

# UNION BUDGET 2023

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## ANALYSIS OF KEY DIRECT TAX AMENDMENTS



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Hon'ble Finance Minister's impetus on the Green Growth and Infrastructure Capex in this fiscal year's Budget is laudable. She also remarked that in order to strengthen the "ease of doing business" in India, more than 39,000 compliances are reduced (better late than never). Let us critically evaluate whether the premise of "ease of doing business" is reflected in the amendments proposed for Direct Tax:

## PERSONAL TAXATION

### 1. Change in rates of tax under the new regime

1.1. A new tax regime under section 115BAC of the Income-tax Act, 1961 ('Act') was introduced in the Finance Act, 2020 effective from AY 2021-22 providing an option to the individuals / HUF taxpayers to avail concessional tax rates based on a distinct set of slabs of total income. It is proposed to **modify the slabs of income** to provide additional concession in the amount of income-tax payable. Further, the concession is extended to Association of Persons / Body of Individuals class of taxpayers. A comparison of the old tax slabs vis-à-vis new tax slabs under the new tax regime is tabulated below:

EXISTING SLAB RATES (New tax regime)			PROPOSED AMENDMENT (New tax regime)		
Sr	Total income	Rate of tax	Sr	Total income	Rate of tax
1.	Upto Rs. 2,50,000	NIL	1.	Upto Rs. 3,00,000	NIL
2.	From Rs. 2,50,001 to Rs. 5,00,000	5%	2.	From Rs. 3,00,001 to Rs. 6,00,000	5%
3.	From Rs. 5,00,001 to Rs. 7,50,000	10%	3.	From Rs. 6,00,001 to Rs.9,00,000	10%
4.	From Rs. 7,50,001 to Rs. 10,00,000	15%	4.	From Rs. 9,00,001 to Rs. 12,00,000	15%
5.	From Rs. 10,00,001 to Rs. 12,50,000	20%	5.	From Rs. 12,00,001 to Rs. 15,00,000	20%
6.	From Rs. 12,50,001 to Rs. 15,00,000	25%	6.	Above Rs. 15,00,000	30%
7.	Above Rs. 15,00,00	30%			

1.2. In order to further incentivize the above new regime of taxation, it is **proposed to remove the existing rate of surcharge of 37%** which is applicable on the total income exceeding Rs 5 crores, thereby restricting the maximum rate of surcharge at 25% (applicable where the total income exceeds Rs 2 crores). The effective maximum marginal tax rate under the new regime is reduced **from 42.74% to 39%**.

1.3. **Rebate** available under section 87A is also increased from existing Rs 5 lakhs to Rs 7 lakhs implying that the taxpayers **having total income upto Rs 7 lakhs** would not be liable to pay any taxes.

1.4. In case of salaried taxpayers under the new tax regime, **standard deduction** is proposed to be granted at Rs 50,000 which is not allowed under the existing provisions of the new tax regime i.e. under the existing section 115BAC.

1.5. Taxation under the old regime (where certain exemptions / deductions are allowed) remains the same. It is also proposed to change the **default tax regime to the new**

**regime** for all the taxpayers. Taxpayers (other than those earning income from business / profession) who wish to avail the old tax regime for claiming certain exemptions / deductions (which is otherwise not available under the concessional tax regime) would require to intimate the tax authorities in the prescribed form at the time of filing the tax return. In case of taxpayers earning income from business / profession, once the option to old tax regime is exercised in a particular year, the fallback option to the new tax regime can be considered only once thereafter.

Above proposed amendment to be effective from AY 2024-25.

### **IMPACT ASSESSMENT**

While the grant of additional concessional tax under the new slabs of income is welcome and may result in tax savings to a certain extent, it is relevant to compare and evaluate tax liability under the **old tax regime** vis-à-vis new tax regime. **Several deductions / exemptions are provided under the old tax regime which *inter-alia* include the following:**

- Leave travel concession as contained in section 10(5);
- **House rent allowance as contained in section 10(13A);**
- Exemption for SEZ unit contained in section 10AA;
- **Interest under section 24 in respect of self-occupied** or vacant property referred to in section 23(2).
- **Any deduction under chapter VIA** (except for section 80CCD – contribution in NPS, section 80CCH and section 80JJAA)

Non granting of deductions under Chapter VI-A (which includes deductions under section 80C, 80D, 80G, 80TTA, etc) and ineligibility to claim exemptions like HRA / LTA, etc continue to remain a **major disincentive** to avail such an incentive provision. Moreover, a comparison and analysis of the conditions basis which any person could determine whether or not the above concessional provisions are beneficial than the normal provisions would be required to be undertaken **every year**.

