Union Budget 2016

A crisp analysis of Income Tax provisions

10th March'2016

Doing common things, *Uncommonly well*.

Blue Consulting Pvt. Ltd.

A Finance & Accounts Outsourcing Company

Index

1. Corporate tax

Title	Section	Changes proposed	Effective from

Corporate Tax rates		▪ Rate of corporate tax has been **reduced to 29%** for small businesses having turnover of **less than Rs. 5 Cr**.
		▪ The rate has been further **reduced to 25%** in respect of new manufacturing companies incorporated **on or after March 1, 2016** (provided such companies do not claim profit-linked/investment linked deduction or do not avail investment allowance and accelerated depreciation).
		▪ Rate of corporate tax remains **unchanged** at 40% for Foreign Companies.
		▪ Corporate tax for doemstic companies will be **reduced from 30% to 25% over next four years a**long with corresponding phasing out of exemptions and deductions.
		▪ Cess - Education cess and Secondary & Higher Education cess **remains unchanged** at 2% and 1% respectively.
		▪ **Surcharge remain same**:
		  ▪ Foreign companies : 2% on total income exceeding Rs. 1cr but less than or equal to Rs. 10cr and 5% for total income exceeding Rs. 10 cr.
		  ▪ Domestic companies : 7% on total income exceeding 1cr but less than or equal to Rs.10cr and 12% for total income exceeding Rs. 10 cr.
			Assessment Year 2017-18

...contd. [1. Corporate Tax]

Title	Section	Changes proposed	Effective from
Clarification on concessional rate of 10% on the Long term capital gain on Unlisted Securities	**112 (1)(c)**	▪ As per the existing provisions, LTCG on sale of unlisted securities is taxable at 10% in the hands of non-resident tax payer. ▪ Now, it has been further clarified that tax rate of 10% is also applicable to LTCG on sale of **shares of closely held Indian companies**.	Assessment Year 2017-18

2. Tax Incentives

Title	Section	Changes proposed	Effective from
Benefit of additional depreciation **extended** to business of tramsmission of power	**32**	▪ So far, benefit of additional depreciation of 20% on Plant & Machinery was available to the assessees who are engaged in the business of generation and distribution of power. ▪ Now, this benefit of additional depreciation has been **extended to** the assesses engaged in the **business of transmission of power** as well.	Assessment Year 2017-18
Rationalization of scope of Tax Incentive	**32AC**	▪ The existing provision for availment of benefit of 15% in respect of Plant & Machinery has been **relaxed** by the way of following amendments: • Installation of Plant and Machinery may be made by 31.03.3017(existing condition required installation of the new Plant & machinery in the year of acquisition itself). • If the Asset is installed in a year other than the year of acquisition, then deduction will be allowed in the year in which the asset is installed.	Assessment Year 2017-18
Increase in threshold limit for presumptive taxation	**44AD**	▪ Increase in turnover from **Rs. 1Cr to Rs. 2 Cr** for Presumptive Taxation Scheme. ▪ However, tax payer needs to **opt for** Presumptive Taxation Scheme for **consecutive 5 years,** else it will not be able to avail the benefit on a recurring basis.	Assessment Year 2017-18

Title	Section	Changes proposed	Effective from
Professionals included in Presumptive Taxation Scheme	**44AB** **&** **New Section 44ADA**	▪ So far, Presumptive Taxation Scheme was available to "business" tax payers. ▪ Now, **Professionals have also been included** under this scheme through a new Section under the Act. ▪ **Turnover limit** has been restricted to **Rs. 50 lacs**. ▪ As against the modest rate of 8% for **profit,** in case of Professionals it has been hiked **to 50%** considering the high margin in the services. ▪ Similarly, tax audit relaxation limit has also been increased from existing Rs. 25 lacs to Rs. 50 lacs.	Assessment Year 2017-18
Setting up of a Fund of Funds to invest in Start-ups and attracting investment from public through exemption of LTCG	**New Section 54EE**	▪ An assessee will get the exemption from LTCG if the LTCG proceeeds is invested in the notified Fund of Funds for a lock-in period of 3 years. ▪ Maximum amount which can be invested under this new section is Rs. 50 lacs.	Assessment Year 2017-18

