

तार : 'फूडकोर्प'

Gram : 'FOODCORP'

फैक्स नं: एचएफसीआई एन डी

Fax No.: HFCl ND

भारतीय
खाद्य
निगम



FOOD
CORPORATION
OF INDIA

मुख्यालय
नई दिल्ली
Head Quarters
New Delhi

00911123413241

16-20, बाराखम्बा लेन, नई दिल्ली - 110001, दूरभाष: 011-43527697, 43527698

00911143527433

16-20, BARAKHAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

No° FCI HQ-FIN.011(11)/2/2022-FINANCE

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TAXATION CELL
CIRCULAR NO. 02/2023

Amendments in Income Tax Act have been made vide Finance Act, 2023. Brief of changes through the above Act, in relation to Income Tax which may be relevant to FCI, are enclosed at Annexure "A" for ready reference.

All concerned offices under your jurisdiction may be intimated about this Finance Act, 2023 amendments for necessary compliance.

Hindi version of this circular will follow.

Encl: As above


(Amit Kumar Pathak)
General Manager (Finance)

Distribution:-

1. All ED (Zones), FCI, Z.O. (North/South/East/West/North-East);
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8. GM (FAP), FCI, Headquarters, New Delhi.... with request to making necessary provision in FAP;
9. GM (Accounts)), FCI, Headquarters, New Delhi;
10. PS to CMD, FCI, Headquarters, New Delhi;
11. GM (IT) FCI, Headquarters, New Delhi....to upload the same in FCI website.

Annexure - "A"

The following amendments have been made through Finance Act, 2023 in various taxes in respect of Financial Year 2023-24 (Assessment Year 2024-25) which are relevant for day-to-day functioning of FCI. For more information refer to the updated Income Tax Act & Rules.

Amendments in Income Tax Act**I: Provisions relating to Income from Salary/House Property:-**

S. No.	Section	Amendment
1.	17(2)	<p>The section is relating to the definition of the term "perquisite" and proviso to the said clause provides certain exclusions which shall not be part of "perquisite".</p> <p><i>"In section 17 of the Income Tax Act,</i></p> <p><i>(ii) in clause (2), with effect from the 1st day of April, 2024,—</i></p> <p><i>(a) in sub-clause (i), after the word "employer", the words "computed in such manner as may be prescribed" shall be inserted;</i></p> <p><i>(b) for sub-clause (ii) and Explanations 1 to 4 thereto, the following shall be substituted, namely</i></p> <p><i>"(ii) The value of any accommodation provided to the assessee by his employer at a concessional rate.</i></p> <p><i>Explanation.—For the purposes of this sub-clause, it is clarified that accommodation shall be deemed to have been provided at a concessional rate, if the value of accommodation computed in such manner as may be prescribed, exceeds the rent recoverable from, or payable by, the assessee;".</i></p> <p>Above amendment seeks to amend section 17 of the Income-tax Act relating to "Salary", "perquisite" and "profits in lieu of salary" defined.</p> <p>As per clause (2) of the said section, "perquisite", inter alia, includes value of rent-free accommodation or value of any accommodation provided to</p>

		<p>employees by the employer at a concessional rate.</p> <p>It is further proposed to amend sub-clause (i) and substitute sub-clause (ii) of clause (2) of the said section so as to provide that the method of computation for the value of rent free accommodation provided to the assessee by his employer and the value of any accommodation provided to the assessee by his employer at a concessional rate shall be computed in such manner as may be provided by rules.</p> <p>It is also proposed to clarify that accommodation shall be deemed to have been provided at a concessional rate if the value of accommodation computed in such manner as may be provided by rules exceeds the rent recoverable from, or payable by, the assessee.</p> <p>These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.</p>
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II: Provisions relating to Profits and Gains of Business or Profession:-

S. No.	Section	Amendment
1.	28	<p>The section is relating to profits and gains of business or profession.</p> <p><i>"In section 28 of the Income-tax Act, for clause (iv), the following clause shall be substituted with effect from the 1st day of April, 2024, namely:—</i></p> <p><i>"(iv) the value of any benefit or perquisite arising from business or the exercise of a profession, whether—</i></p> <p style="padding-left: 40px;"><i>a. convertible into money or not; or</i></p> <p style="padding-left: 40px;"><i>b. in cash or in kind or partly in cash and partly in kind;".</i></p> <p>The above amendment seeks to amend section 28 of the Income-tax Act relating to profits and gains of business or profession.</p> <p>Clause (iv) of the said section provides that the value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession shall be chargeable to income-tax under the head "Profits and gains of business or profession".</p> <p>It is proposed to amend the said clause so as to apply to cases where benefit or perquisite provided is in cash or in kind or partly in cash and partly in kind.</p>