## **2. Taxation of proceeds from life insurance policies for HNIs**

- 2.1. Under the existing provisions of section 10(10D), any sum received under a life insurance policy including bonus is exempt (subject to annual premium not exceeding 10% of the sum assured).
- 2.2. By virtue of Finance Act, 2021, section 10(10D) was amended to exclude exemption on the sum received under ULIPs (other than on death) where the annual premium exceeded Rs 2,50,000. It is now proposed to extend such anti-abuse provision even to life insurance policies.
- 2.3. It is proposed to amend provisions of section 10(10D) to **exclude exemption of sum received under life insurance policy** if the aggregate of the premium paid / payable in any year **exceeds Rs 5,00,000**. The exemption shall continue in respect of sum received on the death of the insured person.

- 2.4. If the sum received is not exempt basis the above provision, the same shall be taxable under the head "Income from Other Sources". Deduction shall be allowed for premium paid, if such premium has not been claimed as deduction earlier.

The proposed provision shall apply for **policies issued on or after 1<sup>st</sup> April, 2023** and is effective from AY 2024-25.

### 3. **Plugging loophole for dual deduction of interest on housing loan**

- 3.1. As per section 24 of the Act, any interest payable on borrowing for acquiring, renewing or reconstructing a property is allowed as a deduction under the head "Income from house property". Further, section 80EE under Chapter VI-A also provides for deduction for interest on housing loan to the extent of Rs 50,000.
- 3.2. As per the explanatory memorandum, certain taxpayers were claiming deduction in respect of the interest payable under section 24 i.e. under the Income from House Property or under Chapter VI-A as well as adding the interest so claimed to the cost of acquisition / cost of improvement of the house property resulting in lower capital gains amount at the time of sale of such house property.
- 3.3. **In order to prevent this double deduction**, it is proposed to insert a proviso after clause (ii) of the section 48 so as to provide that the cost of acquisition or the cost of improvement shall not include the amount of interest claimed under section 24 or Chapter VIA.

The proposed amendment is effective from AY 2024-25.

#### **IMPACT ASSESSMENT**

There were certain **ITAT rulings** in the past which have held a deduction under section 24(b) in respect of housing loan is claimed when the assessee declares income from 'house property', whereas the cost of the same asset is taken into consideration when it is sold and capital gains are computed under section 48 of the Act. Consequently, it was held that the assessee was entitled to include the interest paid and claimed under section 24(b) at the time of computing capital gains under section 48. Basis the above proposed amendment, the above Court decision is over-ruled.

### 4. **Taxation of gift received by a resident but not ordinarily resident**

Under the existing provisions – section 9(1)(viii), gift received by a non-resident individual from a resident in India is deemed to accrue in India (if such gift exceeds Rs 50,000 in aggregate during the year from non-relatives). The scope of this deeming fiction is extended to include gift received by a not-ordinarily resident.

## PROVISIONS FOR SMALL BUSINESS / MSMEs AND STARTUPS

### 5. Increase in the threshold for presumptive taxation

- 5.1. Provisions of section 44AD lays down a presumptive income scheme for small businesses. This scheme applies to certain class of taxpayers (i.e., an individual, HUF or a partnership firm other than LLP) carrying on eligible business and having a turnover or gross receipt of upto Rs two crores. Under this scheme, **a sum equal to 8% or 6% of the turnover or gross receipts is deemed to be the profits** and gains from business subject to certain conditions.
- 5.2. Further, provisions of section 44ADA lays down a presumptive income scheme for **professionals** carrying on profession as defined under section 44AA. The scheme applies to certain class of professionals (i.e., an individual, HUF or a partnership firm other than LLP) engaged in profession and whose gross receipts do not exceed Rs fifty lakhs during the year. Under this scheme, **a sum equal to 50% of the gross receipts is deemed to be the profits** and gains from business.
- 5.3. A taxpayer is required to get the accounts audited under section 44AB of the Act if the total sales, turnover or gross receipts, in business exceeds one crore rupees or fifty lakhs rupees in case of professionals. The limit is raised to ten crore rupees in case of business where at least 95% of receipts/payments are in modes other than cash. The taxpayers who are eligible for presumptive taxation under the aforesaid provisions stated above are not required to get their books of accounts audited under section 44AB.
- 5.4. It is proposed to **increase the threshold limits** for presumptive scheme under section **44AD** applicable in case the total turnover or gross receipts of **three crore rupees** from the **existing threshold of two crore rupees**. Threshold limit under section **44ADA** of the Act is also **enhanced from existing fifty lakh rupees to seventy-five lakh rupees**. In both the above presumptive taxation scheme, the amount or aggregate of the amounts received during the year, in cash, should not exceed five per cent of the total gross receipts.

