

For subscribers of V G Mehta's Income-tax Ready Reckoner 2019-20 (81st Year of Publication) by CA N V Mehta

Text of the Taxation Laws (Amendment) Ordinance, 2019 and the notes on the amendments in the Income-tax Act, 1961 and the Finance (No. 2) Act, 2019 made by the said Ordinance are as under:

(A) Text of the Taxation Laws (Amendment) Ordinance, 2019:

No. 15 OF 2019

Promulgated by the President in the Seventieth Year of the Republic of India.

An Ordinance further to amend the Income-tax Act, 1961 and the Finance (No. 2) Act, 2019.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

CHAPTER I: PRELIMINARY

1. Short title and commencement. (1) This Ordinance may be called the Taxation Laws (Amendment) Ordinance, 2019.

(2) Save as otherwise provided, this Ordinance shall come into force at once.

CHAPTER II: AMENDMENTS IN THE INCOME-TAX ACT, 1961

2. Amendment of section 92BA. In section 92BA of the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act), after clause (v), the following clause shall be inserted with effect from the 1st day of April, 2020, namely:—

“(va) any business transacted between the persons referred to in sub-section (4) of section 115BAB;”.

3. Amendment of section 115BA. In section 115BA of the Income-tax Act with effect from the 1st day of April, 2020,—

(a) for the marginal heading “Tax on income of certain domestic companies”, the marginal heading “Tax on income of certain domestic manufacturing companies” shall be substituted;

(b) in sub-section (1), for the words “subject to the other provisions of this Chapter”, the words, figures and letters “subject to the other provisions of this Chapter, other than those mentioned under section 115BAA and section 115BAB” shall be substituted;

(c) in sub-section (4), after the proviso, the following proviso shall be inserted, namely:

“Provided further that where the person exercises option under section 115BAB, the option under this section may be withdrawn.”.

4. Insertion of new sections 115BAA and 115BAB. After section 115BA of the Income-tax Act, the following sections shall be inserted with effect from the 1st day of April, 2020, namely:—

“115BAA. *Tax on income of certain domestic companies.* (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, other than those mentioned under section 115BA and section 115BAB, the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall, at the option of such person, be computed at the rate of twenty-two per cent., if the conditions contained in sub-section (2) are satisfied.

(2) For the purposes of sub-section (1), the following conditions shall apply subject to the condition that the total income of the company has been computed,—

(i) without any deduction under the provisions of section 10AA 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) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of Chapter VI-A under the heading “C.—Deductions in respect of certain incomes” other than the provisions of section 80JJAA;

(ii) without set off of any loss carried forward from any earlier assessment year if such loss is attributable to any of the deductions referred to in sub-clause (i); and

(iii) by claiming the depreciation, if any, under section 32, other than clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

(3) The loss referred to in sub-clause (ii) of sub-section (2) shall be deemed to have been already given full effect to and no further deduction for such loss shall be allowed for any subsequent year.

(4) Nothing contained in this section shall apply unless the option is exercised by the person in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after 1st day of April, 2020 and such option once exercised shall apply to subsequent assessment years:

Provided that once the option has been exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year.

115BAB. *Tax on income of certain new domestic manufacturing companies.* (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, other than those mentioned under section 115BA and section 115BAA, the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall, at the option of such person, be computed at the rate of fifteen per cent., if the conditions contained in sub-section (2) are satisfied.

(2) For the purposes of sub-section (1), the following conditions shall apply, namely:—

(a) the company has been set-up and registered on or after the 1st day of October, 2019, and has commenced manufacturing on or before the 31st day of March, 2023, and,—

(i) is not formed by splitting up, or the reconstruction, of a business already in existence:

Provided that this condition shall not apply in respect of an undertaking which is formed as a result of the re-establishment, reconstruction or revival by the person of the business of any such undertaking as is referred to in section 33B, in the circumstances and within the period specified in the said section;

(ii) does not use any machinery or plant previously used for any purpose.