...contd. [2. Tax Incentives]

Title	Section	Changes proposed	Effective from
100% tax exemption to Start-Ups in India	**54GB**	▪ Deduction up to **100%** of the profits will be allowed for **3 out of 5 years** for eligible start-ups **setup during the period from April 2016 to March 2019**. However, **MAT will continue to apply** in such cases. ▪ Eligible start-ups includes businesses involving innovation development, deployment or commercialization of new products, processes or services driven by technlogy or intellectual property.	Assessment Year 2017-18
Exemption from Long term capital gain (LTCG) on sale of residential property **to invest in a start-up**	**54GB**	▪ To facilitate infusion of capital in Start-up, government has come out with provision which will allow an Individual or HUF to start a venture by selling any residential property (which usually attracts LTCG). ▪ Now, the LTCG will be fully exempt if the LTCG amount is invested in an eligible start-up venture (in the form of a company) where more than 50% of the shares are held by the Individual or HUF. ▪ The start-up venture needs to invest the amount received from Individual or HUF in buying new asset being plant and machinery including computers & computer softwares.	Assessment Year 2017-18

Title	Section	Changes proposed	Effective from
Tax incentive for employment generation	**80JJA**	▪ **Existing provision** of this section provides deduction of 30% of additional wages paid to new workmen in a factory for three years, applicability of which was subject to following conditions: • Applicable only to the business of manufacture of goods in a factory where 'workmen' are employed for not less than 300 days in a year. • Only if there is an increase of at-least 10% in total number of workmen employed on the last day of the preceding year. ▪ Now, Benefit of 30% deduction of additional employee cost for 3 years has been **extended to all categories of employers** (who are subject to a tax audit) with **no stipulation on minimum number of new employees** and nature of their work subject to following conditions: • Minimum number of days of employment should be at-least 240 days in the financial year; • Employee should be drawing a total salary of Rs. 25,000 per month or less; and • Employee should be participating in the recognized provident fund.	Assessment Year 2017-18

...contd. [2. Tax Incentives]

Title	Section	Changes proposed	Effective from
100% tax benefit to **affordable housing** project builder/ developers	**New Section 80IBA**	▪ In order to make purchase of house affordable and give tax incentives to Real Estate Developers, **100% deduction of the profits will be available for** developing and building affordable housing projects. ▪ The housing project should approved by the competent authority before the **31st March, 2019** subject to certain conditions.	Assessment Year 2017-18
Concessional tax rate on income from patent developed and registered in India	**New Section 115BBF**	▪ To promote indigenous research and development, Government has come out with a concessional tax rate of **just 10%** on the **income by way of Royalty on patents** developed and registered in India.	Assessment Year 2017-18

3.1 Phasing out of Incentives from A.Y. 2018-19

Title	Section	Existing Provision	Changes proposed
Expenditure on eligible projects or schemes	**35AC**	Deduction is allowed for expenditure incurred by way of payment of any sum to a public sector company/ local authority/ approved association etc. on certain eligible social development project.	**No deduction** shall be from 1st April, 2017. (i.e. from Previous Year 2017-18 and subsequent years).
Deduction in respect of profits derived from: a) Development, operation and maintenance of an infrastructure facility (80-IA) (b) Development of SEZ (80-IAB) (c) Production of mineral oil and natural gas [80-IB(9)]	**80-IA, 80-IAB and,** **80-IB**	**100%** profit linked deduction is allowed for specified period on eligible business carried on by industrial undertakings or enterprises referred in relevant section.	**No deduction** shall be available if the specified activity commences on or after 1st April, 2017. (i.e. from Previous Year 2017-18 and subsequent years).

