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India

Discussion on budget highlights

29 YEARS

Transmittal

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February 2, 2017

Dear Reader,

A country limping back from the effects of demonetisation and staring at the looming transition to GST was the backdrop when the Honourable Finance Minister, Mr. Arun Jaitley presented the Union Budget for the financial year 2017 – 2018 ('Budget 2017') before the Lok Sabha on February 1, 2017.

While it may not have lived up to the 'budget-like-no-other' tag, the Finance Minister showed great responsibility in not handing out populist measures in light of the upcoming assembly elections in several states. Budget 2017 managed to marry the economic requirements of the nation that needed a firm push on its path to a 'less-cash economy' with political priorities like increased allocation for the MNREGA scheme.

The imprints of the Prime Minister's vision was there for all to see as the overall theme of Budget 2017 was the move to a digital and therefore more tax compliant economy. The Finance Minister showed great courage in his attempt to weed out corruption and money laundering by limiting anonymous cash donations to political parties and charitable trusts. Budget 2017 had little to offer in terms of indirect taxes in view of the impending transition to GST.

As in the earlier years, it gives us great pleasure to present you with a quick snap-shot on Budget 2017. We believe that you will benefit from the early insights on Budget 2017 through this issue of 'Tax News', though more clarity is expected on many of the provisions which will unravel in the coming days.

Should you require any further clarifications or details on the budget proposals or any assistance in the analysis of the impact of the proposals on your business, please do feel free to get in touch with us. As always, we look forward to your valuable suggestions.

Yours faithfully

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Executive Summary

Macro economic outlook	▶ India's GDP is expected to grow at 7.2% for the current financial year and is expected to grow at 7.7% in 2018. CPI based inflation has declined from 6% in July 2016 to 3.4% in December 2016. ▶ The Finance Minister has set a target for fiscal deficit at 3.2% of the GDP and to reach 3.0% in the following year. ▶ Foreign exchange reserves are at a healthy USD 361 billion representing 12 months of imports.
Direct taxation Key areas include : ▪ Individual taxpayers were rewarded with a lower tax rate of 5% for the lowest tax slab. ▪ The Finance Minister has fulfilled his promise by reducing corporate income tax rates for companies with turnover less than Rs. 50 crores to 25%. ▪ Stringent norms have been prescribed to discourage cash transactions. ▪ Charitable trusts and political parties will be subject to higher scrutiny. Money laundering in the name of anonymous cash donations will no longer be possible.	▶ While the tax slabs have remained unchanged, the tax rate applicable to the lowest tax slab from Rs. 2.5 lakhs to Rs. 5.0 lakhs has been reduced from 10% to 5%. Simultaneously a rebate available of Rs. 5,000 has been reduced to Rs. 2,500. A surcharge of 10% and 15% will apply to individuals with incomes more than Rs. 50.0 lakhs and Rs. 1.0 crore, respectively. ▶ Corporate income tax for companies with annual turnover of up to Rs. 50.0 crores has been reduced to 25%. Tax rates for other companies, firms and LLPs remain unchanged at 30%. ▶ The requirement for holding an asset for more than three years to qualify as a long term capital asset and thereby a lower tax rate of 20%, has been reduced to two years. Simultaneously, the base year for computation of indexation of cost of capital assets and for determining fair market value of assets, has been shifted from 1981 to 2001. ▶ The move to a 'less-cash economy' was strengthened with a prohibition of cash transactions more than Rs. 3.0 lakhs. Further, persons carrying on business or profession can no longer make cash payments exceeding Rs. 10,000 in a single day to the same person irrespective of whether the payments are for revenue expenses or for capital expenditure. Eligible assessees having turnover of up to Rs. 2.0 crores who opt for the presumptive scheme of taxation will need to offer only 6% of their digital transactions to tax as opposed to 8% of their cash transactions. ▶ The government has taken a stern position against money laundering through charitable trusts and political parties by prohibiting receipt of cash donations exceeding Rs. 2,000. Further, the income tax department's power of survey which was earlier restricted to businesses, has been extended to charitable trusts.

Direct taxation

- Bad news for promoters and investors who can no longer exit without any tax implications at the time of an IPO.
- Tax payers will be forced to be more compliant as the time period for revision of returns have been reduced and fines have been introduced for belated filing of returns.

- Long term capital gains on sale of listed shares would be exempted from tax only if securities transaction tax was paid at the time of acquisition of shares. This is a major hit to promoters and investors who have invested prior to a company going public.
- Persons who are paying rent of more than Rs. 50,000 per month are now required to deduct tax at source. Further, the maximum amount that can be set off as loss under the head 'income from house property' has been restricted to Rs. 2.0 lakhs in a financial year with the excess, if any, being carried forward to future years.
- The time limit for revision of returns is reduced to the end of the assessment year. Similarly, the time limit for completion of assessments have been reduced and are expected to be progressively reduced by AY 2019-20.
- Non-residents have been given the facility to pay income tax on long term capital gains on sale of unlisted equity shares at a concessional rate of 10%.
- Capital gains on transfer of unlisted shares will now be computed at fair market value.

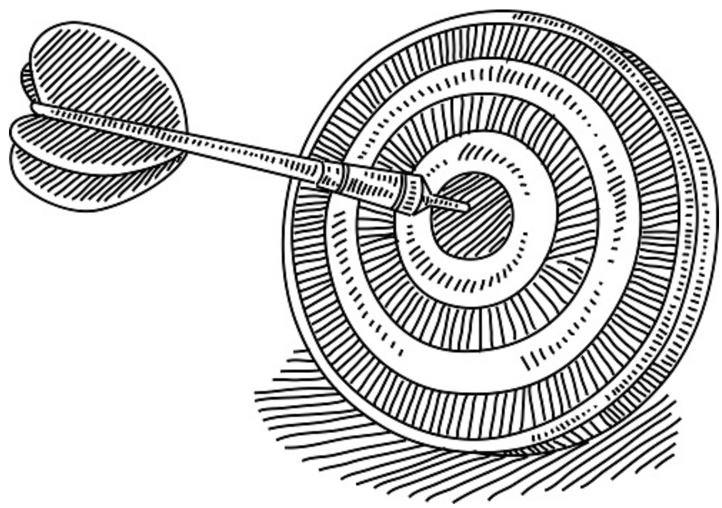
Indirect taxation

Key areas include :

- Effective rates of service tax, central excise duty and customs remain unchanged.
- Banks, financial institutions and NBFCs are in for major savings on account of increased eligibility for Cenvat credit.
- Exemption from customs duty and excise duty for M-POS card readers, fingerprint and iris scanners

- Effective rates of service tax, central excise duty and basic customs duty have been left unchanged.
- It has been clarified that service value of works contract services do not include the value of land or undivided share of land.
- Banks, financial institutions and NBFCs have received a major fillip with them now being eligible to avail full Cenvat credit of all their inputs and input services notwithstanding the fact that a bulk of their income consists of interest which is not a taxable service.
- Export duty in the case of aluminium ores have been increased. BCD for items such as liquefied natural gas and parts and components of LED lights and fittings have been reduced.
- To promote the digitisation of the economy, excise duty rates and BCD rates were nullified on M-POS card readers, fingerprint and iris scanners.
- The Authority for Advance Ruling (Central Excise, Customs & Service Tax) is being merged with the Authority for Advance Ruling for income tax.