		<p>This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.</p>
<p>2.</p>	<p>43(B)</p>	<p>This section is relating to certain deductions to be only on actual payment.</p> <p><i>"In section 43B of the Income-tax Act, with effect from the 1st day of April, 2024,—</i></p> <p><i>(iii) after clause (g), the following clause shall be inserted, namely:—</i></p> <p><i>"(h) any sum payable by the assessee to a micro or small enterprise beyond the time-limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006,";</i></p> <p><i>(iv) in the proviso, after the words "nothing contained in this section", the brackets, words and letter "[except the provisions of clause (h)]" shall be inserted;</i></p> <p><i>(v) in Explanation 4,—</i></p> <p><i>(I) for clause (e), the following clause shall be substituted, namely:—</i></p> <p><i>'(e) "micro enterprise" shall have the meaning assigned to it in clause (h) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006;</i></p> <p><i>(II) for clause (g), the following clause shall be substituted, namely:—</i></p> <p><i>'(g) "small enterprise" shall have the meaning assigned to it in clause (m) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.'"</i></p> <p>In above amendment, it is proposed to insert a new clause (h) to the said section so as to provide that any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006* shall be allowed as deduction only on actual payment.</p> <p>It is also proposed to amend the proviso to the said section so as to not allow the deduction on accrual basis, if the amount is paid by due date of furnishing the return of income in the case of micro or small enterprises.</p> <p>It is also proposed to substitute clause (e) and clause (g) of Explanation 4 to define the expressions "micro</p>

		<p>enterprise” and “small enterprise” for the purposes of the said section.</p> <p>These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.</p> <p>*Due Date of Payment specified under MSMED Act, 2006:</p> <p>Where any person purchases goods/services from a micro/small enterprise, the payment shall be made before the date agreed upon between him and supplier in writing. In no case the period agreed upon between the supplier and the buyer in writing shall exceed 45 days. If, however, there is no such agreement, the payment shall be made within 15 days of acceptance/deemed acceptance of goods/services.</p> <p>Consequences of amendment to section 43B:</p> <table border="1"> <thead> <tr> <th colspan="2">Different Scenarios</th> <th>In which year deduction to be allowed</th> </tr> </thead> <tbody> <tr> <td>i) Beyond Time limit</td> <td>If payment is made by an assessee to a micro or small enterprise beyond the time limit specified under MSMED Act</td> <td>Such payment will be deductible in the year making payment.</td> </tr> <tr> <td>ii) Within Time Limit</td> <td>If payment is made by an assessee to a micro or small enterprise within the time limit specified under MSMED Act.</td> <td>Such payment will be deductible on accrual basis (if assessee maintains Books of Accounts on mercantile basis.)</td> </tr> </tbody> </table>	Different Scenarios		In which year deduction to be allowed	i) Beyond Time limit	If payment is made by an assessee to a micro or small enterprise beyond the time limit specified under MSMED Act	Such payment will be deductible in the year making payment.	ii) Within Time Limit	If payment is made by an assessee to a micro or small enterprise within the time limit specified under MSMED Act.	Such payment will be deductible on accrual basis (if assessee maintains Books of Accounts on mercantile basis.)
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ii) Within Time Limit	If payment is made by an assessee to a micro or small enterprise within the time limit specified under MSMED Act.	Such payment will be deductible on accrual basis (if assessee maintains Books of Accounts on mercantile basis.)									

III: Provisions relating to Deductions under Chapter-VIA

S. No.	Section	Amendment
1.	80G	<p>This section is relating deduction in respect of donations to certain funds, charitable institutions, etc.</p> <p><i>In section 80G of the Income-tax Act,—</i> <i>(l) in sub-section (2), in clause (a), sub-clauses (ii), (iiic) and (iiid) shall be omitted with effect from the 1st day of April, 2024;</i></p> <p>In above amendment, Sub-section (2) of the said section, inter alia, provides the names of the funds to</p>

		<p>which any sum paid by the assessee in the previous year as donation is allowed as a deduction to an extent of fifty percent of the amount so donated.</p> <p>It is proposed to omit sub-clauses (ii), (iiic) and (iiid) of clause (a) of the said sub-section. i.e.</p> <ol style="list-style-type: none"> 1. Jawaharlal Nehru Memorial Fund; 2. Indira Gandhi Memorial Trust; 3. Rajiv Gandhi Foundation. <p>This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.</p>
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IV: Provisions relating to Rebates and Reliefs

