

BILL No. 17 OF 2023

THE FINANCE BILL, 2023

(AS INTRODUCED IN LOK SABHA)

THE FINANCE BILL, 2023

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AS INTRODUCED IN LOK SABHA
ON 1ST FEBRUARY, 2023

Bill No. 17 of 2023

THE FINANCE BILL, 2023

A

BILL

*to give effect to the financial proposals of the Central
Government for the financial year 2023-2024.*

BE it enacted by Parliament in the Seventy-fourth Year of the
Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and
commencement.

1. (1) This Act may be called the Finance Act, 2023.

(2) Save as otherwise provided in this Act, sections 2 to 122
shall come into force on the 1st day of April, 2023.

CHAPTER II

RATES OF INCOME-TAX

Income-tax.

2. (1) Subject to the provisions of sub-sections (2) and (3), for
the assessment year commencing on the 1st day of April, 2023,
income-tax shall be charged at the rates specified in Part I of the
First Schedule and such tax shall be increased by a surcharge, for
the purposes of the Union, calculated in each case in the manner
provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh fifty thousand rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax), only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be:

43 of 1961.

Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 or section 112A of the Income-tax Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule, except in case of a domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act or in case of co-operative society whose income is chargeable to tax under section 115BAD of the Income-tax Act:

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons except in a case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not having any income under section 115AD of the Income-tax Act,—

(i) having a total income exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax;

(ii) having a total income exceeding one crore rupees, but not exceeding two crore rupees, at the rate of fifteen per cent. of such income-tax;

(iii) having a total income exceeding two crore rupees, but not exceeding five crore rupees, at the rate of twenty-five per cent. of such income-tax; and

(iv) having a total income exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax;

(b) in the case of every individual or association of person except in a case of an association of persons consisting of only companies as its members or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having income under section 115AD of the Income-tax Act,—

(i) having a total income exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax;

(ii) having a total income exceeding one crore rupees, but not exceeding two crore rupees, at the rate of fifteen per cent. of such income-tax;

(iii) having a total income [excluding the income by way of dividend or income of the nature referred to in clause (b) of sub-section (1) of section 115AD of the Income-tax Act] exceeding two crore rupees but not exceeding five crore rupees, at the rate of twenty-five per cent. of such income-tax;

(iv) having a total income [excluding the income by way of dividend or income of the nature referred to in clause (b) of sub-section (1) of section 115AD of the Income-tax Act] exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax; and

(v) having a total income [including the income by way of dividend or income of the nature referred to in clause (b) of sub-section (1) of section 115AD of the Income-tax Act] exceeding two crore rupees, but is not covered in sub-clauses

(iii) and (iv), at the rate of fifteen per cent. of such income-tax:

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

(c) in the case of an association of persons consisting of only companies as its members,—

(i) at the rate of ten per cent. of such income-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 income-tax, where the total income exceeds one crore rupees;

(d) in the case of every co-operative society except a cooperative society whose income is chargeable to tax under section 115BAD of the Income-tax Act,—

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

(ii) at the rate of twelve per cent. of such income-tax, where the total income exceeds ten crore rupees;

(e) in the case of every firm or local authority, at the rate of twelve per cent. of such income-tax, where the total income exceeds one crore rupees;

(f) in the case of every domestic company except such domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act,—

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

(ii) at the rate of twelve per cent. of such income-tax, where the total income exceeds ten crore rupees;

(g) in the case of every company, other than a domestic company,—

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

(ii) at the rate of five per cent. of such income-tax, where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a) and (b) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds,—

(i) fifty lakh rupees but does not exceed one crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(ii) one crore rupees but does not exceed two crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(iii) two crore rupees but does not exceed five crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees;

(iv) five crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of five crore rupees by more than the amount of income that exceeds five crore rupees:

Provided also that in the case of association of persons mentioned in (c) above, having total income chargeable to tax

under section 115JC of the Income-tax Act exceeds,—

(i) fifty lakh rupees but does not exceed one crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(ii) one crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of a co-operative society mentioned in (d) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds,—

(i) one crore rupees but does not exceed ten crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(ii) ten crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (e) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds one crore rupees, the total amount payable as income-tax on such income and

surcharge thereon shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees:

Provided also that in respect of any income chargeable to tax under clause (i) of sub-section (1) of section 115BBE of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of twenty-five per cent. of such income-tax:

Provided also that in case of every domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act, the income-tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent. of such income-tax:

Provided also that in case of every individual or Hindu Undivided Family, whose income is chargeable to tax under

section 115BAC of the Income-tax Act, the income-tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A of Part I of the First Schedule:

Provided also that in case of every resident co-operative society, whose income is chargeable to tax under section 115BAD of the Income-tax Act, the income tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent. of such income-tax.

(4) In cases in which tax has to be charged and paid under sub-section (2A) of section 92CE or section 115QA or section 115TD of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of twelve per cent. of such tax.

(5) In cases in which tax has to be deducted under sections 193, 194A, 194B, 194BA, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, at the rates in force, the deductions shall be made at the rates specified in Part II of the First Schedule and shall be increased by a surcharge, for the purposes of the Union, calculated in cases wherever prescribed, in the manner provided therein.

(6) In cases in which tax has to be deducted under sections 192A, 194, 194C, 194DA, 194E, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194-IB, 194-IC, 194J, 194LA, 194LB, 194LBA, 194LBB, 194LBC, 194LC, 194LD, 194K, 194M, 194N, 194-O, 194Q, 194R, 194S, 196A, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for the purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons, except in case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident except in case of deduction on income by way of dividend under section 196D of the Income-tax Act, calculated,—

(i) at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

(ii) at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed two crore rupees;

(iii) at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds two crore rupees but does not exceed five crore rupees;

(iv) at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds five crore rupees:

Provided that where the income of such person is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the rate of surcharge shall not exceed twenty-five per cent.;

(b) in the case of every individual or Hindu undivided family or association of persons except in case of association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, in case of deduction on income by way of dividend under section 196D of the Act, calculated,—

(i) at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

(ii) at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(c) in the case of an association of persons being a non-resident, and consisting of only companies as its members, calculated,—

(i) at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

(ii) at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(d) in the case of every co-operative society, being a non-resident, calculated,—

(i) at the rate of seven per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees;

(e) in the case of every firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(f) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

(7) In cases in which tax has to be collected under the proviso to section 194B of the Income-tax Act, the collection shall be made at the rates specified in Part II of the First Schedule, and shall be increased by a surcharge, for the purposes of the Union,

calculated, in cases wherever prescribed, in the manner provided therein.

(8) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge, for the purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons, except in case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, calculated,—

(i) at the rate of ten per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds fifty lakh rupees but does not exceed one crore rupees;

(ii) at the rate of fifteen per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds one crore rupees but does not exceed two crore rupees;

(iii) at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds two crore rupees but does not exceed five crore rupees;

(iv) at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds five crore rupees:

Provided that where the income of such person is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the rate of surcharge shall not exceed twenty-five per cent.;

(b) in the case of an association of persons, being a non-resident, and consisting of only companies as its members, calculated,—

(i) at the rate of ten per cent. of such tax, where the amount or the aggregate of such amounts

collected or likely to be collected and subject to the collection exceeds fifty lakh rupees but does not exceed one crore rupees;

(ii) at the rate of fifteen per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds one crore rupees;

(c) in the case of every co-operative society, being a non-resident, calculated,—

(i) at the rate of seven per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of twelve per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ten crore rupees;

(d) in the case of every firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds one crore rupees;

(e) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ten crore rupees.