Direct taxation



Key highlights

- Marginal relief amounting to Rs. 12,500 available to individual taxpayers by way of reduction of the tax rate on the first slab from 10% to 5%.
- Rebate under Sec. 87A reduced from Rs. 5,000 to Rs. 2,500
- Tax rates for very senior citizens remain unchanged.

Tax laws for individual tax payers

Budget 2017 has adopted a carrot-and-stick approach to individual taxation. While rates have been marginally reduced, for better compliance, mandatory fee has been imposed for delayed filings.

- Marginal relief has been granted to individual assessees by reducing the tax rate from 10% to 5% for income falling in the slab Rs. 2.5 lakhs to Rs. 5 lakhs.
- The rebate of up to Rs. 5,000 which was previously given for individuals with a total income not exceeding Rs. 5.0 lakhs has also undergone revision. As per the new provisions, the rebate has been reduced to Rs. 2,500. Further, this rebate shall be applicable only to resident individuals with total income not exceeding Rs. 3.5 lakhs.

Changes in taxation slabs

- The tax slabs have undergone a change as a result of the aforementioned amendments. The tax slabs under each category have been listed below

A. In case of senior citizens, i.e., individuals who are more than 60 years, but less than 80 years

Slab	Tax rate
Below Rs. 3 lakhs	Nil
Rs. 3 lakhs to Rs. 5.0 lakhs	5%
Rs. 5.0 lakhs to Rs. 10.0 lakhs	20.0%
Above Rs.10.0 lakhs	30.0%

B. In case of very senior citizens, i.e., individuals who are more than 80 years

Slab	Tax rate
Below Rs. 5.0 lakhs	Nil
Rs. 5.0 lakhs to Rs. 10.0 lakhs	20.0%
Above Rs. 10.0 lakhs	30.0%

Key highlights

- Additional levy of surcharge of 10% introduced for individuals with income exceeding Rs. 50.0 lakhs and less than Rs. 1.0 crore
- Effectively, an individual with a taxable income of Rs. 65.0 lakhs will have to pay an additional tax of Rs. 1.68 lakhs on account of introduction of surcharge

C. In case of other individuals

Slab	Tax rate
Below Rs. 2.5 lakhs	Nil
Rs. 2.5 lakhs to Rs. 5.0 lakhs	5%
Rs. 5.0 lakhs to Rs. 10.0 lakhs	20.0%
Above Rs.10.0 lakhs	30.0%

- Surcharge of 10% shall apply to individuals having a total income exceeding Rs. 50.0 lakhs and 15% in the case of individuals having a total income exceeding Rs. 1.0 crore.
- In the following table, we have illustrated the tax computation of an individual assessee with a taxable income of Rs. 65.0 lakhs under the old provisions and as per the revised provisions

Particulars	Tax Structure (New)	Tax Structure (Old)
Total Income	65,00,000	65,00,000
Tax on total income: Upto Rs. 2.5 lakhs Rs. 2.5 lakhs to Rs. 5 lakhs Rs. 5 lakhs to Rs. 10 lakhs > Rs. 10 lakhs	 - 12,500 1,00,000 16,50,000	 - 25,000 1,00,000 16,50,000
Income Tax	17,62,500	17,75,000
Surcharge	1,76,250	-
Education Cess	58,163	53,250
Total Tax Liability	19,96,913	18,28,250
Additional tax	**Rs. 1,68,663**	

Key highlights

- Tax rates for companies with turnover less than Rs. 50.0 crores reduced to 25%. Tax rates for other companies, firms and LLPs remain unchanged.
- Surcharge remains unchanged 7% for more than Rs. 1.0 crore but less than Rs. 10.0 crore and 12% for income greater than Rs. 10.0 crore
- Period of holding for the purpose of determining long term capital gains tax on sale of immovable property reduced from 36 months to 24 months

Tax rates for companies and firms

- As promised in the previous Budgets, the Finance Minister in his attempt to promote corporatization has reduced the tax rate of domestic companies with annual turnover not exceeding Rs. 50.0 crores to 25%. Tax rates for other companies remain unchanged at 30% and 40% for foreign companies.
- Income tax rates for firms / LLPs remain unchanged at 30%.
- Surcharge for domestic companies continues to be at 7% of income tax where the total income exceeds Rs. 1.0 crore, but does not exceed Rs. 10.0 crores and 12% where total income exceeds Rs. 10.0 crores
- Surcharge for foreign companies also remains unchanged at 2% of income tax where the total income exceeds Rs. 1.0 crore, but does not exceed Rs. 10.0 crores. Foreign companies with total income exceeding Rs. 10.0 crores will be subject to a surcharge of 5%.

Deduction of tax at source on payment of rent

- Under the existing provisions, tax deduction by individuals on payment of rent is applicable only if they are subject to tax audit under section 44AB. In order to widen the scope of tax deduction, a new section has been introduced, 194-IB, to provide for tax deduction @ 5% on payment of rent, if such rent exceeds Rs. 50,000 per month.
- Such tax shall be deducted from the last payment of the year or on cancellation of the lease during the year. Further, to ease the compliance burden, the deductor is not required to obtain a TAN as is common in the case of tax deduction.

Measures for Promotion of the Real Estate Sector

Change in holding period for immovable property

- Capital assets which meet the definition of long term capital assets are taxed at a lower rate of 20% as compared to short term capital gains which are taxed at normal rates. Previously, immovable properties could be considered as long term capital assets only if they were held for more than 36 months.
- With a view to promote the real estate sector and to make it a more attractive investment option, the time period for holding the asset has been reduced from the existing 36 months timeframe to 24 months, in the case of immovable property being land or building or both.