Explanation 1.—For the purposes of sub-clause (ii), any machinery or plant which was used outside India by any other person shall not be regarded as

machinery or plant previously used for any purpose, if the following conditions are fulfilled, namely:—

(A) such machinery or plant was not, at any time previous to the date of the installation by the person, used in India;

(B) such machinery or plant is imported into India from any country outside India; and

(C) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of this Act in computing the total income of any person for any period prior to the date of the installation of machinery or plant by the person.

Explanation 2.—Where in the case of a person, any machinery or plant or any part thereof previously used for any purpose is put to use by the company and the total value of such machinery or plant or part thereof does not exceed twenty per cent. of the total value of the machinery or plant used by the company, then, for the purposes of sub-clause (ii) of this clause, the condition specified therein shall be deemed to have been complied with;

(iii) does not use any building previously used as a hotel or a convention centre, as the case may be.

Explanation.—For the purposes of this sub-clause, the expressions “convention centre” and “hotel” shall have the meanings respectively assigned to them in clause (a) and clause (b) of sub-section (6) of section 80-ID;

(b) the company is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it; and

(c) the total income of the company has been computed,—

(i) without any deduction under the provisions of section 10AA 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) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of Chapter VI-A under the heading “C.—Deductions in respect of certain incomes” other than the provisions of section 80JAA;

(ii) without set off of any loss carried forward from any earlier assessment year if such loss is attributable to any of the deductions referred to in sub-clause (i); and

(iii) by claiming the depreciation under section 32, other than clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

(3) The loss referred to in sub-clause (ii) of clause (c) of sub-section (2) shall be deemed to have been already given full effect to and no further deduction for such loss shall be allowed for any subsequent year.

(4) Where it appears to the Assessing Officer that, owing to the close connection between the company and any other person, or for any other reason, the course of business between them is so arranged that the business transacted between them produces to the company more than the ordinary profits which might be expected to arise, the Assessing

Officer shall, in computing the profits and gains of such company for the purposes of this section, take the amount of profits as may be reasonably deemed to have been derived therefrom:

Provided that in case the aforesaid arrangement involves a specified domestic transaction referred to in section 92BA, the amount of profits from such transaction shall be determined having regard to arm's length price as defined in clause (ii) of section 92F.

(5) Nothing contained in this section shall apply unless the option is exercised by the person in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the first of the returns of income for any previous year relevant to the assessment year commencing on or after 1st day of April, 2020 and such option once exercised shall apply to subsequent assessment years:

Provided that once the option has been exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year.

5. Amendment of section 115JB. In section 115JB of the Income-tax Act, with effect from the 1st day of April, 2020,—

(a) in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that for the previous year relevant to the assessment year commencing on or after the 1st day of April, 2020, the provisions of this sub-section shall have effect as if for the words “eighteen and one-half per cent.”, occurring at both the places, the words “fifteen per cent.” had been substituted.”;

(b) for sub-section (5A), the following sub-section shall be substituted, namely:—

“(5A) The provisions of this section shall not apply to,—

(i) any income accruing or arising to a company from life insurance business referred to in section 115B;

(ii) a person who has exercised the option referred to under section 115BAA or section 115BAB.”.

6. Amendment of section 115QA. In section 115QA of the Income-tax Act, in sub-section (1), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 5th day of July, 2019, namely:—

“Provided that the provisions of this sub-section shall not apply to such buy-back of shares (being the shares listed on a recognised stock exchange), in respect of which public announcement has been made before 5th day of July, 2019 in accordance with the provisions of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 made under the Securities and Exchange Board of India Act, 1992 as amended from time to time.”