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from, or paid on, income chargeable under the head “Salaries” under section 192 of the said Act or deducted under section 194P of the said Act or in which the “advance tax”

payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” shall be charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in such cases and in such manner as provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, “advance tax” shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that the amount of “advance tax” computed in accordance with the provisions of section 111A or section 112 or 112A of the Income-tax Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule except in case of a domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act or in case of an individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act whose income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, or in case of a resident co-operative society whose income is chargeable to tax under section 115BAD or under section 115BAE of the Income-tax Act:

Provided also that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC of the Income-tax Act, “advance tax” computed in accordance with the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons, except in a case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not having any income under section 115AD of the Income-tax Act, and not having any income chargeable to

tax under sub-section (1A) of section 115BAC 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 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 exceeds five crore rupees;

(b) in the case of every individual or association of persons, except in case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having income under section 115AD of the Income-tax Act, and not having any income chargeable to tax under sub-section (1A) of section 115BAC 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 by way of dividend and 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 by way of dividend or 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 by way of dividend or 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 by way of dividend or 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.;

(c) in the case of an association of persons consisting of only companies as its members,—

(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;

(d) in the case of every co-operative society except such co-operative society whose income is chargeable to tax under section 115BAD or section 115BAE of the Income-tax Act,—

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

(ii) at the rate of twelve per cent. of such “advance tax”, where the total income exceeds ten crore rupees;

(e) in the case of every firm or local authority at the rate of twelve per cent. of such “advance tax”, where the total income exceeds one crore rupees;

(f) in the case of every domestic company except such domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act,—

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

(ii) at the rate of twelve per cent. of such “advance tax”, where the total income exceeds ten crore rupees;

(g) in the case of every company, other than a domestic company,—

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

(ii) at the rate of five per cent. of such “advance tax”, where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a) and (b) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds,—

(a) fifty lakh rupees but does not exceed one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(b) one crore rupees but does not exceed two crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(c) two crore rupees but does not exceed five crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” and surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees;

(d) five crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” and surcharge on a total income of five crore rupees by more than the amount of income that exceeds five crore rupees:

Provided also that in the case of persons mentioned in (c) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds,—

(a) fifty lakh rupees, but does not exceed one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(b) one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of persons mentioned in (d) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds,—

(a) one crore rupees, but does not exceed ten crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(b) ten crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (e) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees:

Provided also that in respect of any income chargeable to tax under clause (i) of sub-section (I) of section 115BBE of the Income-tax Act, the “advance tax” computed in accordance with the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of twenty-five per cent. of such “advance tax”;

Provided also that in case of every domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act, the advance tax computed in accordance with 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”:

Provided also that in respect of income chargeable to tax under sub-section (IA) of section 115BAC of the Income-tax Act, the “advance tax” computed in accordance with the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated, in the case of an individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

(i) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such “advance-tax”;

(ii) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding one crore rupees but not exceeding two crore rupees, at the rate of fifteen per cent. of such “advance-tax”;

(iii) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the

Income-tax Act) exceeding two crore rupees, at the rate of twenty-five per cent. of such “advance-tax”; and

(iv) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees, but is not covered under clause (iii) above, at the rate of fifteen per cent. of such “advance-tax”:

Provided also that in case where the provisions of sub-section (1A) of section 115BAC are applicable and the total income includes any income by way of dividend or income chargeable under section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the “advance-tax” in respect of that part of income shall not exceed fifteen per cent.:

Provided also that in case an association of persons consisting of only companies as its members, and having its income chargeable to tax under sub-section (1A) of section 115BAC, the rate of surcharge on the “advance-tax” shall not exceed fifteen per cent.:

Provided also that in case of every individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, whose income is chargeable to tax under section 115BAC of the Income-tax Act having total income exceeding,—

(a) fifty lakh rupees but does not exceed one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(b) one crore rupees but does not exceed two crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(c) two crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” and

surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees;

Provided also that in case of every resident co-operative society whose income is chargeable to tax under section 115BAD or section 115BAE of the Income-tax Act, the “advance tax” computed in accordance with 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”.

(10) In cases to which Paragraph A of Part III of the First Schedule applies, or in case of an individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a resident, whose income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds two lakh fifty thousand rupees, then, in charging income-tax under sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or in computing the “advance tax” payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging or computing such income-tax or, as the case may be, “advance tax” in respect of the total income; and

(b) such income-tax or, as the case may be, “advance tax” shall be so charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or “advance tax” shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, or sub-section (1A) of section 115BAC, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax or “advance tax” shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, or sub-section (1A) of section 115BAC, as if the net agricultural income were the total income;

(iii) the amount of income-tax or “advance tax” determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, “advance tax” determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax or, as the case may be, “advance tax” in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted:

Provided also that in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a resident, whose income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided also that the amount of income-tax or “advance tax” so arrived at, shall be increased by a surcharge for the purposes of the Union, calculated in each case, in the manner provided in this section.

(11) The amount of income-tax as specified in sub-sections (1) to (3) and as increased by the applicable surcharge, for the

purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the “Health and Education Cess on income-tax”, calculated at the rate of four per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

(12) The amount of income-tax as specified in sub-sections (4) to (10) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the “Health and Education Cess on income-tax”, calculated at the rate of four per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(13) For the purposes of this section and the First Schedule,—

(a) “domestic company” means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2023, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(b) “insurance commission” means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(c) “net agricultural income” in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(d) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of
section 2.

3. In section 2 of the Income-tax Act,—

(a) in clause (19B), the words and brackets “or an Additional Commissioner of Income-tax (Appeals)” shall be omitted;

(b) in clause (24), after sub-clause (xviib), the following sub-clauses shall be inserted with effect from the 1st day of April, 2024, namely:—

“(xviic) any sum referred to in clause (xii) of sub-section (2) of section 56;”;

“(xviid) any sum referred to in clause (xiii) of sub-section (2) of section 56;”;

(c) after clause (28C), the following clause shall be inserted, namely:—

“(28CA) “Joint Commissioner (Appeals)” means a person appointed to be a Joint Commissioner of Income-tax (Appeals) or an Additional Commissioner of Income-tax (Appeals) under sub-section (1) of section 117;”;

(d) in clause (42A), in *Explanation* 1, in clause (i), after sub-clause (hh), the following sub-clause shall be inserted with effect from the 1st day of April, 2024, namely:—

“(hi) in the case of a capital asset, being—

(a) Electronic Gold Receipt issued in respect of gold deposited as referred to in clause (viid) of section 47, there shall be included the period for which such gold was held by the assessee prior to conversion into the Electronic Gold Receipt;

(b) gold released in respect of an Electronic Gold Receipt as referred to in clause (viid) of section 47, there shall be included the period for which such

Electronic Gold Receipt was held by the assessee prior to its conversion into gold.”.

Amendment of
section 9.