Key highlights

- Transfer for the purpose of determination of incidence of capital gains tax in the case of joint development agreements clarified as arising only in the year in which certificate of completion of the project is issued.
- Tax deduction @ 10% for monetary consideration under joint development agreement proposed.
- Base year for the purpose of calculation of indexation benefit shifted from 1981 to 2001.
- Options for bonds under Sec. 54EC widened to all bonds having a maturity period of over 3 years.

Measures for Promotion of the Real Estate Sector (Contd.)

Capital gains in the case of joint development agreements

- Under the existing provisions, there was considerable uncertainty with respect transfer of ownership in cases of joint development agreements. Genuine hardship was caused to landowners who were faced with the prospect of paying tax in the year of entering into the joint development agreement itself, i.e., before they were able to generate any tangible benefits from entering into such agreement.
- With a view to minimise this hardship, the new provisions propose to tax as capital gains only in the **year** in which the **certificate of completion** for the project is issued by the competent authority.
- Further, the stamp duty value on the date of issuing the completion certificate and increased by any monetary consideration, if any, shall be deemed to be the full value of consideration received as a result of transferring this capital asset.
- Any amount paid under a joint development agreement will also be subject to tax deduction @ 10% by virtue of introduction of a new Sec. 194-IC.

Shifting of base year from 1981 to 2001 for the purpose of indexation

- The existing provisions provided that in computation of cost of acquisition of assets which were acquired prior to April 1, 1981, the assessees had an option of either taking the actual cost of acquisition or the fair market value as at April 1, 1981.
- In determining the fair market value as at April 1, 1981, assessees were facing genuine difficulties in determining the fair market value given the non-availability of relevant records required since these records were over three and a half decades old.
- Accordingly, it has now been proposed to amend the provisions in such a manner that the cost of acquisition of an asset acquired before April 1, 2001 shall be allowed to be taken as the fair market value as on April 1, 2001. Cost inflation indices are also expected to be updated shortly.

Expanding scope of section bonds under 54EC

- Sec. 54EC provides for capital gains exemption to the extent of Rs. 50.0 lakhs on investment in bonds of NHAI and REC. The provisions have now been revised to the extent that investment in any bonds with a maturity period of over 3 years now qualifies for exemption under Sec. 54EC.

Key highlights

- Notional rental income for house property held as stock in trade for builders beyond 1 year of obtaining completion certificate.
- Deduction available to eligible start-ups under section 80-IAC has been extended.
- Timeframe for utilization of MAT credit extended from 10 years to 15 years.

Other provisions relevant to the real estate sector

Notional income for house property held as stock in trade

- An amendment is proposed to Sec. 23 of the IT Act which is expected to have a significant impact on builders. As per this amendment, where house property is held as stock in trade and this property is not let out during the whole or any part of the previous year, the annual value of such property for 1 year from the date of completion certificate shall be taken as nil.
- However, any property held as stock in trade after a year of completion shall be considered as deemed to be let out which will have far reaching implications for builders to the extent of units remaining unsold after 1 year of obtaining completion certificate.

Carry forward or set off of losses in case of certain companies

- As per the existing provisions, tax losses of a company is not eligible for utilisation in the subsequent years in the event where there is a change in ownership of the company to the extent of 51% ownership.
- In an effort to incentivize investment in start-ups, the companies shall continue to be eligible for carry forward and utilisation of tax losses if all the shareholders of the company continue to hold those shares even after reorganization of shareholding on account of investment into the company. This new amendment will aid in tax planning for eligible start-ups.

Extending deductions available for start-ups

- Budget 2016 introduced deductions targeted at eligible start-ups through Sec. 80-IAC. Deduction available was equal to 100% of profits for three consecutive assessment years out of five years from incorporation.
- Appreciating the fact that start-ups may need a longer time frame to report a profit, the time restriction of five years has now been extended to 7 years from incorporation.

Changes to provision of carry forward of MAT credit

- As per the existing provisions, MAT Credit can be carried forward for up to 10 assessment years for utilisation against normal tax. With a view of granting relief to tax payers paying under MAT provisions, it is now proposed to extend the time period for carry forward of MAT Credit to 15 years.

Key highlights

- Various provisions introduced to regulate use of cash in transactions.
- Donations made in cash to institutions with 80G is limited to Rs. 2,000.
- Cash payments exceeding Rs. 10,000 per payee per day no longer deductible. Similar provision exists for payments for capital expenditure which will suffer disallowance to the extent of depreciation claim.

Measures to promote digital economy

As a follow up to the demonetization drive, Budget 2017 has introduced a slew of provisions aimed at continuing the restriction imposed on cash transactions.

Restricting cash donations

- As per the existing provisions of section 80G which regulates donations to eligible institutions, donations exceeding Rs. 10,000 made in cash are not allowed. In the interest of transparency, it is now proposed to reduce this limit to Rs. 2,000.

Disallowance of depreciation under Sec. 32 on cash payments

- Presently, only cash payments exceeding Rs. 20,000 made towards revenue expenditure suffer disallowance under Sec. 40A(3) of the IT Act. Payments made exceeding Rs. 20,000 for capital expenditure were outside the ambit of Sec. 40A(3).
- While there were stray judicial pronouncements extending the provisions of Sec. 40A(3) to capital expenditure in the form of depreciation, they were not enforced in most cases by the Income Tax Department.
- Budget 2017 proposes to introduce an amendment wherein any expenditure for acquisition of any asset in respect of which, if a payment or aggregate of payments made in a day in cash and which exceeds Rs. 10,000, such payment shall be ignored for the purpose of determining cost of the asset. Consequently, depreciation to the extent of payment in cash exceeding Rs. 10,000 will not be allowed as a deduction.
- Further, at the time of sale of capital assets purchased in cash, cost will be deemed to be Nil.

Discouraging cash transactions exceeding Rs. 10,000

- Presently, only cash payments exceeding Rs. 20,000 made towards revenue expenditures suffer disallowance under section 40A(3) of the IT Act.
- In order to discourage cash payments, Budget 2017 proposes to reduce the threshold from Rs. 20,000 to Rs. 10,000. To this effect, payment made to a single person in one day exceeds Rs. 10,000, then such payment will not be considered as a deduction from total income.