The proposed amendment is effective from AY 2024-25.

### 6. Deduction of expenditure in relation to MSME only upon actual payment under section 43B

- 6.1. Section 43B of the Act provides that deduction for certain sums specified in its clauses (a) to (g) is allowable only upon **actual payment**. The proviso to this section allows deduction on accrual basis if the specified sum is paid on or before the due date of furnishing the return of income. On a conjoint reading of the section and its proviso, deduction in respect of an expenditure in the specified clauses is allowable if the actual payment is made by the due date of furnishing the return of income.
- 6.2. In order to **promote timely payments to Micro, Small and Medium Enterprises ('MSME')**, it is proposed to include payments made to such enterprises within the ambit of section 43B of the Act. Section 15 of the MSMED Act mandates payments to MSME

within the time frame decided as per the written agreement, which **cannot exceed 45 days**. If there is no such written agreement, the section mandates that the payment shall be made within 15 days.

- 6.3. Accordingly, it is proposed to insert a new clause (h) in section 43B of the Act to provide that any **sum payable by the assessee to MSME** beyond the time limit specified in section 15 of the MSMED Act shall be allowed as **deduction only on actual payment**. It is also proposed that the proviso to section 43B of the Act shall not apply to such payments i.e. if the payment to MSME is beyond the time limit contemplated under section 15 of the MSMED Act, no deduction shall be available in respect of such expenditure even if it is paid on or before the due date of filing the tax return.

The proposed amendment is effective from AY 2024-25.

### **IMPACT ASSESSMENT**

The above provision is a boon for all the MSMEs. The proposed amendment appears to be based on the same thought process as that of employees' contribution to provident fund in terms of **strict adherence to time-lines laid down under the specific statute**. It is pertinent to note that if sums remaining unpaid to the MSME at the end of the year is outstanding for a period of less than 15 days or 45 days, as the case may be, provision of section 15 of the MSME Act would not be triggered as on the year end and consequently, will not attract the provisions of clause (h) of section 43B of the Act.

### **7. Relief to startups**

- 7.1. Sunset date of incorporation of eligible start-up for availing profit linked tax holiday under section 80-IAC is extended by 1 year (i.e. to be incorporated before 1 April 2024 instead of 1 April 2023).
- 7.2. Further, the qualifying period for not attracting limitation of carry forward of losses for such eligible start-up is increased from existing period of 7 years from the year of incorporation to 10 years from the year of incorporation.

### **PROVISIONS RELATED TO TAX DEDUCTED AT SOURCE ('TDS') / TAX COLLECTED AT SOURCE ('TCS')**

#### **8. Claim of TDS where the year of deduction is different from the year of claim**

- 8.1. By virtue of section 199 of the Act read with rule 37BA(3), the credit for TDS is granted to the taxpayer for the assessment year in which the income is assessable.
- 8.2. There are several instances where the tax is deducted by the deductor in the year in which the income is actually paid to the assessee. However, following accrual method, the taxpayer may have already **disclosed this income in earlier years** in their return of income. **This results in TDS mismatch**, since the **corresponding income** has already been offered to tax by the taxpayer in earlier years; however, TDS is only being deducted much later when actual payment is being made. The taxpayer **cannot claim**

**the credit of TDS in the year in which tax is deducted since income is not offered to tax in that year.** It may also not be possible to revise the return of past year in which the corresponding income was included since time to revise the return of income for that year may have lapsed. This results in difficulty to the taxpayer in claiming credit of TDS.