3.2 Phasing Out of Incentives from A.Y. 2021-22

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Title	Section	Existing Provision	Changes proposed
Special provisions in respect of newly established units in Special Economic Zones (SEZ)	**10AA**	Deductions for SEZ units for profit derived from export of articles, things or services.	**No deduction** shall be available to manufacturing or production units or service provider commencing **on or after 1st April, 2020.**

3.3 Reduction in Incentives from A.Y. 2018-19

Title	Section	Existing Provision	Changes proposed
Accelerated Depreciation	**32 read with rule 5**	**100%** deduction in respect of certain block of assets to certain industrial sector units.	Only **40%** deduction shall be allowed from 1st April, 2017. This new rate will be applicable to all the assets (whether old or new) falling in that relevant block of assets.
Expenditure on Scientific Research	**35(1)(ii)**	Weighted deduction of **175%** of sum paid to approved scientific research association and approved college, university etc for the purpose of scientific research.	Weighted deduction of **150%** from 1st April , 2017 to 31st March, 2020. From 1st April 2020, it will be further reduced to **100%.**
	35(1)(iia)	**125%** on sum paid to approved scientific research company.	Deduction of **100%** from 1st April, 2017.
	35(1)(iii)	Weighted deduction of **125%** on sum paid to approved research association, university etc for research in social science or statistical research	Deduction of **100%** from 1st April, 2017.

Title	Section	Existing Provision	Changes proposed
Expenditure on Scientific Research	**35(2AA)**	Weighted deduction of **200%** on sum paid to national laboratory, university, IIT etc for approved scientific research programme	Weighted deduction of **150%** from 1st April, 2017 to 31st March, 2020. Deduction will be restricted to **100%** from 1st April, 2020.
	35(2AB)	Weighted deduction of **200%** of expenditure incurred by company engaged in bio-technology, manufacture etc on scientific research on approved in-house research and development facility.	Weighted deduction of **150%** from 1st April, 2017 to 31st March, 2020. Deduction will be restricted to **100%** from 1st April, 2020.
Deduction in respect of Specified Business	**35AD**	Weighted deduction of **150%** of capital expenditure.	Deduction of **100%** from 1st April, 2017
Expenditure on Notified Agricultural Extension Project	**35CCC**	Weighted deduction of **150%** of expenditure incurred on notified agricultural extension project	Deduction of **100%** from 1st April, 2017

3.4 Reduction in Incentives from A.Y. 2021-22

Title	Section	Existing Provision	Changes proposed
Expenditure on skill development project	**35CCD**	Weighted deduction of **150%** on any expenditure incurred other than expenditure on land or building on notified skill development project by a company.	Deduction will restricted to **100%** of expenditure only.

4. International Taxation

Title	Section	Changes proposed	Effective from
Equalization Levy on digital services i.e. Online Advertising	**New Chapter VIII in Finance Bill, 2016**	▪ In last one decade, a new economy named Digital economy is emerging worldwide and growing at a rate of more than 10% per annum. ▪ Business in digital domain doesn't happen in physical space but in an invisible space which is usually be called Cloud or Cyberspace. ▪ It has posed significant challenges worldwide from the taxation view point of the transactions happening in digital platform. ▪ The Organization for Economic Cooperation and Development (OECD) has come out with some recommendations through it's much publicized project named Base Erosion and Profit Shifting (BEPS) to tackle the taxation issue in digital economy environment. ▪ Following these OECD recommendation, Government has come out with a new Chapter VIII titled as " Equalization Levy" in the Finance Bill, 2016 which is a separate code itself just like Chapter IV of Finance Act, 1994 which governs the Service Tax provisions. ▪ **6% Equalization Levy** (in the nature of withholding tax) will be charged on the amount paid for "specified services" to non-resident assessee not having any Permanent Establishment (PE) in India.	From the date appointed in the notification to be issued by the Central Government

Title	Section	Changes proposed	Effective from
Equalization Levy on digital services i.e. Online Advertising		▪ "Specified service" means • online advertisement, • any provisions for digital advertising space or • any other facility or service for the purpose of online advertisement and • includes any other service as ,may be notified by the Central Government in this behalf. ▪ To make sure full compliance of this provision, assessee who are incurring the expense for the specified service will get deduction of such expense only after deduction and deposit of this 6% Equalization Levy to the credit of Central Government just like withholding taxes. ▪ Further, to avoid the inconvenience to small service providers, this levy will be applicable only if the payments for the specified services exceeds Rs. 1 lac during the relevant assessment year.	From the date appointed in the notification to be issued by the Central Government