S. No.	Section	Amendment
1.	87A	<p>The section is relating to rebate of income-tax in case of certain individuals.</p> <p><i>“Provided that where the income-tax payable on the total income of the assessee is computed under sub-section (1A) of section 115BAC, this section shall have the effect as if,--</i></p> <p><i>(a) for the words “five hundred thousand rupees”, the words “seven hundred thousand rupees”;</i></p> <p><i>(b) for the words “twelve thousand and five hundred rupees”, the words “twenty-five thousand rupees” had been substituted.’.</i></p> <p>In the above amendment, the said section provides that an assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees, shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred percent of such income-tax or an amount of twelve thousand and five hundred rupees, whichever is less.</p> <p>It is proposed to insert a proviso to the said section to provide that where the income tax payable on the total income of the assessee is computed under sub-section (1A) of section 115BAC, the said section shall have the effect as if,--</p> <p><i>(i) for the words “five hundred thousand rupees”, the words “seven hundred thousand rupees”;</i></p>

		<p>(ii) for the words “twelve thousand and five hundred rupees”, the words “twenty-five thousand rupees”, had been substituted.</p> <p>This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.</p>
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V: Provisions relating to TDS/TCS

S. No.	Section	Amendment
1.	192A	<p>The section is relating to deduction of tax on payment of accumulated balance due to an employee.</p> <p><i>“In section 192A of the Income-tax Act, the second proviso shall be omitted.”</i></p> <p>The above amendment seeks to amend section 192A of the Income-tax Act relating to payment of accumulated balance due to an employee. The provisions of the said section provide for deduction of tax at the rate of Ten percent on payment of taxable component of accumulated balance due to an employee under the Employees' Provident Fund Scheme, 1952. The second proviso to the said section provides that any person entitled to receive any amount on which tax is deductible under the said section shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the maximum marginal rate.</p> <p>Thus, under amended provisions, in case of failure to provide PAN, tax will be deducted at the rate of Twenty percent u/s 206AA instead of the Maximum Marginal Rate.</p> <p>This amendment will take effect from 1st April, 2023.</p>
1.	194R	<p>The section is relating to deduction of tax on benefit or perquisite in respect of business or profession.</p> <p><i>“In section 194R of the Income-tax Act, the Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:--</i></p> <p><i>Explanation 2.—For the removal of doubts, it is clarified</i></p>

		<p><i>that the provisions of sub-section (1) shall apply to any benefit or perquisite, whether in cash or in kind or partly in cash and partly in kind."</i></p> <p>In the above amendment, Sub-section (1) of the said section provides that any person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession, by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent. of the value or aggregate of value of such benefit or perquisite.</p> <p>It is proposed to insert a new Explanation 2 to the said section so as to clarify that the provisions of sub-section (1) shall also apply to any benefit or perquisite, whether in cash or in kind or partly in cash and partly in kind.</p> <p>This amendment will take effect from 1st April, 2023.</p>
<p>2.</p>	<p>206AB</p>	<p>The section is relating to special provision for deduction of tax at source for non-filers of income-tax return.</p> <p><i>"In section 206AB of the Income-tax Act, in sub-section (3), for the proviso, the following proviso shall be substituted, namely:-</i></p> <p><i>Provided that the specified person shall not include—</i></p> <p><i>(i) a non-resident who does not have a permanent establishment in India; or</i></p> <p><i>(ii) a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf."</i></p> <p>In the above amendment, Sub-section (3) of the said section defines "specified person" for the purpose of this section to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted. The proviso to the said sub-section excludes a non-resident from the definition of specified person, if the non-resident does not have a</p>