CHAPTER III: AMENDMENTS IN THE FINANCE (No.2) Act, 2019

7. Amendment of Act No. 23 of 2019. In section 2 of the Finance (No.2) Act, 2019 [hereafter in this Chapter referred to as the Finance (No.2) Act], in sub-section (9), with effect from the 1st day of April, 2019,—

(a) in third proviso,—

(i) in clause (a) for the words “the Income-tax Act”, the words, figures and letters “the Income-tax Act, not having any income under section 115AD of the Income-tax Act” shall be inserted and shall be deemed to have been inserted;

(ii) after clause (a), the following clause shall be inserted and shall be deemed to have been inserted, namely:—

'(aa) in the case of every association of persons or body of individuals, whether incorporated or not, having income under section 115AD of the Income-tax Act,—

(i) at the rate of ten per cent. of such "advance tax", where the total income exceeds fifty lakh rupees, but does not exceed one crore rupees;

(ii) at the rate of fifteen per cent. of such "advance tax", where the total income exceeds one crore rupees but does not exceed two crore rupees;

(iii) at the rate of twenty five per cent. of such "advance tax", where the total income [excluding the income of the nature referred to in clause (b) of sub-section (1) of section 115AD of the Income-tax Act] exceeds two crore rupees but does not exceed five crore rupees;

(iv) at the rate of thirty-seven per cent. of such "advance tax", where the total income [excluding the income of the nature referred to in clause (b) of sub-section (1) of section 115AD of the Income-tax Act] exceeds five crore rupees;

(v) at the rate of fifteen per cent. of such "advance tax", where the total income [including the income of the nature referred to in clause (b) of sub-section (1) of section 115AD of the Income-tax Act] exceeds two crore rupees but is not covered in sub-clauses (iii) and (iv):

Provided that in case where the total income includes any income chargeable under clause (b) of sub-section (1) of section 115AD of the Income-tax Act, the rate of surcharge on the advance tax computed on that part of income shall not exceed fifteen per cent.;

(b) in the fourth proviso, for the words, brackets and letter "in (a) above", the words, brackets and letters "in (a) and (aa) above" shall be substituted;

(c) after the eighth proviso, the following proviso shall be inserted, namely:—

"Provided also that in respect of any income chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act, the tax computed under the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent. of such "advance tax".

8. Amendment of Part II of First Schedule. In the First Schedule of the Finance (No.2) Act, with effect from the 1st day of April, 2019,—

(A) in PART II, under the sub-heading "Surcharge on income-tax", in paragraph (i), in clause (a),—

(i) in sub-clauses I and II, after the words "aggregate of such incomes", the brackets, figures and letters "(including the income under the provisions of section 111A and section 112A of the Income-tax Act)" shall be inserted and shall be deemed to have been inserted;

(ii) in sub-clauses III and IV, after the words "aggregate of such incomes" the brackets, figures and letters "(excluding the income under the provisions of section 111A and section 112A of the Income-tax Act)" shall be inserted and shall be deemed to have been inserted.

(iii) after sub-clause IV, the following sub-clause shall be inserted and shall be deemed to have been inserted, namely:—

“V. at the rate of fifteen per cent. of such tax, where the income or aggregate of such incomes (including the income under the provisions of section 111A and section 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees, but is not covered under sub-clauses III and IV):

Provided that in case where the total income includes any income chargeable under section 111A and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax deducted in respect of that part of income shall not exceed fifteen per cent.;”;

(B) in PART III, in Paragraph A, under the sub-heading “Surcharge on income-tax”, after the opening portion,—

(i) in clauses (a) and (b), after the words “having a total income”, the brackets, words, figures and letters “(including the income under the provisions of section 111A and section 112A)” shall be inserted;

(ii) in clauses (c) and (d), after the words “having a total income”, the brackets, words, figures and letters “(excluding the income under the provisions of section 111A and section 112A)” shall be inserted;

(iii) after clause (d) and before the proviso, the following clause shall be inserted, namely:

“(e) having a total income (including the income under the provisions of section 111A and section 112A) exceeding two crore rupees, but is not covered under clauses (c) and (d), shall be applicable at the rate of fifteen per cent. of such income-tax:

Provided that in case where the total income includes any income chargeable under section 111A and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax computed on that part of income shall not exceed fifteen per cent.;”;

(B) Notes on the amendments/insertion of section to the Income-tax Act:

(1) Section 92BA relates to meaning of specified domestic transactions. For the purposes of section 92BA, 92C, 92D & 92E, “specified domestic transaction” in the case of an assessee means any of the transactions specified under clauses (i) to (vi), not being an international transaction. Newly inserted clause (va), w.e.f. 1-4-2020, provides that any business transacted between persons referred to in newly inserted section 115BAB(4) [Refer (4) hereafter] is also a domestic transaction.