Title	Section	Changes proposed	Effective from
Provisions relating to the place of effective management (POEM)	6	▪ POEM provisions which were introduced in last budget, implementation of which deferred for 1 year, shall now be applicable from AY 2017-18.	Assessment Year 2017-18
Non–Applicability of Minimum Alternate Tax (MAT) on foreign companies	115JB	▪ The provisions of section 115JB (MAT), now shall not be applicable to a foreign company subject to following conditions:- i. If India has a DTAA with country of assessee and the assessee does not have a permanent establishment in India. ii. If India does not have DTAA with country of assessee and the assessee is not required to seek any registration relating to companies for the time being under any law in force.	With retrospective effect from 1st April, 2001
Exemption from furnishing PAN to certain Non-Resident	206AA	▪ Presently, any non-resident receiving certain payments from an assessee in India is equired to furnish a PAN to get the TDS/Witholding tax at a lower rate, else 20% tax is deducted. ▪ Now, a non-resident (not being a Company and a foreign Company) shall not be subject to higher withholding tax if it doesn't provide PAN.	1st June' 2016

5. Some important changes

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Title	Section	Changes proposed	Effective from
Rationalization in case sale consideration is fixed under agreement executed prior to the date of registration of immovable property	**50C**	▪ Presently, **higher of** Stamp value of the property on the date of registration or the actual consideration, is considered for the purpose of determining Full Value of Consideration. ▪ Now, it has been provided that where date of the agreement to sell and date of registration are not same, the stamp duty value on the date of the agreement to sell may be taken for the purposes of computing Full Value of Consideration. This amendment shall apply only if a part of consideration has been paid through banking channel on or before date of agreement to sell.	Assessment Year 2017-18
Increase in threshold limit for TDS in respect of Payment to Contractors	**194C**	▪ The existing annual aggregate limit of **Rs 75,000** for TDS in respect of Payment to Contractors has been **increased** to the annual aggregate limit of **Rs 1,00,000.**	1st June' 2016
Increase in threshold limit and decrease in rate of TDS in respect of Commission on brokerage	**194H**	• The existing threshold limit of **Rs 5,000** for TDS in respect of Commission on Brokerage has been **increased** to the threshold limit of **Rs 15,000**. • Also the existing rate of TDS of **10%** has been **decreased to 5%.**	1st June' 2016

...contd. [5. Some important changes]

Title	Section	Changes proposed	Effective from
Tax Collected at Source (TCS) on sale of Vehicles and goods or services in cash	**206C**	▪ Now seller shall collect tax @ 1% from the buyer on: • Sale of motor vehicle of the value exceeding Rs. 10 lacs • Any goods (other than jewellery) and providing any services (other than payments on which tax is deducted at source) **exceeding Rs. 2 lakh in consideration of cash.**	1st June' 2016
Rationalization of Conversion of a company into Limited Liability Partnership (LLP)	**47(xiiib)**	▪ In addition to the existing conditions (i.e. turnover of Rs. 60 lacs), the value of **total assets** in the books of accounts of the **company should not exceed Rs. 5 crore** in any of the three previous years preceding the previous year in which conversion takes place.	Assessment Year 2017-18

Title	Section	Changes proposed	Effective from
The Income Declaration Scheme, 2016	**New Chapter IX in the Finance Bill, 2016**	▪ The Income Declaration Scheme has been proposed to voluntarily declare the undisclosed income and pay tax, surcharge and penalty. This scheme applicable in respect of **undisclosed income** of any **financial year up to 2015-16**. ▪ Tax on Declared Income shall be **effectively @ 45% of Declared Income** (Tax@ 30% of Declared Income + Surcharge @ 25% of Tax + Penalty @25% of Tax) ▪ The following cases **shall not be eligible** for the scheme: • where notices have been issued under section 142(1) or 143(2) or 148 or 153A or 153C; • where a search or survey has been conducted under the relevant provisions of the Act; • where information is received under an agreement with foreign countries regarding such income; • cases covered under the Black Money Act, 2015, Special Court Act, 1992, IPC, Narcotic Drugs and Psychotropic Substances Act, 1985, the Unlawful Activities(Prevention) Act, 1967, the Prevention of Corruption Act, 1988.	1st June' 2016