- 8.3. In order to remove this difficulty, it is proposed to insert a new sub-section (20) in section 155 of the Act. This new sub-section applies where any income has been included in the return of income furnished by taxpayer for any assessment year and tax has been deducted at source on such income and paid to the credit of the Central Government in accordance with the provisions of Chapter XVII-B **in a subsequent financial year**. In such a case the taxpayer **can make application in the prescribed form** to the Assessing Officer **within two years from the end of the financial year in which such tax was deducted at source**. Then **Assessing Officer shall amend the order of assessment or any intimation** allowing credit of such tax deducted at source in the relevant assessment year. Further, provisions of **section 154** of the Act shall, so far as may be, apply thereto, and the period of four years specified in sub-section (7) of that section shall be reckoned from the end of the financial year in which such tax has been deducted. Further, credit of such tax deducted at source shall not be allowed in any other assessment year.

These amendments will take effect from 1<sup>st</sup> October, 2023.

**IMPACT ASSESSMENT**

This is a welcome amendment which would certainly help a lot of taxpayers in resolving the issues of TDS credit mismatches. However, the procedure to intimate and rectify the TDS credit mismatches is proposed to be implemented **manually** by way of an application in a prescribed form before the jurisdictional Assessing Officer.

**9. TCS increased on certain foreign remittances**

- 9.1. Section 206C(1G) provides for TCS on foreign remittance through the Liberalized Remittance Scheme and on sale of overseas tour package. In order to increase TCS on certain foreign remittances and on sale of overseas tour packages, following amendment is proposed in sub-section (1G) of section 206C of the Act.

Sr	Type of remittance	Present rate	Proposed rate*
(i)	For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E.	0.5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.	No change.
(ii)	For the purpose of education, other than (i) or for the purpose of medical treatment.	5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.	No change.

(iii)	<b>Overseas tour package</b>	<b>5% without any threshold limit</b>	<b>20% any limit without threshold</b>
(iv)	<b>Any other case</b>	<b>5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.</b>	<b>20% any limit without threshold</b>

The above proposed amendment will take effect from 1<sup>st</sup> July, 2023.

**IMPACT ASSESSMENT**

This amendment would severely impact the **cash-flows** of the persons who remit funds outside India for purposes other than for education, for example – investment in foreign companies’ shares, buying of foreign currency for travel, etc.

**10. Applicability of TDS on interest on listed and dematerialized securities under section 193**

- 10.1. Proviso to section 193 of the Act provides for non-applicability of provisions of withholding taxes under section 193 on interest paid / payable in respect of securities which are in dematerialized form and listed on recognized stock exchanges in India.
- 10.2. However, as per the explanatory memorandum to Finance Bill, the above exemption has resulted in under-reporting of interest income by the recipient. Hence, it is proposed to make the provisions of withholding taxes applicable on interest on such securities.

The above proposed amendment will take effect from AY 2024-25.

**IMPACT ASSESSMENT**

Section 193 of the Act contemplates deduction of TDS **at the time of credit to the account of payee or on payment whichever is earlier**. In case of listed securities, such securities are freely transferable on the recognized stock exchanges. In a scenario where the interest accrued but not due is recorded as at the year-end in the books of the issuer company, there would be a practical difficulty in determining whether or not tax ought to be deducted under section 193 on such interest as the payee cannot be ascertained at the time of accrual but only at the time when it becomes due. Though there are Court rulings in support of the contention that no tax would need to be deducted where at the time of accrual, identity of the recipient is unknown, the issue remains contentious and would require examination on a case-to-case basis.



## 11. TDS on online games

It is proposed to tax the net winnings from online games at the rate of 30% and introduce provisions of withholding tax on such net winnings.

## PROPOSED AMENDMENTS UNDER CAPITAL GAINS

### 12. Introducing threshold for claiming deduction upon investment in residential house property under section 54 / 54F

12.1. Section 54 provides for deduction of Long-Term Capital Gain arising to an Individual or HUF, from the sale of a residential property to the extent such capital gains is invested for:

- Purchase of another Residential House Property within 1 year before or 2 years after the transfer of the Property sold and/or
- Construction of Residential house Property within a period of 3 years from the date of transfer/sale of property

*The above deduction is subject to other conditions stipulated under section 54.*

12.2. Section 54F provides for deduction of Long-Term Capital Gain arising to an Individual or HUF, from the sale of any long-term capital asset other than a residential house property to the extent the sale consideration of such capital asset is invested for:

- Purchase of another Residential House Property within 1 year before or 2 years after the transfer of the Property sold and/or
- Construction of Residential house Property within a period of 3 years from the date of transfer/sale of property

*The above deduction is subject to other conditions stipulated under section 54F.*

12.3. As per the explanatory memorandum to Finance Bill, claims of huge deductions under the aforesaid provisions by high-net-worth taxpayers ('HNIs') are made by way of purchase of expensive residential houses which defeats the very purpose of these sections! In order to mitigate the above, it is proposed to insert an **upper ceiling of Rs 10 crores** to the amount of deduction under section 54 and section 54F of the Act.