(2) For the notes on existing section 115BA, refer item (xx) on page 189 of Income-tax Ready Reckoner 2019-20. Amendment of section 115BA, w.e.f. 1-4-2020 (assessment year 2020-21 and onwards), is consequential to insertion of new section 115BAA & 115BAB [Refer (3) and (4) hereafter]. Proviso inserted under section 115BA(4), w.e.f. 1-4-2020 (assessment year 2020-21 and onwards), provides that where the person exercises option under newly inserted section 115BAB, the option under section 115BA may be withdrawn.

(3) Newly inserted section 115BAA, w.e.f. 1-4-2020 (assessment year 2020-21 and onwards), provides that subject to provisions of Chapter XII, other than those mentioned u/s. 115BA and 115BAB, the income tax payable by a person, being a domestic company, for any previous year relevant to assessment year 2020-21 and onwards, shall, at the option of such person, be computed at the rate of 22% of I.T. [plus S.C. @ 10% of I.T. and additional S.C.@ 4% of I.T. and S.C.], subject to conditions specified in section 115BAA(2) [Section 115BAA(1)]. The conditions specified u/s. 115BAA(2) are that the total income of the company will be computed:

(A) without any deduction under the provisions of sections 10AA or 32(1)(ia) or 32AD or 33AB or 33ABA or 35(1)(ii)/(ia)/(iii) or 35(2AA) or 35 (2AB) or 35AD or 35CCC or 35CCD or under any provisions of Chapter VI-A under the heading “C.—Deductions in respect of certain incomes” other than the provisions of section 80JAA;

(B) without set-off of any loss carried forward from any earlier assessment year if such loss is attributable to any of the deductions referred to in (A) above; and

(C) by claiming depreciation u/s. 32 (other than section 32(1)(ia)], determined in such manner as may be prescribed [Section 115BAA(2)].

The loss referred to in (B) above shall be deemed to have been already given full effect to and no further deduction for such loss will be allowed for any subsequent year [Section 115BAA(3)].

The option is to be exercised by the person, being a domestic company, in the prescribed manner on or before the due date specified in section 139(1) for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after 1-4-2020 and such option once exercised will apply to subsequent assessment years. Once the option is exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year [Section 115BAA(4)].

(4) Newly inserted section 115BAB, w.e.f. 1-4-2020 (assessment year 2020-21 and onwards), provides that subject to the provisions of Chapter XII, other than those mentioned u/s. 115BA & 115BAA, the income-tax payable in respect of the total income of a person, being a domestic company, at the option of such person is at the rate of 15% [plus S.C. @ 10% of I.T. and additional S.C.@ 4% of I.T. and S.C.], in relation to assessment year 2020-21 and onwards, subject to the conditions u/s. 115BAB(2) [Section 115BAB(1)]. Conditions specified are:

(A) the company has been set-up and registered on or after 1-10-2019, and has commenced manufacturing on or before 31-3-2023 [Section 115BAB(2)(a)]; and

(B) the company is not formed by splitting up, or reconstruction, of a business already in existence. However, this condition will not apply in respect of an undertaking which is formed as a result of re-establishment, reconstruction or revival by the company of the business of any such undertaking as is referred to in section 33B, in the circumstances and within the period specified in the said section [Section 115BAB(2)(a)(i)];