4. In section 9 of the Income-tax Act, in sub-section (1), for clause (viii), the following clause shall be substituted with effect from the 1st day of April, 2024, namely:—

“(viii) income arising outside India, being any sum of money referred to in sub-clause (xviii) of clause (24) of section 2, paid by a person resident in India —

(a) on or after the 5th day of July, 2019 to a non-resident, not being a company, or to a foreign company; or

(b) on or after the 1st day of April, 2023 to a person not ordinarily resident in India within the meaning of clause (6) of section 6.”.

Amendment of
section 10.

5. In section 10 of the Income-tax Act,—

(a) in clause (4D), in the *Explanation*, in clause (c), in sub-clause (i), in item (I), after the words and figures “Securities and Exchange Board of India Act, 1992, or”, the words, brackets and figures “regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, made under the” shall be inserted; 15 of 1992.

(b) for clause (4E), the following shall be substituted with effect from the 1st day of April, 2024,—

“(4E) any income accrued or arisen to, or received by a non-resident as a result of—

(i) transfer of non-deliverable forward contracts or offshore derivative instruments or over-the-counter derivatives; or

(ii) distribution of income on offshore derivative instruments,

entered into with an offshore banking unit of an International Financial Services Centre referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be prescribed:

Provided that the amount of distributed income referred to in sub-clause (ii) shall include only so much of the amount which is chargeable to tax in the hands of the offshore banking unit under section 115AD.”;

(c) in clause (10D),—

(i) in the second proviso, the words, brackets, figures and letter “or the *Explanation* to sub-section (2A) of section 88, as the case may be” shall be omitted;

(ii) for the sixth proviso, the following provisos shall be substituted with effect from the 1st day of April, 2024, namely:—

“Provided also that nothing contained in this clause shall apply with respect to any life insurance policy other than a unit linked insurance policy, issued on or after the 1st day of April, 2023, if the amount of premium payable for any of the previous years during the term of such policy exceeds five lakh rupees:

Provided also that if the premium is payable by a person for more than one life insurance policy other than unit linked insurance policy, issued on or after the 1st day of April, 2023, the provisions of this clause shall apply only with respect to those life insurance policies other than unit linked insurance policies, where the aggregate amount of premium does not exceed the amount referred to in the sixth proviso in any of the previous years during the term of any of those policies:

Provided also that the provisions of the fourth, fifth, sixth and seventh provisos shall not apply to any sum received on the death of a person.”;

(d) after clause (12B), the following shall be inserted, namely:—

‘(12C) any payment from the *Agniveer* Corpus Fund to a person enrolled under the *Agnipath* Scheme, or to his nominee.

Explanation.—For the purposes of this clause “*Agniveer* Corpus Fund” and “*Agnipath* Scheme” shall have the meanings respectively assigned to them in section 80CCH;”;

(e) in clause (22B), after the third proviso, the following proviso shall be inserted with effect from the 1st day of April, 2024, namely:—

“Provided also that nothing contained in this clause shall apply to any income of the news agency of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2024;”;

(f) clause (23BBF) shall be omitted;

(g) in clause (23C),—

(I) with effect from the 1st day of October, 2023,—

(i) in the first proviso, for clause (iv), the following clause shall be substituted, namely:—

“(iv) in any other case, where activities of the fund or trust or institution or university or other educational institution or hospital or other medical institution have—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought;

(B) commenced and no income or part thereof of the said fund or trust or institution or university or other educational institution or hospital or other medical institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) or section 11 or section 12 for any previous year ending on or before the date of such application, at any time after the commencement of such activities;”;

(ii) in the second proviso,—

(a) in clause (ii),—

(A) in the opening portion, after the word, brackets and figures “clause (iii)”, the words, brackets, letter and figures “or sub-clause (B) of clause (iv)” shall be inserted;

(B) in sub-clause (b), for item (B), the following item shall be substituted, namely:—

“(B) if he is not so satisfied, pass an order in writing,—

(I) in a case referred to in clause (ii) or clause (iii) of the first proviso, rejecting such application and also cancelling its approval;

(II) in a case referred to in sub-clause (B) of clause (iv) of the first proviso, rejecting such application,

after affording it a reasonable opportunity of being heard;”;

(b) for clause (iii), the following clause shall be substituted, namely:—

“(iii) where the application is made under sub-clause (A) of clause (iv) of the said proviso or the application made under clause (iv) of the said proviso, as it stood immediately before its amendment by the Finance Act, 2023, pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the approval is sought, and send a copy of such order to the fund or trust or institution or university or other educational institution or hospital or other medical institution:”;

(II) in the third proviso,—

(i) in *Explanation 2*,—

(a) in clause (i),—

(A) in the proviso, the word “and” shall be omitted;

(B) after the proviso, the following provisos shall be inserted, namely:—

“Provided further that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in the twelfth, thirteenth and twenty-first provisos, and those specified in *Explanation 2* and *Explanation 3*, of this clause, at the time the application was made from the corpus:

Provided also that the amount invested or deposited back shall not be treated as application for charitable or religious purposes under the first proviso unless such investment or deposit is made within a period of five years from the end of the previous year in which such application was made from the corpus:

Provided also that nothing contained in the first proviso shall apply where the application from the corpus is made on or before the 31st day of March, 2021;”;

(b) in clause (ii), after the proviso, the following provisos shall be inserted, namely:—

“Provided further that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in the twelfth, thirteenth and twenty-first provisos, and those specified in *Explanation 2* and *Explanation 3*, of this clause at the time the application was made from loan or borrowing:

Provided also that the amount repaid shall not be treated as application for charitable or religious purposes under the first proviso unless such repayment is made within a period of five years from the end of the previous year in which such application was made from loan or borrowing:

Provided also that nothing contained in the first proviso shall apply where the application from any loan or borrowing is made on or before the 31st day of March, 2021; and”;

(c) after clause (ii), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:—

“(iii) any amount credited or paid out of the income of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), other than the amount referred to in the twelfth proviso, to any other fund or trust or institution or any university or other educational institution or any hospital or

other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), or trust or institution registered under section 12AB, as the case may be, shall be treated as application for charitable or religious purposes only to the extent of eighty-five per cent. of such amount credited or paid.”;

(ii) in *Explanation 3*, in clause (c), for the words “furnished on or before”, the words “furnished at least two months prior to” shall be substituted;

(III) in the fifteenth proviso, in *Explanation 2*,—

(A) in clause (d), for the words “attained finality.”, the words “attained finality; or” shall be substituted;

(B) after clause (d), the following clause shall be inserted, namely:—

“(e) the application referred to in the first proviso of this clause is not complete or it contains false or incorrect information.”;

(IV) in the nineteenth proviso, in the *Explanation*, with effect from the 1st day of April, 2024,—

(a) after the words, brackets and figures “notified under clause (46)”, the word, brackets, figures and letter “or (46A)” shall be inserted;

(b) for the words, brackets and figures “under clause (46)”, the words, brackets, figures and letter “under clause (46) or clause (46A)” shall be substituted;

(V) in the twentieth proviso, for the words “within the time allowed under that section”, the words, brackets and figures “within the time allowed under sub-section (I) or sub-section (4) of that section” shall be substituted;

(h) clause (23EB) shall be omitted;

(i) clause (26A) shall be omitted;

(j) clause (41) shall be omitted;

(k) in clause (46), for the words “, or a class thereof” at both the places where they occur, the words, figures and letter “other than those covered under clause (46A), or a class

thereof” shall be substituted with effect from the 1st day of April, 2024;

(l) after clause (46), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:—

“(46A) any income arising to a body or authority or Board or Trust or Commission, not being a company, which —

(a) has been established or constituted by or under a Central Act or State Act with one or more of the following purposes, namely:—

(i) dealing with and satisfying the need for housing accommodation;

(ii) planning, development or improvement of cities, towns and villages;

(iii) regulating, or regulating and developing, any activity for the benefit of the general public; or

(iv) regulating any matter, for the benefit of the general public, arising out of the object for which it has been created; and

(b) is notified by the Central Government in the Official Gazette for the purposes of this clause;”;

(m) clause (49) shall be omitted.

