined to mean the accounting year in respect of which the financial and operational results are required to be reflected in the report referred to in sub-section (2) and sub-section (4).</p>
33	Rationalization of provision for lower taxation for certain domestic companies	115BA	Amendment	01/04/2017	Provisions of section 115BA is proposed to be restricted to income from the business(es) specified therein and incomes which are taxed at rates provided under other sections shall continue to be so taxed.
5	Benefit of tax-free withdrawal extended	10(12A)	Amendment	01/04/2019	Benefit of tax free withdrawal upto 40% of total amount payable extended to all subscribers. Presently the same was available only to employees.
23	Deduction not to be allowed unless return furnished.	Substitution of new section for section 80AC.	Substitution	01/04/2018	<p>No change in the condition has been made i.e. Return to be filed within due date specified u/s 139(1). But the section have been split into two parts i.e.</p> <p>a. For deduction upto A.Y. 2018-19 [the deductions referred is only u/s 80IA, 80IB, 80IC, 80ID, 80IE and 80IAB.</p> <p>b. For deduction wrt A.Y. 2019-20 it is mandatory wrt all deduction being claimed in accordance with provision of Chapter VI-A Part C, <u>which lists the Sections where deduction is permissible based on</u></p>

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					<u>income derived.</u>
14	Determination of full Value of Consideration	Section 43CA	Insertion of Proviso	01/04/2019	<p>A. No adjustments required where the Stamp Duty Value is for and upto 105% of Sale Consideration Received/ Accruing. Reference may be made by the AO though in case of variation to section 142A.</p> <p>B. Words " by any mode other than cash" substituted with "account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account"</p>
19	Amendment of section 50C(1)	Proviso	New Insertion	01/04/2019	<p>A. No adjustments required where the Stamp Duty Value is for and upto 105% of Sale Consideration Received/ Accruing. Reference may be made by the AO though in case of variation to section 55A r/w 111A and/or section 142A.</p> <p>The amendment to section 43CA (4) by Finance Bill 2018 is not required since the same was made already by 2nd proviso to section 50C(1) by FA 2017.</p>
21	Restriction on Variation of sale consideration and Stamp duty value	56(2)(x)(b)(B)	Amended	01/04/2018	<p>A. The word "and" has been inserted</p> <p>B. Receipt of Property by a whole owned Indian subsidiary from its holding and by an Indian holding company from its subsidiary shall not be deemed to be Income from Other Sources.</p> <p>C. Any compensation or other payment , due or recd by any person by whatever name called due to employment termination and modification of terms of engagement will be deemed as income from Other Sources</p>

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9	Taxability of Compensation in connection to business	28(ii)(e)	Newly inserted	the 1st day of April, 2019	The newly inserted section provides that any compensation received or receivable, whether revenue or capital, in connection with the termination or the modification of the terms and conditions of any contract relating to its business shall be taxable as business income.
18	Cost of Acquisition of stock-in-trade converted into capital asset.	49(9)	Newly inserted	the 1st day of April, 2019	<p>The existing law doesn't provide for the taxability in the cases where the stock in trade is converted into, or treated as, capital asset, the existing law does not provide for its taxability. In order to provide symmetrical treatment and discourage the practice of deferring the tax payment by converting the inventory into capital asset, it is proposed to amend the law.</p> <p>Section 49 provide that for the purposes of computation of capital gains arising on transfer of such capital assets, the fair market value on the date of conversion [on which tax has been paid/payable as per section 28(via)] shall be the cost of acquisition;</p>
20	Specification of "Long Term Capital Assets".	Section 54EC	Amedment	01/04/2019	<p>A. The Exemption wrt to Long Term Capital Gain shall be available only wrt land and building or both. Earlier it was available wrt all Long Term Capital Assets.</p> <p>B. The Lock in period of investments in bond is 5 years now instead of earlier 3 years.</p>

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34	Amendment of section 115BBE (Tax on income referred to in section 68 or 69 or 69A or 69B or 69C or section 69D	115BBE	Amendment	01.04.2017	No expenditure or allowance or set off of any loss shall be allowed in respect of undisclosed income determined by AO under said section.
10	Allowability of marked to market loss or other expected loss under ICDS	36(1)(xviii)	Newly inserted	deemed to have been inserted with effect from the 1st day of April, 2017	Marked to market loss or other expected loss as computed in accordance with the income computation and disclosure standards notified under section 145(2) shall now be allowed as deduction in computing the income referred to in section 28. The same is in accordance with the provision of ICDS -1 which were struck down by Hon'ble Delhi High Court. However, there is complete silence wrt MTM Profits.
11	Non-allowability of marked to market loss or other expected loss, other than ICDS	40A(13)	Newly inserted	deemed to have been inserted with effect from the 1st day of April, 2017	No deduction or allowance shall be allowed in respect of any marked to market loss or other expected loss, except as computed in accordance with the income computation and disclosure standards notified under section 145(2) as allowable u/s 36(1)(xviii).
13	Gain or loss arising on account of any change in foreign exchange rates	43AA	Newly inserted	deemed to have been inserted with effect from the 1st day of April, 2017	Subject to the provisions of section 43A, any gain or loss arising on account of any change in foreign exchange rates shall be treated as income or loss, as the case may be, and such gain or loss shall be computed in accordance with the income computation and disclosure standards notified under section 145(2) and shall be in respect of all foreign currency transactions, including those relating to—