Key highlights

- Potential tax saving up to Rs. 1.2 lakhs for small assessees' accepting digital payments exclusively.
- Recipient of cash over Rs. 3 lacs per day for a single transaction may be subjected to a penalty for an equivalent amount.
- Transactions with related parties as specified under Sec. 40A(2)(b) has been excluded from the purview of specified domestic transfer pricing.

Digital payments in case of small unorganized businesses

- In order to promote digital transactions and to encourage small businesses to accept digital payments, it is proposed to amend Sec. 44AD in such a manner that the existing rate of deemed total income being 8% is proposed to be reduced to 6%. This amendment could have a potential tax saving of up to Rs. 1.2 lakhs for an assessee accepting digital payments exclusively.

Restriction on cash transactions above Rs. 3.0 lacs

- The previous sections covered cash payments against capital and revenue expenditures. As per the proposed Sec. 269ST, no person shall receive an amount of Rs. 3 lakhs or more from any person in a single day in respect of a single transaction or in respect of transactions relating to a single event, in cash.
- Receipt of any such amounts as stated above will result in the recipient being subjected to provisions of section 269ST, i.e., a penalty equivalent to the amount received in cash.

Exemption from collection of tax at source from specific buyers

- Sale of motor vehicles for a consideration exceeding Rs. 10.0 lakhs presently requires tax collection at source @ 1% of the consideration as tax from the buyer. In order to reduce compliance burden, it is now proposed to exclude Central and State Government, High Commission, embassy, legation, commission, consulate and trade representatives of a foreign state and local authority from the definition of buyer.

Amendments to set-off and carry forward of losses

Income from house property

- Presently the loss under the head 'income from house property' could be set off (without any limits) against any other head of income in the year in which such loss accrues and the balance, if any, could be carried forward to be set off against income from house property in the subsequent 8 years.
- A new Sec. 71(3A) proposes to limit the amount of such loss which could be set off against any other heads of income in the year in which such loss accrues.
- This section provides a limit of Rs. 2.0 lakhs which be could set off against other heads of income in the current assessment year.
- The remaining unutilized loss could be carried forward to be set off against income under the head house property in the subsequent years.
- The unutilized loss for each assessment year could be carried forward for the next 8 assessment years after which it will expire.
- This is especially relevant in the case of let out properties.

Key highlights

- Professionals opting to declare profits under Secs 44ADA accorded the benefit of paying advance tax in a single installment.
- Proposal to amend Sec. 234C to accord relief to assessees having dividend income which is chargeable to tax.
- Proposal to tax all persons receiving money or property without adequate consideration under the head 'income from other sources'.
- Expenditure paid to residents on which tax has not been deducted at source to be disallowed while determining income from other sources.

Rationalization of provisions relating to advance tax and interest

Professionals declaring income under presumptive basis - Sec. 44ADA

- Professionals opting to declare profits under presumptive taxations scheme permitted under Sec. 44ADA have been accorded similar treatment in paying advance tax on similar lines with other assessees declaring profits under Sec. 44AD. Hence, from the financial year 2017-18 onwards, such professionals may remit the advance tax in a single instalment on or before March 15th of each year.
- Consequential amendment is also proposed in Sec. 234C so as to compute the interest on deferment of advance tax accordingly.

Amendment to Sec. 234C – Cases where dividend income is chargeable to tax

- With effect from the 1st April, 2016, dividends received from domestic companies was subject to tax if such income exceeds Rs. 10.0 lakhs. However, in view of the uncertain nature of declaration and receipt of dividend incomes, an assessee liable to pay advance tax may not be able to correctly determine such liability within the payment schedule as specified under the advance tax provisions. Budget 2017 proposes to provide relief in such cases of shortfall in payment of advance tax on account of under-estimation or failure in estimation of income of the nature referred to in Sec. 115BBDA. Interest under Sec. 234C shall not be levied subject to fulfilment of certain conditions.

Income from Other Sources

- The present provisions of Sec. 56 are applicable only in case of individuals or HUFs and in certain cases to firms or companies. In case of other assessees such as trusts and AOPs, the receipt of sum of money or property without consideration or for inadequate consideration does not attract the anti-abuse provisions of this section.
- In order to prevent the practice of receiving the sum of money or the property without consideration or for inadequate consideration, it is proposed to insert a new clause so as to provide that receipt of the sum of money or the property by any person without consideration or for inadequate consideration in excess of Rs. 50,000 shall be chargeable to tax in the hands of the recipient under the head "Income from other sources".

Amendment to Sec. 58 – Disallowance of expenditure on which tax has not been deducted

- Sec. 57 of the Act provides expenses which are deductible from the income declared under other sources subject to satisfaction of conditions mentioned in Sec. 58. Budget 2017 proposes to increase the ambit of disallowable expenses by including payments made to residents on which tax has not been deducted. Hence, payments on which tax was deductible under Sec. 40(a)(ia) but was not deducted, will not be allowed to be claimed as expense against income earned under other sources.

Key highlights

- Proposal to levy fees for delayed filing of income tax returns.
- Penalty for failure to file returns omitted.
- Refund to be issued even in cases selected for scrutiny assessment.
- Facility for revision of income tax returns filed available only till end of the assessment year to which the return pertains.
- Time limit for completion of assessment reduced to 18 months for A.Y 2018-19 and 12 months for subsequent years.

Changes w.r.t to income tax returns and assessment

Fee for delayed filing of returns

- To encourage tax payers to file returns within the due dates prescribed by the IT Act, Budget 2017 has proposed to levy a fee for delayed filing of income tax returns by inserting a new Sec. 234F.
- Consequentially, section 271F in respect of penalty for failure to furnish return has also been omitted.
- The fees structure for such delays are as under:

Particulars	Fees
If the return is furnished after the due date but on or before 31st December of the A.Y	Rs. 5,000/-
All other cases	Rs. 10,000/-
Exception: in cases where the total income does not exceed five lakh rupees	Rs. 1,000/-

Processing of return and issuing refund – Cases selected for scrutiny

- Currently, refunds are withheld for cases which are selected for scrutiny assessment till such time the assessment is completed.
- In order to address the grievance of delay in issuance of such refunds in genuine cases which are routinely selected for scrutiny assessment, it is proposed that except for cases where the recovery of revenue is doubtful, all income tax returns filed as refund due will be processed and refund issued.

Time limit - revision of returns

- Presently the time limit for revision of income tax return was available up to 1 year from the end of the assessment year to which the return pertains. Budget 2017 has proposed to reduce this time limit by 1 year. Hence, from the A.Y 2018-19 the revision of return will be only possible till the end of the relevant assessment year.