6. Procedural changes

Title	Section	Existing Provision	Provision Amended	Effective from
Time Limits for Scrutiny and Best Judgment assessments u/s 143 & 144	**153 (1)**	**2 Years** from the end of the assessment year in which the income was first assessable.	2 years **reduced to 21 Months.**	1 June'2016
Time Limits for Income escaping assessments u/s 147	**153 (2)**	**1 Year** from the end of the financial year in which the notice under Section 148 was served.	1 year **reduced to 9 Months.**	1 June'2016
Time Limits for fresh assessments in pursuance of order u/s 254, 263 & 264	**153 (3)**	**1 Year** from the end of the financial year in which the order is reecived under Sections 254 or 263 or 264.	1 year **reduced to 9 Months.**	1 June'2016
Time Limits for assessments under search cases u/s 153A	**153 B**	**2 Years** from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed.	2 years **reduced to 21 Months.**	1 June'2016

...contd. [6. Procedural changes]

Title	Section	Existing Provision	Provision Amended	Effective from
Restriction in time-limit for filing Belated Return and **revision of belated return allowed**	**139(4) & 139(5)**	Belated return for the previous year could be furnished at any time before the expiry of 1 year of end of relevant assessment year or completion of assessment, whichever is earlier There is no provision for revision of belated return.	Any person who has failed to furnish the timely return as prescribed in Section 139(1) shall furnish belated return for the previous year at any time before the end of relevant assessment year or completion of assessment, whichever is earlier. **Belated return can also be revised now**, within a year from the end of the relevant assessment year or completion of assessment, whichever is earlier.	Assessment Year 2017-18
Refund of Advance tax or Tax Deducted at Source (TDS)	**244A(1)(a)**	If tax return is not filed within due date, interest is paid from 1st April of assessment year to date of refund.	Now, interest will be paid only from the date of filing of return to the date of refund.	1st June' 2016

...contd. [6. Procedural changes]

Title	Section	Existing Provision	Provision Amended	Effective from
Refund of self assessment tax	**244A (1) (aa)**	Interest is paid from the date of payment of self assessment tax to the date of refund.	Now, interest will be calculated from the date of payment of self assessment tax or the date of filing of return, whichever is later, to the date when refund is granted.	1st June' 2016
Additional interest for delay in giving effect of order under Sections 250/254/260/262/263/264	**244A (IA) New sub section**	No additional interest	Additional interest @ 3% per annum from the time allowed under Section 153(5) [i.e. 3 months] to give effect of order to the date of refund. However, if Principal Commissioner or Commissioner can use their power to extend the time period of giving effect to order by 6 months. In that case, additional interest will be applicable only after expiry of this extended period.	1st June' 2016

…contd. [6. Procedural changes]

Title	Section	Changes proposed	Effective from
Filing of Form 15G/15H for rental payments	**197A**	▪ Section 194I provides for deduction of tax on rent payments if the payment exceeds Rs. 1,80,000, irrespective of the fact whether recipient has a taxable income or not. ▪ In accordance with the provisions of section 197A, if **tax** on total income (including rental income) **is nil**, recipients of rent income can file a self-declaration in Form no 15G/15H for non-deduction of tax at source.	Assessment Year 2017-18
Amendment in penalty provisions on concealment or furnishing inaccurate details of income	**New Section 270A**	▪ **Existing** penalty provisions (Section 271(1)(c)) levy penalty on account of concealment or furnishing wrong particulars of income from **100% to 300%** of tax sought to be evaded at discretion of tax official. ▪ Penalty shall be levied in following manner: • Under reporting of Income @ **50%** of tax payable on under reported income. • Misreporting of Income @ **200%** of tax payable on misreported Income.	Assessment Year 2017-18
Increase in scope of penalty	**272A**	▪ A **penalty of Rs. 10,000** can be levied by Assessing Officer for: • failure to comply with a notice with a notice issued under section 142(1) or section 143(2). • failure to comply with a direction issued under sub-section (2A) of section 142	Assessment Year 2017-18

...contd. [6. Procedural changes]