(C) the company does not use any machinery or plant previously used for any purpose. However, any machinery or plant which was used outside India by any other person will not be regarded as machinery or plant previously used for any purpose, if, such machinery or plant was not used in India before its installation by the domestic company, it is imported into India from any foreign country and no deduction of depreciation has been allowed/allowable under the provisions of the Income-tax Act in computing the total income of any person for any period prior to the date of installation by the domestic company. The condition specified in (C) above will be deemed to have been complied with if the value of the machinery or plant previously used for any purpose is put to use by the company and the total value of such machinery or plant does not exceed 20% of total value of the machinery or plant used by the company [Section 115BAB(a)(ii) read with Explanations 1 & 2 thereto];

(D) the company does not use any building previously used as a hotel or a convention centre as defined in section 80-ID(6)(a)/(b) [Section 115BAB(a)(ii)];

(E) the company is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it;

(F) the total income of the company will be computed: (1) without any deduction under the provisions of sections 10AA or 32(1)(ia) or 32AD or 33AB or 33ABA or 35(1)(ii)/(ia)/(iii) or 35(2AA) or 35(2AB) or 35AD or 35CCC or 35CCD or under any provisions of Chapter VI-A under the heading "*C.—Deductions in respect of certain incomes*" other than the provisions of section 80JAA [Section 115BAB(2)(c)(i)]; (2) without set-off of any loss carried forward from any earlier assessment year if such loss is attributable to any of deductions referred to in (1) above [Section 115BAB(2)(c)(ii)]. The said loss will be deemed to have been already given full effect to and no further deduction of such loss will be allowed for any subsequent year [Section 115BAB(3)]; and (3) by claiming depreciation u/s. 32 [other than section 32(1)(ia)], determined in such manner as may be prescribed [Section 115BAB(2)(c)(iii)]. The option is to be exercised by the person, being a domestic company, in the prescribed manner on or before the due date specified in section 139(1) for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after 1-4-2020 and such option once exercised will apply to subsequent assessment years. Once the option is exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year [Section 115BAA(5)]. For the text of the section 115BAB(4), refer page 3 of the Taxation Laws (Amendment) Ordinance, 2019.

(5) At present, section 115JB(1) provides that income-tax payable on total income of a company computed under the Income-tax Act, is less than 18.5% of its book profit, such book profit shall be deemed to be the total income of the company and the tax payable by the company on such total income shall be the amount of income-tax at the rate of 18.5%, in relation to assessment year 2015-16 and onwards [For details, refer item (A) on page 137 of ITRR 2019-20]. Proviso inserted in section 115JB(1), w.e.f. 1-4-2020 (assessment year 2020-21 and onwards), provides to reduce the above 18.5% at both places to 15%, i.e., if the total income is less than 15% (as against 18.5%) of its book profit, such book profit will be deemed to be the total income and the income-tax payable on such total income will be 15% (as against 18.5%).

At present, section 115JB(5A) provides that the provisions of section 115JB shall not apply to any income accruing or arising to a company from life insurance business referred to in section 115B. Substituted section 115JB(5A), provides that the provisions of section 115JB shall not apply also to a person who has exercised the option u/s. 115BAA or 115BAB [Refer (3) or (4) above] in relation to assessment year 2020-21 and onwards.

(6) At present, section 115QA(1), provides that any amount of distributed income by a domestic company on buy-back of shares from a shareholder is chargeable to tax and such company shall be liable to pay additional income-tax at the rate of 20% on the distributed income. For the definition of the term 'buy-back' and 'distributed income', refer Note (4) on page 44 of the ITRR 2019-20. The new proviso inserted in section 115QA(1), w.e.f. 5-7-2019, provides that the provisions of section 115QA(1) shall not apply to such buy-back of shares (being the shares listed on a recognised stock exchange), in respect of which public announcement has been made before 5-7-2019 in accordance with the provisions of the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018 made under the SEBI Act, 1992 as amended from time to time.