Time limit – completion of assessment

- The time limit under Sec. 153 for completing an assessment and issuing the assessment order has been proposed to be reduced from existing 21 months to 18 months for the A.Y 2018-19.
- This is further proposed to be reduced to 12 months from the A.Y 2019-20 onwards.
- Amendments of time limits on similar lines as mentioned above is also proposed in case of assessments in cases of search and seizure.

Key highlights

- Exemption of capital gain restricted to cases where STT has been paid during purchase of the capital asset.
- Difference in FMV and sale value of unquoted shares to be charged to tax under the head capital gains in the hands of the transferor.
- Transfer of unlisted securities by non-residents to be subject to 10% tax rate retrospectively from April 1, 2013.
- Conversion of preference shares to equity shares not to be treated as transfer.

Changes to Sec. 10(38) – Exemption of long term capital gain on sale of equity shares

- Under the existing provisions of the Sec. 10(38), income arising from a transfer of long term capital asset, being equity share of a company or a unit of an equity oriented fund, is exempt from tax if the transaction of sale is chargeable to Securities Transaction Tax ('STT').
- An additional condition for claiming the benefit of this section is proposed whereby the exemption will be available only in cases where STT was paid during the acquisition of the asset which are sold.
- This amendment has far reaching implications for promoters and investors who have invested into companies which are going public and expected to encash their investment without any tax implications.

Capital gains in relation to transfer of unquoted shares below fair market value ('FMV')

- The existing provisions of the IT Act contains provisions for deeming the fair market value of capital assets such as land, building, etc. by making reference to the value used for registration. There were no similar provisions in relation to unquoted shares.
- A new Sec. 50CA is proposed to be inserted to provide that where consideration for transfer of unquoted shares of a company is less than the FMV of such share, then the FMV shall be deemed to be the full value of consideration for the purposes of computing income under the head 'capital gains'.
- The method for calculating the FMV will be prescribed by the Central Board of Direct Taxes.

Clarification regarding the applicability of Sec. 112

- Sec. 50 is proposed to be amended so as to provide clarity in relation to the concessional rate of 10% for long term capital gain arising from the transfer of unlisted securities, being shares of a company in which public are not substantially interested. Hence, capital gains arising to non-residents in relation to such transfers will be chargeable to tax at the rate of 10% retrospectively from April 1, 2013.

Exemption for conversion of preference shares to equity shares

- Under the existing provisions of the IT Act, conversion of security from one form to another is regarded as transfer for the purpose of levy of capital gains tax. However, the conversion of a bond or debenture of a company to share or debenture of that company was not treated as transfers under Sec. 47. No such benefit was accorded for the conversion of preference shares of a Company into its equity share. An amendment is proposed to provide that the conversion of preference shares of a company into equity shares not to be treated as a transfer too.

Key highlights

- TCS to be collected at higher rates in case of transaction where PAN is not quoted.
- Restrictions imposed for setting off loss of house property against other heads of income.
- Only Rs. 2 lakh could be set off against the income under the other heads.

Amendments to TCS provisions

Under the existing provisions there are no mechanisms to ensure quoting of PAN while complying with the provisions of tax collection at source. Whereas, in case of TDS, Sec. 206AA mandates deduction of tax at source at a higher rate of 20% in case of non-quoting of PAN.

To strengthen the PAN quoting mechanism in the TCS regime, it is proposed to insert a new Sec. 206CC. The main highlights of this section are:

- Failing to quote PAN by the person paying any sum on which tax is collectible at source will lead to TCS being collected at the ***higher*** of the following rates:
  - A. at twice the rate specified in the relevant provision of the IT Act; or
  - B. at the rate of 5%.
- Both the collector and the collectee of TCS shall indicate their PAN in all their correspondence, bills, vouchers and other documents.
- The provisions of this section will not apply to a non-resident who does not have permanent establishment in India.

Amendment to scope of specified domestic transfer pricing

- The existing provisions of specified domestic transfer pricing mandate compliance and reporting by tax payers of transactions with related parties covered under Sec. 40A(2)(b) which aggregate to over Rs. 20.0 crores in a financial year.
- In order to reduce compliance burden to taxpayers, it is now proposed to amend the provisions of Sec. 92BA so that transactions with persons covered under Sec. 40A(2)(b) will no longer be covered and only transactions with related parties claiming deduction under Sec. 10AA (SEZ units) or Sec. 80-IA (infrastructural development projects) will be covered in its scope.

Key highlights

- Loss of Non-SEZ units to be set off against profits of SEZ units before claiming deduction u/s 10AA.
- Corpus donations given by entities enjoying exemption to other such exempt entities cannot be claimed as application of income.

Rationalisation of provisions of Section 10AA

- Under the existing provisions of Sec. 10AA, deduction is allowed from the total income of an assessee, in respect of profits and gains from the Unit operating in a Special Economic Zone ('SEZ').
- Due to an ambiguity in the provision of the IT Act, the Supreme Court had decided that the deduction is to be allowed from the total income of the undertaking and not from the total income of the assessee.
- To nullify this decision, it is proposed to amend the section to include that the amount of deduction referred to in Sec. 10AA shall be allowed from the total income of the assessee before giving effect to the provisions of the section 10AA and the deduction under Sec. 10AA in no case shall exceed the said total income.
- Hence, assessees having profit making SEZ units as well as loss making non-SEZ units will have to set off the losses of the non-SEZ undertakings against the profit from SEZ units before claiming the Sec. 10AA exemption.

Changes with respect to entities exempt under Sec. 11 and 12

- Entities having registration under Sec. 12AA, but subsequently adopted or undertaken modification of the objects which do not conform to the conditions of registration shall obtain a fresh registration by making an application within a period of 30 days from the date of such modification.
- Further, it has been clarified that all entities having income which is chargeable to income tax (total income without giving effect to the provisions of Sec. 11 and 12 exceeds the maximum amount which is not chargeable to tax) will have to file the return of income within the time allowed under Sec. 139 of the IT Act.
- Corpus donation given by exempt entities to other exempt entities with specific direction that such donations will form part of the corpus can no longer be claimed as application of income by the donor entity.

Key highlights

- Partial withdrawals from NPS which was previously taxable. It is now proposed to grant partial exemption to the extent of 25% of employee contribution on partial withdrawal.
- Professionals may now be subjected to penalty for furnishing incorrect information in statutory reports or certificates
- The IT Act and MAT provisions will be aligned to factor in first time adoption of Ind-AS.