Amendment of section 10AA.

6. In section 10AA of the Income-tax Act, with effect from the 1st day of April, 2024,—

(a) in sub-section (1), after clause (ii) and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided that no such deduction shall be allowed to an assessee who does not furnish a return of income on or before the due date specified under sub-section (1) of section 139.”;

(b) after sub-section (4), the following shall be inserted, namely:—

“(4A) This section applies to a Unit, if the proceeds from sale of goods or provision of services is received in,

or brought into, India by the assessee in convertible foreign exchange, within a period of six months from the end of the previous year or, within such further period as the competent authority may allow in this behalf.

Explanation 1.—For the purposes of this sub-section, the expression “competent authority” means the Reserve Bank of India or the authority authorised under any law for the time being in force for regulating payments and dealings in foreign exchange.

Explanation 2.—The sale of goods or provision of services shall be deemed to have been received in India where such export turnover is credited to a separate account maintained for that purpose by the assessee with any bank outside India with the approval of the Reserve Bank of India.’;

(c) in *Explanation 1*, for clause (i), the following clause shall be substituted, namely:—

‘(i) “convertible foreign exchange” shall have the meaning assigned to it in clause (ii) of the *Explanation 2* to section 10A;

(ia) “export turnover” means the consideration in respect of export by the undertaking, being the Unit of articles or things or services received in, or brought into, India by the assessee in convertible foreign exchange in accordance with the provisions of sub-section (4A), but does not include freight, telecommunication charges or insurance attributable to the delivery of the articles or things outside India or expenses, if any, incurred in foreign exchange in rendering of services (including computer software) outside India;’.

Amendment of
section 11.

7. In section 11 of the Income-tax Act,—

(A) in sub-section (I),—

(a) in *Explanation 1*, in clause (2), in sub-clause (ii), in the long line, for the words “before the expiry of the time allowed”, the words “at least two months prior to the due date specified” shall be substituted;

(b) in *Explanation 4*,—

(I) in clause (i),—

(a) in the proviso, for the words “deposit; and”, the word “deposit:” shall be substituted;

(b) after the proviso, the following provisos shall be inserted, namely:—

“Provided further that provisions of the first proviso shall apply only if there was no violation of the conditions specified—

(a) in clause (c) of this sub-section;

(b) in *Explanations* 2, 3 and 5 of this sub-section;

(c) in the *Explanation* to this section; and

(d) in clause (c) of sub-section (I) of section 13,

at the time the application was made from the corpus:

Provided also that the amount invested or deposited back shall not be treated as application for charitable or religious purposes under the first proviso unless such investment or deposit is made within a period of five years from the end of the previous year in which such application was made from the corpus:

Provided also that nothing contained in the first proviso shall apply where application from the corpus is made on or before the 31st day of March, 2021;”;

(II) in clause (ii), after the proviso, the following provisos shall be inserted, namely:—

“Provided further that provisions of the first proviso shall apply only if there was no violation of the conditions specified—

(a) in clause (c) of this sub-section;

(b) in *Explanations* 2, 3 and 5 of this sub-section;

(c) in the *Explanation* to this section; and

(d) in clause (c) of sub-section (1) of section 13,

at the time the application was made from loan or borrowing:

Provided also that the amount repaid shall not be treated as application for charitable or religious purposes under the first proviso unless such repayment is made within a period of five years from the end of the previous year in which such application was made from loan or borrowing:

Provided also that nothing contained in the first proviso shall apply where application from any loan or borrowing is made on or before the 31st day of March, 2021; and”;

(III) after clause (ii), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:—

“(iii) any amount credited or paid, other than the amount referred to in *Explanation 2*, to any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be, or other trust or institution registered under section 12AB, as the case may be, shall be treated as application for charitable or religious purposes only to the extent of eighty-five per cent. of such amount credited or paid.”;

(B) in sub-section (2), in clause (c), for the words “on or before”, the words “at least two months prior to” shall be substituted;

(C) in sub-section (7), with effect from the 1st day of April, 2024,—

(a) for the words, brackets and figures “and clause (46)”, the words, brackets, figures and letter “, clause (46) and clause (46A)” shall be substituted;

(b) in the first proviso, for the words, brackets and figures “under clause (46)”, the words, brackets, figures and letter “under clause (46) or clause (46A)” shall be substituted;

(c) in the second proviso, for the words, brackets and figures “under clause (46)”, the words, brackets, figures and letter “under clause (46) or clause (46A)” shall be substituted.

Amendment of
section 12A.

8. In section 12A of the Income-tax Act,—

(a) in sub-section (I),—

(I) in clause (ac), for sub-clause (vi), the following sub-clause shall be substituted with effect from the 1st day of October, 2023, namely:—

“(vi) in any other case, where activities of the trust or institution have —

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought;

(B) commenced and no income or part thereof of the said trust or institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, or section 11 or section 12, for any previous year ending on or before the date of such application, at any time after the commencement of such activities,”;

(II) in clause (ba), for the words “within the time allowed under that section”, the words, brackets and figures “within the time allowed under sub-section (I) or sub-section (4) of that section” shall be substituted;

(b) in sub-section (2), the second, third and fourth provisos shall be omitted.

Amendment of
section 12AB.

9. In section 12AB of the Income-tax Act,—

(a) in sub-section (I) with effect from the 1st day of October, 2023,—

(A) in clause (b),—

(a) in the opening portion, after the word, brackets and figure “sub-clause (v)”, the words, brackets, letter and figures “or item (B) of sub-clause (vi)” shall be inserted;

(b) in sub-clause (ii), for item (B), the following item shall be substituted, namely:—

“(B) if he is not so satisfied, pass an order in writing,—

(I) in a case referred to in sub-clause (ii) or sub-clause (iii) or sub-clause (v) of clause (ac) of sub-section (1) of section 12A rejecting such application and also cancelling its registration;

(II) in a case referred to in sub-clause (iv) or in item (B) of sub-clause (vi) of sub-section (1) of section 12A, rejecting such application,

after affording a reasonable opportunity of being heard;”;

(B) for clause (c), the following clause shall be substituted, namely:—

“(c) where the application is made under item (A) of sub-clause (vi) of the said clause or the application is made under sub-clause (vi) of the said clause, as it stood immediately before its amendment *vide* the Finance Act, 2023, pass an order in writing provisionally registering the trust or institution for a period of three years from the assessment year from which the registration is sought,”;

(b) in sub-section (4), in the *Explanation*, in clause (f), for the words “attained finality.”, the words “attained finality; or” shall be substituted;

(c) after clause (f), the following clause shall be inserted, namely:—

“(g) the application referred to in clause (ac) of sub-section (1) of section 12A is not complete or it contains false or incorrect information.”.