(C) Notes on amendments in the Finance (No.2) Act, 2019, w.e.f. 1-4-2019:

(1) At present, 3rd proviso to section 2(9) provides for surcharge on income-tax [i.e., advance tax] payable in respect of any income chargeable to tax under sections specified in the said proviso [For details, refer page 9 of ITRR 2019-20]. The amendment provides that the provision of clause (a) shall not apply to any income u/s. 115AD. Newly inserted clause (aa) provides that in the case of every AOPs or BOIs having income u/s. 115AD, surcharge on income-tax [i.e., advance tax] is at the

rate of: (i) 10% of such advance tax, where the total income exceeds ₹ 50,00,000, but does not exceed ₹ 1,00,00,000; (ii) 15% of such advance tax, where the total income exceeds ₹ 1,00,00,000 but does not exceed ₹ 2,00,00,000; (iii) 25% of such advance tax, where the total income [as reduced by income of the nature referred to in section 115AD(1)(b)] exceeds ₹ 2,00,00,000 but does not exceed ₹ 5,00,00,000; (iv) 37% of such advance tax where the total income [as reduced by income of the nature referred to in section 115AD(1)(b)] exceeds ₹ 5,00,00,000; (v) 15% of such advance tax, where the total income [including the income of the nature referred to in section 115AD(1)(b)] exceeds ₹ 2,00,00,000 but is not covered by (iii) & (iv) above. However in the case where the total income includes any income chargeable u/s. 115AD(1)(b), the rate of surcharge on the advance tax computed on that part of income shall not exceed 15%; and (vi) in respect of any income chargeable to tax u/s. 115BAA or 115BAB, the tax under the 1st proviso shall be increased by a surcharge calculated at the rate of 10% of such advance tax, irrespective of quantum of the total income.

(2) At present, Part II of the First Schedule, under the sub-heading “Surcharge on income-tax”, in clause (a) of paragraph (i) provides for surcharge to be calculated on tax to be deducted at source in the case of an assessee being a non-resident [For details, refer page 38 of ITRR 2019-20]. The amendment of clause (i) provides that: (a) sub-clauses I and II shall apply also to income or aggregate of such incomes [including income referred to in sections 111A and 112A, i.e., short-term/long term capital gains]; (b) sub-clauses III and IV shall apply only to income or aggregate of such incomes [excluding income referred to in sections 111A and 112A]; (c) Newly inserted sub-clause V provides that rate of surcharge is 15% of such tax, where the income or the aggregate of such incomes [including the income referred to in sections 111A and 112A] paid or payable and subject to the deduction exceeds ₹ 2,00,00,000, and is not covered under sub-clauses III and IV i.e., (b) above [Refer page 38 of the ITRR 2019-20]. However, in case where the total income includes income chargeable u/s. 111A & 112A, the rate of surcharge on the amount of income-tax deducted in respect of that part of the income (i.e., short-term/long-term capital gains) shall not exceed 15%.

(3) At present, Part III of the First Schedule, in Paragraph A, under the sub-heading “Surcharge on income-tax”, rates of surcharge on income-tax for the purposes of payment of advance tax, in the case of every individual, HUF, AOP, BOI & artificial juridical person, are laid down in the clauses (a) to (d) [Refer page 39 of ITRR 2019-20]. The amendment of: (i) clauses (a) & (b) provides that the said clauses will also apply in respect of total income [including the income u/s. 111A and 112A]; (ii) clauses (c) and (d) provides that the said clauses will apply only in respect of total income [excluding the income u/s. 111A & 112A]; (iii) Newly inserted clause (e) provides that having a total income [including the income u/s. 111A & 112A, exceeding ₹ 2,00,00,000 and is not under clauses (c) & (d) [Refer (ii)]] shall be applicable at the rate of 15% of such income. However, in case where the total income includes any income chargeable u/s. 111A and 112A, the rate of surcharge on the amount of income-tax computed on that part of the income [i.e., short-term/long-term capital gains] shall not exceed 15%.