Extension of the Income Tax Department's power to survey

- Presently the income tax department is empowered to enter any place at which a business or profession is carried out in order to conduct a survey. Budget 2017 proposes to expand these powers by empowering them to even conduct a survey in a premises where an activity for charitable purpose is carried on.

Tax exemption for partial withdrawal from National Pension Scheme ('NPS')

- Tax exemption to the extent of 40% of the total amount which was withdrawn from the NPS at the time of closure of an account is available. But, partial withdrawals were taxable. Budget 2017 provides an exemption to the extent of 25% of an employee's contributions to the NPS at the time of partial withdrawals from the NPS.

Rationalization of deduction under Sec. 80CCD for contributions to the NPS

- Sec. 80CCD of the IT Act adopted a step-motherly attitude towards self employed individuals as employees were effectively eligible for deduction of up to 20% of salary which consisted of both contributions by the employee and the employer, whereas, self employed persons could claim a deduction of only up to 10% of their gross total income.
- Budget 2017 seeks to rationalize this anomaly by extending a deduction of up to 20% of the gross total income for self employed individuals.

Penalty on professional for furnishing incorrect information

- Budget 2017 proposes to penalize professionals such as chartered accountants, merchant bankers and registered valuers for any incorrect statements that may be made in a statutory report or a certificate.

Preparation for Ind-AS

- The Central Government has already notified Indian Accounting Standards ('Ind-AS') which are converged with the International Financial Reporting Standards ('IFRS'). The provisions of the IT Act with respect to MAT are to be suitably aligned in order to factor in first time adoption of Ind-AS as well as adjustments in ongoing Ind-AS compliant financial statements.

Indirect taxation

Key highlights

- Service tax rates have been left unchanged.
- It has been clarified that value of land or undivided share of land need not be included for the purpose of computing service tax on works contract services.
- Major relief has been extended to banks, financial institutions and NBFCs by permitting them to avail full credit of inputs and input services notwithstanding that their primary income, i.e., interest continues to be exempted from service tax.

Present service tax rates to continue

- Contrary to expectations, the service tax rates were left unchanged. The prevailing rates are as follows:

Component	Rate
Service tax	14%
Swachh Bharat Cess	0.5%
Krishi Kalyan Cess	0.5%
Total	15%

Clarifications on works contract services

- It has now been clarified with retrospective effect from July 1, 2010, the value of service portion in execution of works contract involving transfer of goods and land or undivided share of land, shall not include value of property in such land or undivided share of land.

Availment of Cenvat Credit by banks, financial institutions and NBFCs

- Bulk of the income of banks, financial institutions and NBFCs consist of interest income which is not subject to service tax. However, they are expected to avail credit only to the extent of their taxable services. These provisions have now been rationalised and therefore, banks, financial institutions and NBFCs are now eligible to avail the full credit of their inputs and input services.

Services by way of carrying out any process amounting to manufacture

- Services by way of carrying out any process amounting to manufacture was included in the Negative List. This entry has been shifted from the Negative List to the Mega Exemption Notification. There is no tax impact on account of this amendment.

Key highlights

- Export duty of 15% has been imposed on aluminium ores.
- Customs duties for many items have been reduced, especially in the case of devices such as miniaturised POS card readers which are essential for the move to a 'less cash economy'.
- Bills of entry for imports have to be filed on the immediately following day on which a vessel reaches a customs station.

Increase in Export Duty

- Export duty in relation to other aluminium ores, including laterite which was earlier subject to nil duty has been increased to 15%.

Changes in BCD

- The following are the important items for which Budget 2017 has changed BCD.

Item	Existing	Proposed
Liquefied natural gas	5%	2.5%
Nickel	2.5%	Nil
Solar tempered glass for use in the manufacture of solar cells / panels / modules	5%	Nil
All parts for manufacture of LED lights or fixtures	12%	5%
Miniaturized POS card reader for m-POS, finger print reader or iris scanner	12%	Nil

Increase in SAD & CVD

- Mobile phones are likely to be marginally more expensive owing to the imposition of SAD of 2% on Populated Printed Circuit Boards (PCBs) used in the manufacture of mobile phones.
- CVD of 12.5% has been imposed on silver medallion, silver coins having content not below 99.9%, semi-manufactured form or silver and articles of silver.

Other procedural changes

- Budget 2017 proposes to make it mandatory to file a bill of entry by the end of the following day on which the vessel, aircraft or vehicle carrying imported goods reaches a customs station. It also proposes charges for the late presentation of bills of entry.
- It is now obligatory for a person in charge of a conveyance that enters or departs India to file a crew and passenger manifest and passenger name record information before arrival or departure of the conveyance. It further provides for stringent penalties for violation of the provisions.

Key highlights

- As in the earlier years, excise duty on cigarettes and other tobacco products have been increased.
- Excise duty on certain components and parts used for manufacturing renewable energy equipment has been reduced.
- LED lights and fixtures are expected to be cheaper.

The impact of Budget 2017 on key sectors are as follows:

Health

- Cigarettes and other tobacco products are likely to cost more due to an across the board increase

Renewable energy

- Excise duty on several parts and components used for manufacturing renewable energy equipment has been reduced. However, excise duty on solar tempered glass for use in solar photovoltaic cells / modules have been increased from Nil rate to 6%.

Lighting

- Excise duty on all parts for manufacturing of LED lights or fixtures has been reduced from 12.5% to 6%.

Promotion of digital transactions

- Miniaturised POS card reader for m-POS, including its parts and components, finger print and iris scanners are now exempted from excise duty which is critical for the promotion of digital transactions as a move to a 'less-cash economy'.

Authority for Advance Rulings

- The Authority for Advance Rulings (Central Excise, Customs & Service Tax) is now being disbanded and pending cases as well as new applications are to be filed with the Authority for Advance Rulings set up under the IT Act.
- The Authority of Advance Rulings will now be required to pronounce their ruling within six months.

Ready Reckoner

- Key TDS rates
- Reverse charge mechanism
- Other important recent amendments
- Compliance calendar

Key TDS Rates

- In the following table, we have provided the key rates applicable for tax withholding.