Title	Section	Changes proposed	Effective from
Possibility of e-assessment	**New sub section 2(23C), Section 282A**	▪ A new sub section has been inserted to define the meaning of **"hearing".** ▪ As per the definition, **"hearing" will include communication of data and documents through electronic mode**. ▪ Further, Section 282A has been amended to allow **issuance of notices through electronic mode.**	1^{st} June' 2016
Rationalization of due dates for deposit of Advance Tax	**234C**	▪ So far, there were two categories for due dates of payment of advance tax i.e. Companies and others. Companies were paying Advance tax in 4 installments and other assesses were paying it in 3 installments. ▪ Now, for simplification, **all assesses** will be required to follow the due date applicable to Companies which is as under: • 15% of tax payable by 15^{th} June • 45% of tax payable by 15^{th} September • 75% of tax payable by 15^{th} December • 100% of tax payable by 15^{th} March ▪ Tax payers engaged in business covered under **section 44AD** shall be required to pay **advance tax** in one instalment which **will be due on 15th March**.	1^{st} June' 2016

...contd. [6. Procedural changes]

<table>
<tr><th>Title</th><th>Section</th><th>Changes proposed</th><th>Effective from</th></tr>
<tr>
<td>The Direct Tax Dispute Resolution Scheme, 2016</td>
<td>New Chapter X in Finance Bill, 2016</td>
<td>

In order to reduce the huge backlog of cases under litigation and to enable Government to realize its dues expeditiously, it is proposed to bring The Direct Tax Resolution Scheme, 2016 in respect of cases pending before the Commissioner (Appeals) as on 29.02.2016 for certain category of persons in relation to tax arrears and specified tax.
Income-tax department shall not be eligible to file appeal against directions of DRP (Dispute Resolution Panel).
Pendencies under different circumstances shall be resolved as described below:

<table>
<tr><th>Circumstances</th><th></th><th>Resolution</th></tr>
<tr><td>Appeal pending before CIT(A)</td><td>Against an assessment order</td><td>Pay applicable tax
Pay interest upto the date of assessment
Pay 25% of applicable penalty if tax dispute is of more than Rs 10 Lacs</td></tr>
<tr><td>Appeal pending before CIT(A)</td><td>Against a Penalty Order</td><td>Pay 25% of penalty, provided tax and interest due pursuant to assessment proceedings have been paid.</td></tr>
<tr><td>Appeal/ application pending before any authority, tribunal, court, mediator</td><td>Tax is leviable due to retrospective amendment</td><td>Withdraw the appeal/ application
Immunity from Interest, penalty and prosecution .</td></tr>
</table>
</td>
<td>Assessment Year 2017-18</td>
</tr>
</table>

7. Personal Taxation

Title	Section	Changes proposed	Effective from
Individual and others tax rates		▪ **No change** in the basic exemption limit and tax rates of individuals. ▪ **Surcharge –** The rate of surcharge has been increased to 15% from 12% for assessee having income exceeding Rs. 1 crore. ▪ **Cess –** Education Cess and Secondary & Higher Education cess remains unchanged.	Assessment Year 2017-18
Rationalisation of tax treatment of Recognised Provident Funds, Pension Funds and National Pension Scheme	**10(12)** **10(13)**	▪ Presently, withdrawal from National Pensional Scheme is fully taxable. ▪ Now, **up to 40 %** of the accumulated balance attributable to such contributions (made on or after 1st day of April, 2016) on withdrawal shall be exempt from tax. ▪ Similarly, Government proposed to tax 60% of the income accrued on the contrbutuon made after 1st April'2016 to **recognized providend fund**. ▪ However, due to public oitrage on this provisions, Givernment has finally **rolled back this provision** and previous piosition has been restored i.e. withdrawal from PF will fully tax free.	Assessment Year 2017-18

Title	Section	Changes proposed	Effective from
Increase in limit of Employer's Contribution to Superannuation fund	**17**	▪ Now, Employer's contribution to an approved superannuation fund in excess of Rs. 1,50,000 (existing limit Rs. 1 Lakh) will be taxable.	Assessment Year 2017-18
Extra deductions of Rs 50,000 in respect of interest on loan taken for acquisition of first residence	**80EE**	▪ First home buyers availing home loans, have been **additionally incentivized by Rs. 50,000** in respect of interest on loan taken for residential house property from any financial institution , provided; a) House property is of value less than Rs 50,00,000. b) Loan of amount not exceeding Rs. 35,00,000 has been sanctioned during the period from 01/04/2016 to 31/03/2017. ▪ This benefit is **in addition to existing benefit of Rs. 2 Lakhs** and deduction shall be available till the repayment of loan continues.	Assessment Year 2017-18
Relief to small tax payers	**87(A)**	▪ The limit for tax rebate has been **increased from Rs. 2,000 to Rs. 5,000** for resident individuals with a total income of upto Rs. 5 lakhs per annum which shall ensure additional savings of Rs.3,090 for small tax payers.	Assessment Year 2017-18