12.4. Further, as a consequence to the above, the amount of deposit in the Capital Gains Account Scheme is also capped to the extent of Rs 10 crores.

Above proposed amendment is effective from AY 2024-25.

### IMPACT ASSESSMENT

The above proposed amendment capping the amount of deduction to Rs 10 crores would impact the HNIs who have capital gains / sale consideration, as the case may be,

exceeding Rs 10 crores and plan to buy property of higher value for claiming deduction under section 54/ 54F.

It is also pertinent to note that although the amendment is effective from AY 2024-25, the proposal shall impact the taxpayers **who have already bought a residential property** and are contemplating to sell another residential house property / other long term capital asset within 1 year from the date of such purchase to claim deduction under section 54 / 54F during FY 2023-24.

### 13. Deeming fiction for taxability of market linked debentures ('MLD')

- 13.1. MLDs are the fixed income instruments, regulated by SEBI, whose returns are linked to either to a particular security or a Market Index.
- 13.2. Under the existing provisions of the Act, transfer of MLDs being listed securities which are held for a period of more than 12 months are taxed as long-term capital gain at the rate of 10% without indexation [as per first proviso to section 112(1)].
- 13.3. As per the explanatory memorandum to the Finance Bill, these securities are in the nature of derivatives, which are normally taxed at applicable rates. Further, they give variable interests as they are linked with the performance of the market. It is proposed to insert a new section 50AA in the Act to treat the transfer or redemption or maturity of the MLDs as capital gains arising from the transfer of a **short term capital asset**.

Above proposed amendment is effective from AY 2024-25.

#### **IMPACT ASSESSMENT**

Typically, in case of MLDs, the terms of issue provide for **slabs of coupon rate** which are determined basis the Nifty movement. For example, if the Nifty at the end of the tenure of the MLD is say more than 125% of that at the time of issuance, then the holder will get a coupon of 15%; if it is between 100% and 125%, the holder will get a coupon of 12%; and if it is below 100%, then there will be no coupon paid to the investor. This proposed amendment of treating income on transfer / maturity as short-term capital gains regardless of the holding period would impact the HNIs who have invested in such MLDs. Unlike the amendment proposed for insurance policies (where premium exceeds Rs 5 lakhs) for excluding the exemption of such policies issued from 1<sup>st</sup> April 2023, there is no such grandfathering benefit provided for MLDs.

### 14. Cost of acquisition of intangible assets

The existing provisions of section 55 of the Act, *inter alia*, defines the 'cost of any improvement' and 'cost of acquisition' for the purposes of computing capital gains. However, there are certain assets like **intangible assets** or any **sort of right for which no consideration has been paid for acquisition**. The cost of acquisition of such assets is **not clearly defined as 'NIL' in the existing provisions**.

In order to reduce litigation on such ambiguity, it is proposed to amend the provisions of section 55 so as to provide that the 'cost of improvement' or 'cost of acquisition' of a **capital asset being any intangible asset or any other right (other than those mentioned in the said sub-clause or clause, as the case may be) shall be 'NIL'.**

15. **Conversion of Gold to Electronic Gold Receipt ('EGR') and vice versa**

In order to promote the concept of Electronic Gold, it is proposed to exclude the conversion of physical form of gold into EGR and vice versa by a SEBI registered Vault Manager from the purview of 'transfer' for the purposes of Capital gains. Consequential amendments are also made in relation to the cost of acquisition and period of holding upon conversion.

**OTHER AMENDMENTS IMPACTING COMPANIES / BUSINESS INCOME**

16. **Anti-abuse provisions on issuance of shares extended to non-resident shareholders**

As per the existing provisions of section 56(2)(viib), funds received on issuance of shares by a closely held company from resident investors (other than specified investors) in excess of the company's prescribed fair market value are liable to tax in the hands of the Company issuing such shares.