		<p>permanent establishment in India.</p> <p>It is proposed to amend the said proviso to also exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.</p> <p>This amendment will take effect from 1st April, 2023.</p>
3.	206CC	<p>The section is relating to requirement to furnish Permanent Account Number by Collectee.</p> <p><i>In section 206CC of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of July, 2023, namely:-</i></p> <p><i>“Provided that the rate of tax collection at source under this section shall not exceed twenty per cent.”</i></p> <p>In above amendment, the proviso inserted below sub section (1) of said section provides that the rate of Tax to be collected at source shall not exceed Twenty percent in case where collectee fails to furnish PAN details.</p> <p>This amendment will take effect from 1st July 2023.</p>
4.	206CCA	<p>The section is relating to special provision for collection of tax at source for non-filers of income-tax return.</p> <p><i>“In section 206CCA of the Income-tax Act,</i></p> <p><i>(i) in sub-section (1), the following proviso shall be inserted with effect from the 1st day of July, 2023, namely:—</i></p> <p><i>“Provided that the rate of tax collection at source under this section shall not exceed twenty per cent.”</i></p> <p><i>(ii) in sub-section (3), for the proviso, the following proviso shall be substituted, namely:--</i></p> <p><i>“Provided that the specified person shall not include--</i></p> <p><i>(i) a non-resident who does not have a permanent establishment in India; or</i></p> <p><i>(ii) a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.”</i>”</p>

		<p>In the above amendment,</p> <p>i. The proviso inserted below sub section (1) of said section provides that the rate of Tax to be collected at source shall not exceed Twenty percent in case where collectee fails to furnish the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected.</p> <p>This amendment shall take effect from 1st July 2023.</p> <p>ii. Sub-section (3) of the said section defines “specified person” to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected. The proviso to said sub-section excludes a non-resident from the definition of specified person, if the non-resident does not have a permanent establishment in India.</p> <p>It is further proposed to amend the proviso to Sub Section (3) to exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.</p> <p>This amendment will take effect from the 1st April, 2023.</p>
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VI: Other Provisions

S. No.	Section	Amendment
1.	115BAC	<p><i>In section 115BAC of the Income-tax Act,--</i></p> <p><i>(A) with effect from the 1st day of April, 2024,--</i></p> <p><i>(a) in the marginal heading, for the words “and Hindu undivided family”, the words “, Hindu undivided family and others” shall be substituted;</i></p>

(b) in sub-section (1), for the figures, letters and words “1st day of April, 2021”, the figures, letters and words “1st day of April, 2021 but before the 1st day of April, 2024” shall be substituted;

(c) after sub-section (1), the following sub-section shall be inserted, namely:--

“(1A) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a co-operative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6), for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2024, shall be computed at the rate of tax given in the following Table, namely:—

TABLE

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs 3,00,000	Nil
2.	From Rs 3,00,001 to Rs 6,00,000	5 per cent.
3.	From Rs 6,00,001 to Rs 9,00,000	10 per cent.
4.	From Rs 9,00,001 to Rs 12,00,000	15 per cent.
5.	From Rs 12,00,001 to Rs 15,00,000	20 per cent.
6.	Above Rs 15,00,000	30 per cent.

(B) with effect from the 1st day of April, 2023, in sub-section (2), in clause (i), after the words, figures and letters “section 80CCD or”, the words, brackets, figures and letters “sub-section (2) of section 80CCH or” shall be inserted;

(C) with effect from the 1st day of April, 2024,--

(a) in sub-section (2), for the opening portion and clause (i) thereof, the following shall be substituted, namely:--

“(2) For the purposes of sub-section (1A), the total income of the person referred to therein, shall be computed—

(i) without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32), of section 10 or section 10AA or clause (ii) or clause (iii) of section 16 or clause (b) of section 24 [in respect of the property referred to in sub-section (2) of section 23] or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or sub-section (2) of section 80CCH or section 80JJAA;”;

(b) in sub-section (3), after the proviso, the following proviso shall be inserted, namely:--

“Provided further that in a case where,--

- i. the assessee has not exercised the option under sub-section (5) for any previous year relevant to the assessment year beginning on or before the 1st day of April, 2023;*
- ii. the income-tax on the total income of the assessee is computed under sub-section (1A); and*
- iii. there is a depreciation allowance in respect of a block of assets which has not been given full effect prior to the assessment year beginning on the 1st day of April, 2024,*

corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2023 in the manner as may be prescribed.”;

(c) for sub-section (4), the following sub-section shall be substituted, namely:--

‘(4) In case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA,--

- i. who has exercised option under sub-section (5) for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021 but before the 1st day of April, 2024;*

- ii. *whose total income is computed under subsection (1A), the conditions contained in sub-section (2) shall be modified to the extent that the deduction under section 80LA shall be available to such Unit subject to fulfillment of the conditions contained in the said section.*

Explanation.—For the purposes of this sub-section, the term “Unit” shall have the meaning assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005’;

(d) in sub-section (5), after the proviso, the following proviso shall be inserted, namely:--

“Provided further that the provisions of this subsection shall not apply for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2024.”;

(e) after sub-section (5), the following sub-section shall be inserted, namely:--