Amendment of
section 17.

10. In section 17 of the Income-tax Act,—

(i) in clause (1), after sub-clause (viii), the following sub-clause shall be inserted, namely:—

“(ix) the contribution made by the Central Government in the previous year, to the *Agniveer* Corpus

Fund account of an individual enrolled in the *Agnipath* Scheme referred to in section 80CCH;”;

(ii) in clause (2), with effect from the 1st day of April, 2024,—

(a) in sub-clause (i), after the word “employer”, the words “computed in such manner as may be prescribed” shall be inserted;

(b) for sub-clause (ii) and *Explanations* 1 to 4 thereto, the following shall be substituted, namely:—

“(ii) the value of any accommodation provided to the assessee by his employer at a concessional rate.

Explanation.—For the purposes of this sub-clause, it is clarified that accommodation shall be deemed to have been provided at a concessional rate, if the value of accommodation computed in such manner as may be prescribed, exceeds the rent recoverable from, or payable by, the assessee;”.

Amendment of section 28.

11. In section 28 of the Income-tax Act, for clause (iv), the following clause shall be substituted with effect from the 1st day of April, 2024, namely:—

“(iv) the value of any benefit or perquisite arising from business or the exercise of a profession, whether—

(a) convertible into money or not; or

(b) in cash or in kind or partly in cash and partly in kind;”.

Amendment of section 35D.

12. In section 35D of the Income-tax Act, in sub-section (2), in clause (a), for the proviso, the following proviso shall be substituted with effect from the 1st day of April, 2024, namely:—

“Provided that the assessee shall furnish a statement containing the particulars of expenditure specified in this clause within such period, to such income-tax authority, in such form and manner, as may be prescribed.”.

Amendment of section 43B.

13. In section 43B of the Income-tax Act, with effect from the 1st day of April, 2024,—

(i) in clause (da), for the words “a deposit taking non-banking financial company or systemically important non-deposit taking non-banking financial company”, the words

“such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf” shall be substituted;

(ii) in clause (g), after the word “assets,”, the word “or” shall be inserted;

(iii) after clause (g), the following clause shall be inserted, namely:—

“(h) any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006,”; 27 of 2006.

(iv) in the proviso, after the words “nothing contained in this section”, the brackets, words and letter “[except the provisions of clause (h)]” shall be inserted;

(v) in *Explanation 4*,—

(I) for clause (e), the following clause shall be substituted, namely:—

“(e) “micro enterprise” shall have the meaning assigned to it in clause (h) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006;” 27 of 2006.

(II) for clause (g), the following clause shall be substituted, namely:—

“(g) “small enterprise” shall have the meaning assigned to it in clause (m) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.” 27 of 2006.

Amendment of
section 43D.

14. In section 43D of the Income-tax Act, with effect from the 1st day of April, 2024,—

(i) in clause (a), for the words “a deposit taking non-banking financial company or a systemically important non-deposit taking non-banking financial company”, the words “such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf” shall be substituted;

(ii) in the long line, for the words “a deposit taking non-banking financial company or a systemically important non-deposit taking non-banking financial company”, the words

“such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf,” shall be substituted;

(iii) in the *Explanation*, for clause (h), the following clause shall be substituted, namely:—

‘(h) the expression “non-banking financial company” shall have the meaning assigned to it in clause (vii) of the *Explanation* to clause (viiia) of sub-section (1) of section 36.’.

Amendment of section 44AB.

15. In section 44AB of the Income-tax Act, for the first proviso, the following proviso shall be substituted with effect from the 1st day of April, 2024, namely:—

“Provided that this section shall not apply to a person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of section 44AD or sub-section (1) of section 44ADA:”.

Amendment of section 44AD.

16. In section 44AD of the Income-tax Act, in the *Explanation*, in clause (b), after sub-clause (ii), the following provisos shall be inserted with effect from the 1st day of April, 2024, namely:—

‘Provided that where the amount or aggregate of the amounts received during the previous year, in cash, does not exceed five per cent. of the total turnover or gross receipts of such previous year, this sub-clause shall have effect as if for the words “two crore rupees”, the words “three crore rupees” had been substituted:

Provided further that for the purposes of the first proviso, the receipt of amount or aggregate of amounts by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be the receipt in cash.’.

Amendment of section 44ADA.

17. In section 44ADA of the Income-tax Act, after sub-section (1), the following provisos shall be inserted with effect from the 1st day of April, 2024, namely:—

‘Provided that in case of an assessee where the amount or aggregate of the amounts received during the previous year, in cash, does not exceed five per cent. of the total gross receipts of such previous year, this sub-section shall have effect as if for the words “fifty lakh rupees”, the words “seventy-five lakh rupees” had been substituted:

Provided further that for the purposes of the first proviso, the receipt of amount or aggregate of amounts by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be the receipt in cash.’.

Amendment of
section 44BB.

18. In section 44BB of the Income-tax Act, after sub-section (3) and before the *Explanation*, the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely:—

“(4) Notwithstanding anything contained in sub-section (2) of section 32 and sub-section (1) of section 72, where an assessee declares profits and gains of business for any previous year in accordance with the provisions of sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.”.

Amendment of
section 44BBB.

19. In section 44BBB of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely:—

“(3) Notwithstanding anything contained in sub-section (2) of section 32 and sub-section (1) of section 72, where an assessee declares profits and gains of business for any previous year in accordance with the provisions of sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.”.

Amendment of
section
45.

20. In section 45 of the Income-tax Act, in sub-section (5A), for the words “the consideration received in cash, if any,”, the words “any consideration received in cash or by a cheque or draft or by any other mode” shall be substituted with effect from the 1st day of April, 2024.

Amendment of
section 47.

21. In section 47 of the Income-tax Act,—

(a) in clause (viiad), in the *Explanation*,—

(i) in clause (b), for the figures “2023”, the figures “2025” shall be substituted;

(ii) in clause (c), in sub-clause (i), after the words and figures “Securities and Exchange Board of India Act, 1992 or”, the words, brackets and figures “regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, made under the” shall be inserted;

15 of 1992.

(b) after clause (viic), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:—

‘(viid) any transfer of a capital asset, being conversion of gold into Electronic Gold Receipt issued by a Vault Manager, or conversion of Electronic Gold Receipt into gold.

Explanation.—For the purposes of this clause, the expressions “Electronic Gold Receipt” and “Vault Manager” shall have the meanings respectively assigned to them in clauses (h) and (l) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Vault Managers) Regulations, 2021 made under the Securities and Exchange Board of India Act, 1992.’. 15 of 1992.

Amendment of section 48.

22. In section 48 of the Income-tax Act, in clause (ii), the following proviso shall be inserted with effect from the 1st day of April, 2024, namely:—

“Provided that the cost of acquisition of the asset or the cost of improvement thereto shall not include the deductions claimed on the amount of interest under clause (b) of section 24 or under the provisions of Chapter VIA;”.

Amendment of section 49.

23. In section 49 of the Income-tax Act, after sub-section (9), the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely:—

“(10) Where the capital asset, being—

(i) an Electronic Gold Receipt issued by a Vault Manager, became the property of the person as consideration of a transfer, referred to in clause (viid) of section 47, the cost of acquisition of the asset for the purposes of the said transfer, shall be deemed to be the cost of gold in the hands of the person in whose name Electronic Gold Receipt is issued;

(ii) gold released against an Electronic Gold Receipt, which became the property of the person as consideration for a transfer, referred to in clause (viid) of section 47, the cost of acquisition of the asset for the purposes of the said transfer shall be deemed to be the cost of the Electronic Gold Receipt in the hands of such person.”.