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					<p>monetary items and non-monetary items; translation of financial statements of foreign operations; forward exchange contracts; foreign currency translation reserves.”</p> <p>This is in accordance with ICDS -6, which was struck down by hon’ble Delhi High Court.</p>
15	Profits and gains arising from a construction contract	43CB	Newly inserted	deemed to have been inserted with effect from the 1st day of April, 2017	<p>The profits and gains arising from a construction contract or a contract for providing services shall be determined on the basis of percentage of completion method (Except certain contract for providing services - project completion method; for duration of not more than ninety days and straight line method for indeterminate number of acts over a specific period of time) in accordance with the ICDS notified under section 145(2) and that the contract revenue shall include retention money; and the contract costs shall not be reduced by any incidental income in the nature of interest, dividends or capital gains.”.</p> <p>This is in accordance with ICDS-3, Construction contracts, which was struck down by Hon’ble Delhi High Court. However, the other provision of ICDS-3 such as treatment of retention money, etc has not been included.</p>
45	Method of Accounting amended in pursuance of ICDS	145A and 145B	substituted	deemed to have been substituted with effect from the 1st day of April,	<p>Amendment is proposed to section 145A of the Act to provide that, for the purpose of determining the income chargeable under the head “Profits and gains of business or profession,—</p> <p>a) the valuation of inventory shall be made at lower of actual cost or net realizable value computed in the</p>

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				2017	<p>manner provided in ICDS notified under section 145(2). [Valuation of Inventory as per ICDS -2]</p> <p>b) the valuation of purchase and sale of goods or services and of inventory shall be adjusted to include the amount of any tax, duty, cess or fee actually paid or incurred by the assessee to bring the goods or services to the place of its location and condition as on the date of valuation. [old proviso of section 145A].</p> <p>c) inventory being securities not listed on a recognized stock exchange, or listed but not quoted, shall be valued at actual cost initially recognized in the manner provided in ICDS notified under section 145(2). [Para 12 of ICDS-8, Securities]</p> <p>d) inventory being listed securities, shall be valued at lower of actual cost or net realizable value in the manner provided in ICDS notified under section 145(2) and for this purpose the comparison of actual cost and net realizable value shall be done category-wise. [Para 9, 10, 11 of ICDS-8, Securities]</p> <p>Insert a new section 145B in the Act to provide that-</p> <p>a) interest received by an assessee on compensation or on enhanced compensation, shall be deemed to be the income of the year in which it is received.</p> <p>b) the claim for escalation of price in a contract or export incentives shall be deemed to be the income of the previous year in which reasonable certainty of its realisation is achieved. [ICDS-7, Government Grants and ICDS-4, revenue</p>
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					recognition] c) income of the nature of Subsidy, Grant, cash incentive or Duty Drawback, etc referred to in sub-clause (xviii) of clause (24) of section 2 shall be deemed to be the income of the previous year in which it is received, if not charged to income tax for any earlier previous year. [ICDS-7, Government Grants].
46	New 7.75% Savings (Taxable) Bonds, 2018 to be issued instead of 8% Savings (taxable) Bonds, 2003 and applicability of TDS provisions are same as earlier	193	Amendment	01/04/2018	GOI had introduced 8% Savings (taxable) Bonds, 2003 in 2003 which has been discontinued and new 7.75% Savings (taxable) Bonds, 2018 is proposed to be issued. Further, TDS would be required to be deducted by the payer if the interest is more than 10,000 during a financial year. As such, there is no change in applicability of TDS provisions on these new Bonds.
G. MISCELLANEOUS					
5	Extension of power of Central Government to exempt to specified incomes	10(46)	Amendment	01/04/2019	Central government can now exempt by single notification the income of 'a class of body' also.

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51	Amendment of Section 271FA	271FA Penalty for failure to furnish statement of financial transactions.	Amendment	01/04/2018	Penalty for failure to furnish SFT as required u/s 285BA increased : - From Rs. 100/- to Rs. 500/- in case not filed From Rs. 500/- to Rs. 1,000/- in case of delayed filing after receipt of notice from the designated authority.
48 & 49	Amendment to structure of AAR	245-O	Amendment	01/04/2018	The AAR is now designated as Appellate authority under Customs Act.