“(6) Nothing contained in sub- section (1A) shall apply to a person where an option is exercised by such person, in the manner as may be prescribed, for any assessment year, and such option is exercised,--

- i. *on or before the due date specified under subsection (1) of section 139 for furnishing the return of income for such assessment year, in case of a person having income from business or profession, and such option once exercised shall apply to subsequent assessment years; or*
- ii. *along with the return of income to be furnished under sub-section (1) of section 139 for such assessment year, in case of a person not having income referred to in clause (i):*

Provided that the option under clause (i), once exercised for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, the person shall never be eligible to exercise the option under this subsection, except where such person ceases to have any income from business or profession in which case, option under clause (ii) shall be available.”.

The above amendment seeks to amend section 115BAC of

the Income-tax Act relating to tax on income of individuals and Hindu undivided family.

The provisions of the said section, inter alia, provides that the income-tax payable in respect of the total income of a person, being an individual or a Hindu undivided family, for any previous year relevant to the assessment year beginning on or after 1st April 2021, shall, at the option of such person, be computed at the rate of tax given in the Table therein, if the conditions contained in sub-section (2) are satisfied.

It is proposed to amend the marginal heading of the said section so as to provide that the said section applies to tax on income of individuals, Hindu undivided family and others.

It is further proposed to insert a new sub-section (1A) in the said section so as to provide that notwithstanding anything contained in this Act but subject to the provisions of Chapter XII, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a cooperative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6), for any previous year relevant to the assessment year beginning on or after 1st April, 2024, shall be computed at the rate of tax given in the Table therein.

These amendments will take effect from assessment year starting from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

As per circular dated 05.04.2023, if Employee fails to intimate about opting of Old Tax Regime, Employer to deduct tax at source u/s 192 as per rates provided under New Tax Regime (attached for ready reference).

It is also proposed to amend clause (i) of sub-section (2) of the said section to give reference of sub-section (2) of section 80CCH therein to provide the benefit of concessional tax regime to an individual enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after 1st November, 2022.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to amend sub-section (2) of the said section, inter alia, to provide that for the purposes of sub-section (1A), the total income of the person referred to therein shall be computed without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32) of section 10 or section 10AA or clause (ii) or clause (iii) of section 16 or clause (b) of section 24 [in respect of the property referred to in subsection (2) of section 23] or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or 176 under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or sub-section (2) of section 80CCH or section 80JJAA.

It is also proposed to insert a second proviso in sub-section (3) of the said section so as to provide that in a case where,--

- i. the assessee has not exercised the option under sub-section (5) for any previous year relevant to the assessment year beginning on or before the 1st day of April, 2023;
- ii. the income-tax on the total income of the assessee is computed under sub-section (1A); and
- iii. there is a depreciation allowance in respect of a block of assets which has not been given full effect prior to the assessment year beginning on the 1st day of April, 2024, corresponding adjustment shall be made to the written down value of such block of assets as on 1st April, 2023 in the manner as may be prescribed.

It is also proposed to substitute sub-section (4) of the said section so as to provide that in case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA,--

(i) who has exercised option under sub-section (5) for any previous year relevant to the assessment year beginning on or after 1st April, 2021 but before 1st April, 2024;

(ii) whose total income is computed under sub-section (1A), the conditions contained in sub-section (2) shall be modified to the extent that the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

It is also proposed to insert a proviso in sub-section (5) of the said section so as to provide that the provisions of the sub-section shall not apply for any previous year relevant to the assessment year beginning on or after 1st April, 2024, that is, a person, being an individual or Hindu Undivided Family, shall not exercise the option for concessional rate of taxation under sub-section (1) for any previous year relevant to the assessment year beginning on or after 1st April, 2024.

It is also proposed to insert sub-section (6) in the said section so as to provide that nothing contained in sub-section (1A) shall apply to a person where an option is exercised by such person, in the manner as may be prescribed, for any assessment year, and where such option is exercised--

- i. on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for such assessment year, in case of a person having income from business or profession, and such option once exercised shall apply to subsequent assessment years; or
- ii. along with the return of income to be furnished under sub-section (1) of section 139 for such assessment year, in case of a person not having income referred to in clause (i).

However, the option under clause (i) of the said sub-section (6), once exercised for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, the person shall never be eligible to exercise the option under that sub-section, except where such person ceases to have any income from business or profession in which case, option under clause (ii) of that sub-section shall be available.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

NOTE: - Text in Italic is extract from Finance Act and regular

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text is comment/ remarks thereon.