Insertion of new section 50AA.

24. After section 50A the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2024, namely:—

Special provision for computation of capital gains in case of Market Linked Debenture.

‘50AA. Notwithstanding anything contained in clause (42A) of section 2 or section 48, where the capital asset is a Market Linked Debenture, the full value of consideration received or accruing as a result of the transfer or redemption or maturity of such debenture as reduced by—

(i) the cost of acquisition of the debenture; and

(ii) the expenditure incurred wholly and exclusively in connection with such transfer or redemption or maturity,

shall be deemed to be the capital gains arising from the transfer of a short-term capital asset:

Provided that no deduction shall be allowed in computing the income chargeable under the head “Capital gains” in respect of any sum paid on account of securities transaction tax under the provisions of Chapter VII of the Finance (No. 2) Act, 2004.

23 of 2004.

Explanation.— For the purposes of this section “Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.’.

Amendment of section 54.

25. In section 54 of the Income-tax Act, with effect from the 1st day of April, 2024,—

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

“Provided also that where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for the purposes of this sub-section.”;

(b) in sub-section (2),—

(i) after the words “amount so deposited shall”, the words, brackets and figure “, subject to the third proviso to sub-section (1)” shall be inserted;

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

“Provided further that the capital gains in excess of ten crore rupees shall not be taken into account for the purposes of this sub-section.”.

Amendment of section 54EA. **26.** In section 54EA of the Income-tax Act, sub-section (3) shall be omitted.

Amendment of section 54EB. **27.** In section 54EB of the Income-tax Act, sub-section (3) shall be omitted.

Amendment of section 54EC. **28.** In section 54EC of the Income-tax Act, in sub-section (3), clause (a) shall be omitted.

Amendment of section 54ED. **29.** In section 54ED of the Income-tax Act, in sub-section (3), clause (a) shall be omitted.

Amendment of section 54F. **30.** In section 54F of the Income-tax Act, with effect from the 1st day of April, 2024,—

(a) in sub-section (1), after the proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided further that where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for the purposes of this sub-section.”;

(b) in sub-section (4),—

(i) after the words “amount so deposited shall”, the words, brackets and figure “, subject to the second proviso to sub-section (1)” shall be inserted;

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

“Provided further that the net consideration in excess of ten crore rupees shall not be taken into account for the purposes of this sub-section.”.

Amendment of section 55. **31.** In section 55 of the Income-tax Act, with effect from the 1st day of April, 2024,—

(a) in sub-section (1), in clause (b), in sub-clause (1),—

(i) after the word “goodwill”, the words “or any other intangible asset” shall be inserted;

(ii) after the word “profession”, the words “or any other right” shall be inserted;

(b) in sub-section (2), in clause (a),—

(i) for the words “profession, or a right”, the words “profession, or any other intangible asset or a right” shall be substituted;

(ii) for the word “hour,”, the words “hour, or any other right” shall be substituted.

Amendment of
section 56.

32. In section 56 of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2024,—

(a) in clause (viib), the words “being a resident” shall be omitted;

(b) after clause (xi), the following clauses shall be inserted, namely:—

‘(xii) any sum received by a unit holder from a business trust which—

(a) is not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and

(b) is not chargeable to tax under sub-section (2) of section 115UA:

Provided 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 so 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;

(xiii) where any sum is received, including the amount allocated by way of bonus, at any time during a previous year, under a life insurance policy, other than the sum,—

(a) received under a unit linked insurance policy;

(b) being the income referred to in clause (iv),

which is not to be excluded from the total income of the previous year in accordance with the provisions of clause (10D) of section 10, the sum so received as exceeds the aggregate of the premium paid, during the term of such

life insurance policy, and not claimed as deduction under any other provision of this Act, computed in such manner as may be prescribed.

Explanation.—For the purposes of this clause “unit linked insurance policy” shall have the meaning assigned to it in *Explanation 3* to clause (10D) of section 10.’.

Amendment of
section 72A.

33. In section 72A of the Income-tax Act, in sub-section (1), in clause (d), in the *Explanation*, for clause (iii), the following clause shall be substituted, namely:—

“(iii) “strategic disinvestment” means sale of shareholding by the Central Government or any State Government or a public sector company, in a public sector company or in a company, which results in—

(a) reduction of its shareholding to below fifty-one per cent.; and

(b) transfer of control to the buyer:

Provided that the condition laid down in sub-clause (a) shall apply only in a case where shareholding of the Central Government or the State Government or the public sector company was above fifty-one per cent. before such sale of shareholding:

Provided further that requirement of transfer of control referred to in sub-clause (b) may be carried out by the Central Government or the State Government or the public sector company or any two of them or all of them.’.

Amendment of
section 72AA.

34. In section 72AA of the Income-tax Act,—

(a) for clause (i), the following clause shall be substituted, namely:—

“(i) one or more banking company with—

(a) any other banking institution under a scheme sanctioned and brought into force by the Central Government under sub-section (7) of section 45 of the Banking Regulation Act, 1949; or

10 of 1949.

(b) any other banking institution or a company subsequent to a strategic disinvestment, wherein the amalgamation is carried out within a period of five

years from the end of the previous year during which such strategic disinvestment is carried out; or”;

(b) in the long line, after the words “such banking institution or”, the words “company or” shall be inserted;

(c) in the *Explanation*, after clause (vi), the following clause shall be inserted, namely:—

‘(via) “strategic disinvestment” shall have the meaning assigned to it in clause (iii) of the *Explanation* to clause (d) of sub-section (1) of section 72A;’.

Amendment of section 79.

35. In section 79 of the Income-tax Act, in sub-section (1), in the proviso, for the word “seven”, the word “ten” shall be substituted.

Amendment of section 80C.

36. In section 80C of the Income-tax Act, sub-section (7) shall be omitted.

Amendment of section 80CCC.

37. In section 80CCC of the Income-tax Act, in sub-section (3), clause (a) shall be omitted.

Amendment of section 80CCD.

38. In section 80CCD of the Income-tax Act, in sub-section (4), clause (a) shall be omitted.

Insertion of new section 80CCH.

39. After section 80CCG of the Income-tax Act, the following section shall be inserted, namely:—

Deduction in respect of contribution to *Agnipath* Scheme.

‘80CCH. (1) Where an assessee, being an individual enrolled in the *Agnipath* Scheme and subscribing to the *Agniveer* Corpus Fund on or after the 1st day of November, 2022, has in the previous year paid or deposited any amount in his account in the said Fund, he shall be allowed a deduction in the computation of his total income, of the whole of the amount so paid or deposited.

(2) Where the Central Government makes any contribution to the account of an assessee in the *Agniveer* Corpus Fund referred to in sub-section (1), the assessee shall be allowed a deduction in the computation of his total income of the whole of the amount so contributed.

Explanation.—For the purposes of this section,—

(a) “*Agnipath* Scheme” means the scheme for enrolment in Indian Armed Forces introduced *vide* letter No.1(23)2022/D(Pay/Services), dated the 29th December, 2022 of the Government of India in the Ministry of Defence;

(b) “*Agniveer* Corpus Fund” means a fund in which consolidated contributions of all the Agniveers and matching contributions of the Central Government along with interest on both these contributions are held.’.