Section	Nature of payment	Cut-off amount (INR)	Rate % (Individual)	Rate % (Others)
194	Deemed dividend	-	10%	10%
194A	Interest other than interest on security (by bank)	10,000	10%	10%
194A	Interest other than interest on securities (by others)	5,000	10%	10%
194C(1)	Contracts	30,000	1%	2%
194C(2)	Sub contracts / advertisements	30,000	1%	2%
194H	Commission or brokerage	15,000	5%	5%
194I	Rent (Land / building / furniture)	180,000	10%	10%
194I	Rent (plant & machinery / equipment)	180,000	2%	2%
194J	Professional / Technical charges / Royalty / Non-compete fee	30,000	10%	10%
194J(1)(ba)	Any remuneration or commission paid to director of the company (other than those covered under Sec. 192)	-	10%	10%

Notes

- 194C - Also where the aggregate of the amounts paid/credited or likely to be paid/credited to Contactor or Sub-contractor exceeds INR 100,000 during the financial year, TDS has to be deducted.
- No PAN for the payee – Tax has to be deducted @ 20% if deductee does not furnish PAN.
- No TDS on goods transport - No deduction shall be made from any sum credited or paid to the account of a contractor during the course of business of plying, hiring or leasing goods carriages if he furnishes declaration that he owns not more than 10 goods carriage vehicles and also furnishes his PAN, to the person paying or crediting such sum.

Reverse Charge Mechanism

- The reverse charge mechanism introduced w.e.f. July 2012 for an extended list of services, placed the onus of paying service tax partly on the service provider and partly on the service recipient. The respective liability for the service provider and service receiver are as follows:

Description of service	% of ST payable by the service provider	% of ST payable by the service recipient
Services provided by an insurance agent to any person carrying on insurance business	Nil	100%
Services provided by a goods transport agency in respect of transportation of goods by road	Nil	100%
Sponsorship	Nil	100%
Services provided by an arbitral tribunal	Nil	100%
Legal Services provided by an individual advocate or a firm of advocates	Nil	100%
Support services provided by Govt / local authority in relation to (1) renting of immovable property (2) other specified services (postal service, transportation of goods or passengers, services in relation to aircrafts or vessels)	Nil	100%
Renting of motor vehicles to carry passengers on abated value basis	Nil	100%
Renting of motor vehicle to carry passengers on non-abated value basis	60%	40%
Supply of manpower	Nil	100%
Execution of works contract	50%	50%
Services provided by a person located in a non-taxable territory to a person located in a taxable territory	Nil	100%

- **Compliances for service provider** – The service provider shall issue an invoice with details indicating the name, address and the registration number of the service provider; the name and address of the person receiving taxable service; the description and value of taxable service provided or agreed to be provided; and the service tax payable thereon.
- **Availability of CENVAT Credit** – Typically, the credit of the entire tax paid on the service received by the service receiver would be available to the service recipient. The credit of tax paid by the service provider would be available on the basis of the invoice while the credit of tax paid by the service recipient would be available on the basis of the tax payment challan.

Transactions in relation to which permanent account number is to be quoted in documents

As per the amendment effected to the income tax rules every person should quote their PAN in all documents pertaining to transactions prescribed. List of such transactions are as below:

- These provisions came into effect from January 1, 2016.

Nature of transaction	Value of transaction
Sale / Purchase of motor vehicle	All transactions
Application for opening bank account	All transactions
Application for credit / debit cards	All transactions
Opening DEMAT account with depositor	All transactions
Payment to a hotel or restaurant against a bill or bills at any one time	Cash payments exceeding Rs.50,000
Payments in connection for travelling to a foreign country including purchase of foreign currency	Cash payments exceeding Rs.50,000
Purchase of mutual fund units	All payments exceeding Rs.50,000
Purchase of debentures and bonds in a Company or an institution	All payments exceeding Rs.50,000
Deposit with a banking company or a co-operative bank	Cash payments exceeding Rs.50,000
Purchase of bank drafts or pay orders or bankers' cheques	Cash payments exceeding Rs.50,000
Fixed deposits with banks, post office, NBFC's and Nidhi Companies	Payments exceedings Rs.50,000 or aggregating to more than Rs.5,00,000 during a financial year
Life insurance premium paid	Amounts aggregating to more than Rs.50,000 during a financial year
Sale or purchase, by any person, of shares of an unlisted company	Payments exceeding Rs.1,00,000 per transaction
Sale or purchase of securities other than shares	Payments exceeding Rs.1,00,000 per transaction
Sale or purchase of immovable property	Payments / value as per stamp valuation exceeding Rs.10,00,000
Any other sale or purchase, by any person, of goods or services	Amount exceeding Rs.2,00,000 per transaction

Form 60

Any person entering into any transaction referred in the above table and raising bills should ensure that the PAN has been correctly furnished and the same has been mentioned in the document. In case the PAN is not available then a declaration to that extend should be obtained in Form 60.

Details of declarations received in Form 60 needs to be filed with the Income Tax Department on half yearly basis by 31st October and by 30th April each year in Form 61.

Furnishing of statement of financial transactions

With effect from 1st April 2016 prescribed class of persons will have to furnish details of certain financial transaction entered by them during the year with the Income Tax Department.

The list of such transactions which has to be reported by persons/entities are given below:

Class of persons	Nature of transactions	Value of transaction
Any entity/person who is liable for audit under Income Tax Act, 1961	Receipt of cash against sale of goods or services	Cash payments exceeding Rs. 2,00,000/- in a year
Company issuing shares	Reciept from any person for aquiring shares including share application money	Aggregating to Rs. 10,00,000/- or more in a year
Company/institution issuing bonds/debentures	Reciept from any person for aquiring shares including share application money	Aggregating to Rs. 10,00,000/- or more in a year
Banks	Payments made by any mode other than cash against credit card bills settlement	Aggregating to Rs. 10,00,000/- or more in a year
Company listed in a stock exchange	Buy back of shares from any person	Aggregating to Rs. 10,00,000/- or more in a year
Banks and post office	Cash deposits in one or more accounts	Aggregating to Rs. 10,00,000/- or more in a year
Banks/post office/nidhis/NBFC's	One or more fixed deposits in a year	Aggregating to Rs. 10,00,000/- or more in a year
Banks	Payments made in cash against credit card bill settlement	Aggregating to Rs. 1,00,000/- or more in a year
Banks	Payments made by any mode other than cash against credit card bills settlement	Aggregating to Rs. 10,00,000/- or more in a year

Furnishing of statement of financial transactions – Continued …

Class of persons	Nature of transactions	Value of transactions
Mutual fund	Receipt from any person for acquiring units of one or more schemes of a Mutual Fund	Aggregating to Rs. 10,00,000/- or more in a year
Authorized dealer in foreign exchange	Receipt from any person for sale of foreign currency including credit of such currency to foreign exchange card or expense in such currency through a debit or credit card or through issue of travellers cheque or draft or any other instrument	Aggregating to Rs. 10,00,000/- or more in a year
Registrar or sub-registrar	Sale or purchase of any immovable property	Payments/value as per stamp valuation exceeding Rs. 10,00,000/-

Annual reporting of transactions in Form 61A

With effect from 1st April 2016 all transactions covered under the various provisions mentioned in the above table will have to be reported to the Income Tax Department. The reporting will be done electronically in Form 61A. Form 61A will have to be furnished on or before 31st May each year.