It is proposed to include 'non-resident' investors as well under the above provision; consequently, the above provision for issue of shares at the prescribed fair market value would be applicable in respect of all the shareholders regardless of the residential status.

17. **Taxation of Monetary perquisites**

Under the existing provisions [section 28(iv)], value of any benefit or perquisite, whether convertible into money or not, arising from business or profession is chargeable to tax and there is corresponding TDS obligation on the provider. Various courts have interpreted that benefit in the form of monetary / cash perquisite is not covered within the scope of such provisions.

In order to align with the intent of taxing monetary perquisites, any benefit or perquisite granted in cash or in kind, partly or wholly, is proposed to be taxable with effect from 1 April 2024. Consequential amendments have been proposed to be made to the applicable withholding tax provisions under section 194R.

**PROVISIONS RELATED TO BUSINESS TRUSTS**

18. **Debt repayment taxable in the hands of the unitholders**

18.1. A special scheme of taxation is accorded to the Business trusts which include Real Estate Investment Trust ('REIT') and Infrastructure Investment Trust ('InVIT'). In accordance with section 115UA, a **pass-through status** is accorded to such business

trusts in respect of **interest income, dividend income and rent income** received by the business trust from a special purpose vehicle. Such income is **taxable in the hands of the unit holders** unless specifically exempted. The unitholders are taxable on the distribution made by the business trusts.

18.2. In certain instances, the Business Trusts granted loans to the SPVs out of the contribution from the investors and the SPVs would later repay such debt resulting in surplus in the hands of the Business Trusts. Distribution of such repayment of debt by the SPV, was not taxed either in the hands of unit holders or the Business Trust as it was not expressly stipulated in the above provision. It is therefore, proposed that any other distributions (such as **repayment of debt**) by business trusts that do not suffer taxation either in the hands of the business trust or in the hands of unit holders under the existing provisions, will be **taxed as 'Other income'** in the hands of unit holders.

#### 19. **Taxability upon redemption of units of business trust**

19.1. It is proposed to insert a proviso to the said clause to provide that where the sum received by a unit holder from a business trust is for redemption of unit or units held by him, the sum received shall be reduced by the cost of acquisition of the unit or units to the extent such cost does not exceed the sum received.

#### 20. **Other amendments**

20.1. To reduce the burden on Commissioner (Appeals) due to huge pendency in first appeal, it is proposed to establish a new authority at **Joint Commissioner/ Additional Commissioner** level to handle certain class of cases involving small amount of disputed demand.

20.2. Time barring for **completion of assessment proceedings** related to AY 2022-23 and onwards is proposed to be **extended to 12 months** (from current 9 months) from the end of the financial year in which such return is furnished.

#### 20.3. **Incentives to IFSC:**

a) Due date for availing exemption by shareholder on relocation of Funds to IFSC extended from March 31, 2023 to March 31, 2025.

b) Exemption to any income distributed (which was restricted to capital gains earlier) on the offshore derivative instruments, entered into with an Offshore Banking Unit in IFSC

20.4. Introduction of 15% concessional tax to promote **new manufacturing co-operative society**

20.5. Special audit of **inventory** in the books under section 142(2A) by appointing a cost accountant.

- 20.6. Alignment of provisions of section 45(5A) with the TDS provisions of section 194-IC so as to provide that the full value of consideration shall be taken as the stamp duty value as increased by any consideration received in cash or by a cheque or draft or by any other mode.
- 20.7. Introduction of **penalty for furnishing inaccurate statement of financial transaction** or reportable account (Section 285BA of the IT Act).

*Disclaimer:*

*The issues or concerns raised and views expressed in the above document are matters of opinion. Our opinion is based on our understanding of the Income-tax law and Rules prevailing as of the date of this document and based on our past experience. However, there can be no assurance that the tax authorities may not take a position contrary to our views. Legislation, its judicial interpretation and the policies of the regulatory authorities are also subject to change from time to time, and these may have a bearing on the remarks that we have given. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of our comments and recommendations contained in this document. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note. We neither owe nor accept any duty of care or any responsibility to any other party, whether in contract or in tort (including without limitation, negligence or breach of statutory duty) however arising, and shall not be liable in respect of any loss, damage or expense of whatever nature which is caused to any other party in respect of any / all matters arising out of this document.*