Amendment of
section 80G.

40. In section 80G of the Income-tax Act,—

(I) in sub-section (2), in clause (a), sub-clauses (ii), (iiic) and (iiid) shall be omitted with effect from the 1st day of April, 2024;

(II) in sub-section (5),—

(A) with effect from the 1st day of October, 2023,—

(i) in the first proviso, for clause (iv), the following clause shall be substituted, namely:—

“(iv) in any other case, where activities of the institution or fund have—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought;

(B) commenced and where no income or part thereof of the said institution or fund has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 or section 11 or section 12 for any previous year ending on or before the date of such application, at any time after the commencement of such activities:”;

(ii) in the second proviso,—

(a) in clause (ii),—

(I) in the opening portion, after the word, brackets and figures “clause (iii)”, the words, brackets, figures and letter “or sub-clause (B) of clause (iv)” shall be inserted;

(2) in sub-clause (b), for item (B), the following shall be substituted, namely:—

“(B) if he is not so satisfied, pass an order in writing,—

(I) in a case referred to in clause (ii) or clause (iii) of the first proviso, rejecting such application and cancelling its approval; or

(II) in a case referred to in sub-clause (B) of clause (iv) of the first proviso, rejecting such application,

after affording it a reasonable opportunity of being heard;”;

(b) for clause (iii), the following clause shall be substituted, namely:—

“(iii) where the application is made under sub-clause (A) of clause (iv) of the said proviso or the application is made under clause (iv) of the said proviso as it stood immediately before its amendment *vide* the Finance Act, 2023, pass an order in writing granting it approval provisionally for a period of three years from the assessment year from which the approval is sought;”;

(B) in the third proviso, for the words “first proviso”, the words “second proviso” shall be substituted.

Amendment of section 80-IAC.

41. In section 80-IAC of the Income-tax Act, in the *Explanation*, in clause (ii), in sub-clause (a), for the figures “2023”, the figures “2024” shall be substituted.

Amendment of section 87.

42. In section 87 of the Income-tax Act,—

(a) in sub-section (1), the figures and letters “, 88, 88A, 88B, 88C, 88D” shall be omitted;

(b) in sub-section (2), the words, figures and letters “or section 88 or section 88A or section 88B or section 88C or section 88D” shall be omitted.

Amendment of section 87A.

43. In section 87A of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of April, 2024, namely:—

“Provided that where the income-tax payable on the total income of the assessee is computed under sub-section (1A) of section 115BAC, this section shall have the effect as if,—

(a) for the words “five hundred thousand rupees”, the words “seven hundred thousand rupees”;

(b) for the words “twelve thousand and five hundred rupees”, the words “twenty-five thousand rupees”

had been substituted.’.

Omission of section 88.

44. Section 88 of the Income-tax Act shall be omitted.

Amendment of section 92BA.

45. In section 92BA of the Income-tax Act, after clause (va), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:—

“(vb) any business transacted between the assessee and other person as referred to in sub-section (4) of section 115BAE”.

Amendment of section 92D.

46. In section 92D of the Income-tax Act, in sub-section (3), for the words “period of thirty days”, at both the places where they occur, the words “period of ten days” shall be substituted.

Amendment of section 94B.

47. In section 94B of the Income-tax Act, with effect from the 1st day of April 2024,—

(i) in sub-section (3), after the words “banking or insurance”, the words “or such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf” shall be inserted;

(ii) in sub-section (5), after clause (ii), the following clause shall be inserted, namely:—

‘(iia) “non-banking financial company” shall have the meaning assigned to it in clause (vii) of the *Explanation* to clause (viiia) of sub-section (1) of section 36;’.

Amendment of section 111A.

48. In section 111A of the Income-tax Act, sub-section (3) shall be omitted.

Amendment of section 112.

49. In section 112 of the Income-tax Act, sub-section (3) shall be omitted.

Amendment of
section
115BAC.

50. In section 115BAC of the Income-tax Act,—

(A) with effect from the 1st day of April, 2024,—

(a) in the marginal heading, for the words “and Hindu undivided family”, the words “, Hindu undivided family and others” shall be substituted;

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

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

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

TABLE

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

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

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

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

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

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

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

“Provided further that in a case where,—

(i) the assessee has not exercised the option under sub-section (5) for any previous year relevant to the assessment year beginning on or before the 1st day of April, 2023;

(ii) the income-tax on the total income of the assessee is computed under sub-section (1A); and

(iii) there is a depreciation allowance in respect of a block of assets which has not been given full effect prior to the assessment year beginning on the 1st day of April, 2024,

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

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

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

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

(ii) whose total income is computed under sub-section (1A),

the conditions contained in sub-section (2) shall be modified to the extent that the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

Explanation.—For the purposes of this sub-section, the term “Unit” shall have the meaning assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005’; 28 of 2005.

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

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

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

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

(i) on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for such assessment year, in case of a person having income from business or profession, and such option once exercised shall apply to subsequent assessment years; or

(ii) along with the return of income to be furnished under sub-section (1) of section 139 for such assessment year, in case of a person not having income referred to in clause (i):

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

Amendment of
section
115BAD.

51. In section 115BAD of the Income-tax Act, in sub-section (1), after the words “provisions of this Chapter,”, the words, figures and letters “other than those mentioned under section 115BAE,” shall be inserted with effect from the 1st day of April, 2024.

Insertion of new
section
115BAE.

52. After section 115BAD of the Income-tax Act, with effect from the 1st day of April, 2024, the following section shall be inserted, namely:—

Tax on income
of certain new
manufacturing
co-operative
societies.

“115BAE. (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, other than those mentioned under section 115BAD, the income-tax payable in respect of the total income of an assessee, being a co-operative society resident in India, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2024, shall, at the option of such assessee, be computed at the rate of fifteen per cent. if the conditions contained in sub-section (2) are satisfied:

Provided that where the total income of the assessee includes any income, which has neither been derived from nor is incidental to, manufacturing or production of an article or thing and in respect of which no specific rate of tax has been provided separately under this Chapter, such income shall be taxed at the rate of twenty-two per cent. and no deduction or allowance in respect of any expenditure or allowance shall be made in computing such income:

Provided further that the income-tax payable in respect of the income, of the assessee deemed so under the second proviso to sub-section (4) shall be computed at the rate of thirty per cent.:

Provided also that the income-tax payable in respect of income, being short term capital gains derived from transfer of a capital asset on which no depreciation is allowable under the Act shall be computed at the rate of twenty-two per cent:

Provided also that where the assessee fails to satisfy the conditions contained in sub-section (2) in any previous year,

the option shall become invalid in respect of the assessment year relevant to that previous year and subsequent assessment years and other provisions of the Act shall apply to the assessee as if the option had not been exercised for the assessment year relevant to that previous year and subsequent assessment years.

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

(a) the cooperative society has been set-up and registered on or after the 1st day of April, 2023, and has commenced manufacturing or production of an article or thing on or before the 31st day of March, 2024 and,—

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

(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, 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 installation of machinery or plant by the person.

Explanation 2.—Where any machinery or plant or any part thereof previously used for any purpose is put to use by the assessee 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 assessee, then, for the purposes of sub-clause (ii), the condition specified therein shall be deemed to have been complied with;

(b) the assessee 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.