Title	Section	Changes proposed	Effective from
Additional tax burden on Dividend income	**New Section 115 BBDA**	▪ So far, Dividend income u/s 115-O is exmept u/s 10(34) in the hands of recepient. ▪ Now, any income by way of dividend in excess of **Rs. 10 lakhs** in a year shall be chargeable to tax **@ 10%** on gross basis in case of resident Individual, HUF or a firm.	Assessment Year 2017-18

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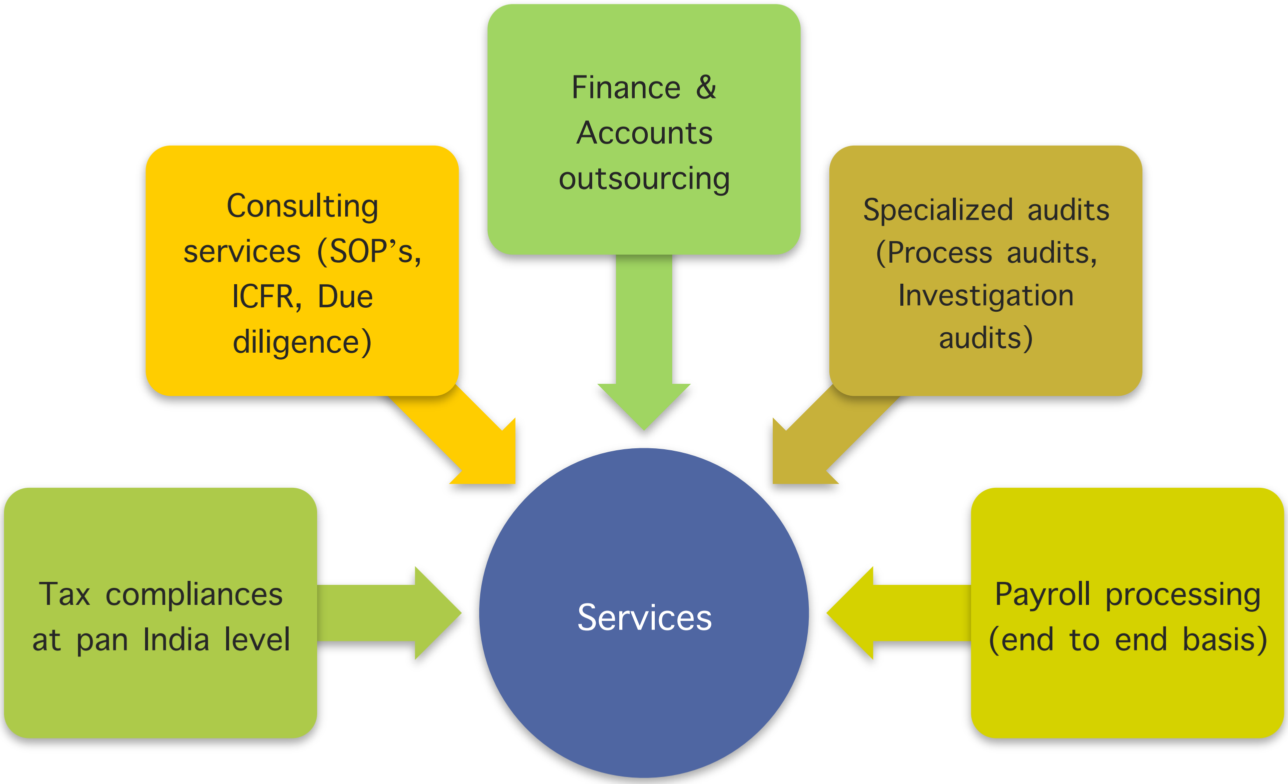
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"A dream is not that
which you see in sleep
A dream is that
which does not let you sleep"