Compliance Calendar

2017 April

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					01	02
03	04	05	06 **Service tax payment**	07 **TDS/Equalization levy**	08	09
10 **Excise Return**	11	12	13	14	15 **PF,KVAT Return**	16
17	18	19	20	21 **ESIC**	22	23
24	25 **ST Return (Oct-Mar'17)**	26	27	28	29	30 **TDS Form 61 /60 submission,KVAT annual return.**

2017 May

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
01	02	03	04	05	06 **Service tax payment**	07 **TDS/Equalization levy**
08	09	10 **Excise Return**	11	12	13	14
15 **PF,KVAT Return**	16	17	18	19	20	21 **ESIC**
22	23	24	25	26	27	28
29	30	31 **TDS Return (Jan-March 17) | Form 61A**				

2017 June

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			01	02	03	04
05	06 **Service tax payment**	07 **TDS/Equalization levy**	08	09	10 **Excise Return**	11
12	13	14	15 **PF,KVAT Return, Advance Tax**	16	17	18
19	20	21 **ESIC**	22	23	24	25
26	27	28	29	30 **Annual return on equalization levy**		

2017 July

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					01	02
03	04	05	06 **Service tax payment**	07 **TDS/Equalization levy**	08	09
10 **Excise Return**	11	12	13	14	15 **PF,KVAT Return**	16
17	18	19	20	21 **ESIC**	22	23
24	25	26	27	28	29	30
31 **Income tax return filing A.Y 2017-18,TDS Return (Apr-June 17)**						

2017 August

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	01	02	03	04	05	06 **Service tax payment**
07 **TDS/Equalization levy**	08	09	10 **Excise Return**	11	12	13
14	15 **PF,KVAT Return**	16	17	18	19	20
21 **ESIC**	22	23	24	25	26	27
28	29	30	31 **Professional Tax(Apr-Sep'17)**			

2017 September

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				01	02	03
04	05	06 **Service tax payment**	07 **TDS/Equalization levy**	08	09	10 **Excise Return**
11	12	13	14	15 **PF,KVAT Return, Advance Tax**	16	17
18	19	20	21 **ESIC**	22	23	24
25	26	27	28	29	30 **Income tax return filing A.Y 2017-18**	

2017 October

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						01
02	03	04	05	06 **Service tax payment**	07 **TDS/Equalization levy**	08
09	10 **Excise Return**	11	12	13	14	15 **PF,KVAT Return**
16	17	18	19	20	21 **ESIC**	22
23	24	25 **ST Return (April-Sept 17)**	26	27	28	29
30	31 **TDS Form 61 /60 submission,TDS Return (Jul-Sep 17)**					

2017 November

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
		01	02	03	04	05
06 **Service tax payment**	07 **TDS/Equalization levy**	08	09	10 **Excise Return**	11	12
13	14	15 **PF,KVAT Return**	16	17	18	19
20	21 **ESIC**	22	23	24	25	26
27	28	29	30			

2017 December

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				01	02	03
04	05	06 Service tax payment	07 TDS/Equalization levy	08	09	10 Excise Return
11	12	13	14	15 PF,KVAT Return, Advance Tax	16	17
18	19	20	21 ESIC	22	23	24
25	26	27	28 Professional Tax(Oct-Mar'18)	29	30	31

2018 January

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
01	02	03	04	05	06 Service tax payment	07 TDS/Equalization levy
08	09	10 Excise Return	11	12	13	14
15 PF,KVAT Return	16	17	18	19	20	21 ESIC
22	23	24	25	26	27	28
29	30	31 TDS Return (Oct-dec 17)				

2018 February

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			01	02	03	04
05	06 **Service tax payment**	07 **TDS/Equalization levy**	08	09	10 **Excise Return**	11
12	13	14	15 **PF,KVAT Return**	16	17	18
19	20	21 **ESIC**	22	23	24	25
26	27	28				

2018 March

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			01	02	03	04
05	06 **Service tax payment**	07 **TDS/Equalization levy**	08	09	10 **Excise Return**	11
12	13	14	15 **PF,KVAT Return**	16	17	18
19	20	21 **ESIC**	22	23	24	25
26	27	28	29	30	31	

Glossary

AY	: Assessment Year
AOP	: Association of Persons
BCD	: Basic Customs Duty
Budget 2016	: Union Budget for 2016 - 17
Budget 2017	: Union Budget for 2017 - 18
CENVAT	: Central Value Added Tax
CPI	: Consumer Price Index
Crores	: Ten millions
CVD	: Countervailing Duty
ECS	: Electronic Clearing System
FMV	: Fair Market Value
GDP	: Gross Domestic Product
GJA	: G. Joseph & Associates
GST	: Goods & Service Tax
HUF	: Hindu Undivided Family
IFRS	: International Financial Reporting Standards
Ind-AS	: Indian Accounting Standards
INR /Rs.	: Indian Rupee
IPO	: Initial Public Offer
IT Act	: Income Tax Act, 1961
Lakhs	: Hundred thousands
LLP	: Limited Liability Partnership
MAT	: Minimum Alternate Tax
MNREGA	: Mahatma Gandhi National Rural Employment Guarantee Act
NBFC	: Non Banking Financial Companies
NHAI	: National Highway Authority of India
NPS	: National Pension Scheme
PAN	: Permanent Account Number
PCB	: Printed Circuit Boards
POS	: Point of Sale
REC	: Rural Electrification Corporation
SAD	: Special Additional Duty
SEZ	: Special Economic Zone
STT	: Securities Transaction Tax
TAN	: Tax deduction Account Number
TCS	:Tax Collected at Source
TDS	:Tax Deducted at Source
USD	: US Dollar

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We have used the following sources while preparing this document

1. The Economic Survey of India, 2017
2. The Finance Bill, 2017
3. Budget Memorandum 2017
4. The Finance Minister's Budget speech, 2017

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