

Analysis of Amendment 1:

A new proviso to section 44AB(a) has been added, whereby the threshold limit for a person carrying on business who is required to get his accounts audited, has been increased from one crore rupees as provided in section 44AB(a) to five crore rupees, only in cases where both the below conditions are satisfied:

- aggregate of all receipts including sales, turnover or gross receipts, in cash during the previous year does not exceed five per cent of such receipt; and
- aggregate of all payments made including amount incurred for expenditure, in cash during the previous year does not exceed five per cent of such payment

Analysis & Example: [We will Discuss in Amendment Class]

→ IF Aggregate amount of all receipts and all payments, in cash during the p.y is upto 5% of the said receipts and payments.

$$\begin{aligned} &= \frac{\text{Audit limit}}{10 \text{ Crore}} \\ &= 1 \text{ Crore} \end{aligned}$$

→ Any other Cases

[Above Limit is applicable ONLY for Businessman]

For Profession Limit is ₹50LAKH

Example

CASH Transaction	5%	4%	6%	5.5%	3%
ONLINE Transaction	95%	96%	94%	94.5%	97%
Audit Limit	10 Cr	10 Cr	1 Cr	1 Cr	10 Cr

Amendment: Common Line Inserted under Section 33AB, 33ABA, 35D & 35E

To enable pre-filing of returns, all the sections where a report/certificate of Chartered Accountant is required example, section 33AB, 33ABA, 35D, 44AB, 10AA etc., the assessee has to submit the report/certificate one month prior to the due date of filing of return of income.

Amendment in Section 40(A)(3) and Rule 6DD

- Rule 6ABBA prescribed the other electronic modes such as Credit card, Debit Card, Net banking, IMPS, UPI, RTGS, NEFT & BHIM.
- ~~Payment on a day on which bank was closed due to holiday or strike.~~

[Point deleted from Rule 6BB]

Analysis & Example: [We will Discuss in Amendment Class]

- Partnership Firm
- Except LLP

Eligible Business :

Average Turnover upto 2 Crore.

Deemed Income :

8% of ATO

6% of ATO (* Online payment)

* Alc payee cheque, Alc Payee Draft, ECS.

Lock-in-period

5 Years

Maintenance of Books of Accounts

Not required

Applicability of section 28 to 43D

Not allowed

Chapter VI-A deduction (80C to 80U)

Not allowed

Set-off of Losses

Allowed

➤ Section-44ADA: Presumptive Taxation for Profession

Eligible Assessee

Any assessee (Resident) carrying out professional activity Except LLP

Eligible Profession

Gross receipt / ATO upto 50 Lakh

Deemed Income

50% of ATO/GIR

Maintenance of Books

Not required

Audit

Not required

Applicability of Sec. 28 to 43D

Not allowed

Chapter VI-A deduction

Allowed

Set-off of Losses

Yes, Allowed

➤ Section - 44AE

Eligible Business :

Assessee owns not more than 10 Goods carriage at any time during the P.Y and who is engaged in the business of plying, hiring or learning such good carriages.

Old Law

7500 +/- pm or part/per Vehicle whether heavy, light, medium vehicles

New Law

Heavy Goods vehicle
₹ 1000 per ton of Gross vehicle weight plm or per vehicle other than heavy.

7500 pm or part/per vehicle

Means any goods, carriage, the gross vehicle weight of which exceeds 12000 Kg.

Example: Assume an assessee owns 10 goods carriage during year:

Vehicle	Gross weight (Kg)	Presumptive Income	
		Pre	Post
1	7500	7500	7500
2	9000	7500	7500
3	10000	7500	7500
4	12000	7500	7500
5	12600	7500	13000
6	15340	7500	15000
7	17000	7500	17000

Remarks

8	20000	7500	20000
9	22000	7500	22000
10	25000	7500	25000
Income p.m		75000	142000
No. of months		12	12
Total business income		900000	1704000

1000 Kg = 1 Tonne

Although it is not clear whether only absolute no. of tonnes are to be considered or it is to be rounded off to the nearest tonne. In the absence of guidance it is rounded off to the nearest tonne.

• Presumptive rates of Taxation for Non-Resident

BASIS	SECTION-44B	SECTION-44BA	SECTION-44BB	SECTION-44BBB
Applicable To	Non-resident in shipping operation business.	Non-resident in aircraft operations business.	Non-resident in business of supplying services or plant and machinery on hire to be used in prospecting, extraction or production of mineral oil.	Foreign Co. in business of civil construction or erection and testing of power plants (Turnkey projects approved by Cgr.
Income deemed as PGIBP	7.5% of: (I) Freight received in India or outside India for carriage of goods etc from India. shipped at Port.	5% of: (I) Freight received in India or outside India for carriage of goods etc from India.	10% of: (I) Amount received in India or outside India for prospecting or extraction or production of mineral oil in India.	10% of: Amount received in India or outside India for carrying out the above work deemed to be received in India for prospecting, extraction or

Remarks

Amendment under the head "PGIBP"

•) Amendment - 1

Section - 115BAA : Tax on income of certain domestic companies

Normal Rate : 25% if A.T.O \leq 400 cr. in P.Y 18-19
30% if A.T.O $>$ 400 cr.

New section 115BAA = 22%. (Optional)
(Taxation Amendment Act, 2014)

- Option available to only domestic company.

Tax Rate = 22%

+ Surcharge = 10% (All cases irrespective of the T.I)

+ Cess = 4%

25.168%

But to avail above option such company can not claim following benefits :-

1. Section 10AA (SEZ units)
2. Section 32(1)(iia) (Additional depreciation)
3. Section 32AD (Investment allowance)
4. Section 33ABA (Site restoration expense)
5. Section 35C (Scientific research)
6. Section 35AD (Expense on specified business)
7. Section 35CCC (Expense on agriculture extension)
8. Section 35CCD (Expense on skill development project)
9. Deduction u/s VI-A heading 'C' except 80JJAA.

Such option to avail the benefit of section 115BAA must be exercised on or before the due date of return of income u/s 13a(1). This option once exercised can't be subsequently withdrawn.

→ Section - 115BAB : Tax on certain new domestic manufacturing companies

Applicability = New domestic manufacturing companies incorporated on or after 1/10/2019.

Tax Rate = 15% + 10% Surcharge + 4% cess
17.16%.

A domestic company can avail the benefit of section 115BAB only if it fulfills the following conditions :

- The domestic company should be incorporated on or after 1/10/2019.
- It should commence the manufacturing activity on or after 1/10/19 but before 31/3/2023
- It is not formed by splitting up or the re-construction of a business already existence.
- It does not use any plant or machinery which has been previously used.
- It does not use any building previously used of a hotel or convention centre.
- Total income of the company has been computed without claiming specified deductions, exemptions or incentives as discussed u/s 115-BAA