Explanation.—For the removal of doubts, it is hereby clarified that the business of manufacture or production of any article or thing shall include the business of generation of electricity, but not include a business of,—

(i) development of computer software in any form or in any media;

(ii) mining;

(iii) conversion of marble blocks or similar items into slabs;

(iv) bottling of gas into cylinder;

(v) printing of books or production of cinematograph film; or

(vi) any other business as may be notified by the Central Government in this behalf;

(c) the total income of the assessee 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 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or under any of the provisions of Chapter VI-A other than the provisions of section 80JJAA;

(ii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in 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 and depreciation referred to in sub-clause (ii) of clause (c) of sub-section (2) shall be deemed to have been 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 assessee to which this section applies 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 assessee more than the ordinary profits which might be expected to arise in such business, the Assessing Officer shall, in computing the profits and gains of such business 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:

Provided further that the amount, being profits in excess of the amount of the profits determined by the Assessing Officer, shall be deemed to be the income of the assessee.

(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, 2024, and such option once exercised shall apply to subsequent assessment years:

Provided that once the option has been exercised for any previous year shall not be allowed to be withdrawn for the same or any other previous year.”.

Amendment of
section 115BB.

53. In section 115BB of the Income-tax Act, for the *Explanation*, the following shall be substituted with effect from the 1st day of April, 2024, namely:—

‘Provided that nothing contained in this section shall apply to income by way of winnings from any online game for the assessment year beginning on or after the 1st day of April, 2024.

Explanation.—For the purposes of this section,—

(i) “horse race” shall have the meaning assigned to it in section 74A;

(ii) “online game” shall have the meaning assigned to it in section 115BBJ.’.

Insertion of new section 115BBJ.

54. After section 115BBI of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2024, namely:—

Tax on winnings from online games.

‘115BBJ. Notwithstanding anything contained in any other provisions of this Act, where the total income of an assessee includes any income by way of winnings from any online game, the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated on net winnings from such online games during the previous year, computed in the manner as may be prescribed, at the rate of thirty per cent.; and

(ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the net winnings referred to in clause (i).

Explanation.—For the purposes of this section,—

(i) “computer resource” shall have the same meaning as assigned to it in clause (e) of the *Explanation* to section 144B;

(ii) “internet” means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that transmits information based on a protocol for controlling such transmission;

(iii) “online game” means a game that is offered on the internet and is accessible by a user through a computer resource including any telecommunication device.’.

Amendment of section 115JC.

55. In section 115JC of the Income-tax Act, for sub-section (5), the following sub-section shall be substituted with effect from the 1st day of April, 2024, namely:—

“(5) The provisions of this section shall not apply to a person, where—

(i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or

(ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.”.

Amendment of section 115JD.

56. In section 115JD of the Income-tax Act, for sub-section (7), the following sub-section shall be substituted with effect from the 1st day of April, 2024, namely:—

“(7) The provisions of this section shall not apply to a person, where—

(i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or

(ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.”.

Amendment of section 115TD.

57. In section 115TD of the Income-tax Act,—

(i) in sub-section (3),—

(a) in clause (ii), in sub-clause (b), for the word “rejected.”, the words “rejected; or” shall be substituted;

(b) after clause (ii), the following clause shall be inserted, namely:—

“(iii) it fails to make an application in accordance with the provisions of clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A, within the period specified in the said clauses or sub-clauses, as the case may be, which expires in the said previous year.”;

(ii) in sub-section (5), in clause (ii), after the word, brackets and figures “clause (ii)”, the words, brackets and figures “clause (ii), or clause (iii),” shall be inserted;

(iii) in the *Explanation*, in clause (i),—

(a) in sub-clause (b), after the word, brackets and figure “sub-section (3);”, the word “or” shall be inserted;

(b) after sub-clause (b), the following sub-clause shall be inserted, namely:—

“(c) the last date for making an application for registration under sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or for making an application for approval under clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10, as the case may be, in a case referred to in clause (iii) of sub-section (3);”.

Amendment of
section 115UA.

58. In section 115UA of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely:—

“(3A) The provisions of sub-sections (1), (2) and (3) shall not apply in respect of any sum referred to in clause (xii) of sub-section (2) of section 56, received by a unit holder from a business trust.”.

Amendment of
section 115UB.

59. In section 115UB of the Income-tax Act, in *Explanation* 1, in clause (a), after the words and figures “Securities and Exchange Board of India Act, 1992 or”, the words, brackets and figures “regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made” shall be inserted.

15 of 1992.

Amendment of
section 116.

60. In section 116 of the Income-tax Act, in clause (cca), after the words “Joint Commissioners of Income-tax”, the words and brackets “or Joint Commissioners of Income-tax (Appeals)” shall be inserted.

Amendment of
section 119.

61. In section 119 of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” and “a Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” and “a Joint Commissioner (Appeals) or a Commissioner (Appeals)” shall respectively be substituted.

Amendment of
section 131.

62. In section 131 of the Income-tax Act, for the words and brackets “, Commissioner (Appeals)”, the words and brackets “, Joint Commissioner (Appeals), Commissioner (Appeals)” shall be substituted.

Amendment of
section 132.

63. In section 132 of the Income-tax Act,—

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The authorised officer may requisition the services of—

(i) any police officer or of any officer of the Central Government, or of both; or

(ii) any person or entity as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed, in this regard,

to assist him for all or any of the purposes specified in sub-section (1) or sub-section (1A) and it shall be the duty of every such officer or person or entity to comply with such requisition.”;

(b) for sub-section (9D), the following sub-section shall be substituted, namely:—

“(9D) The authorised officer may, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, make a reference to,—

(i) a Valuation Officer referred to in section 142A;
or

(ii) any other person or entity or any valuer registered by or under any law for the time being in force, as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed, in this regard,

who shall estimate the fair market value of the property in the manner as may be prescribed, and submit a report of the estimate to the authorised officer or the Assessing Officer, as the case may be, within a period of sixty days from the date of receipt of such reference.”;

(c) for *Explanation 1*, the following *Explanation* shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2022, namely:—

‘Explanation 1.—For the purposes of sub-sections (9A), (9B) and (9D), the last of authorisation for search shall be deemed to have been executed,—

(a) in the case of search, on the conclusion of search as recorded in the last *panchnama* drawn in relation to any person in whose case the warrant of authorisation has been issued; or

(b) in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the authorised officer.’.

Amendment of section 133.

64. In section 133 of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” wherever they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of section 134.

65. In section 134 of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” at both the places where they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of section 135A.

66. In section 135A of the Income-tax Act, in sub-section (2), after the proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2022, namely:—

“Provided further that the Central Government may amend any direction, issued under this sub-section on or before the 31st day of March, 2022, by notification in the Official Gazette.”.

Amendment of section 140B.

67. In section 140B of the Income-tax Act, in sub-section (4), with effect from the 1st day of April, 2022,—

(i) in the opening portion, the words “or, as the case may be, on the amount by which the advance tax paid falls short of the assessed tax,” shall be omitted and shall be deemed to have been omitted;

(ii) in clause (a), in sub-clause (i), after the words “earlier return”, the words “, if any” shall be inserted and shall be deemed to have been inserted.

Amendment of section 142.

68. In section 142 of the Income-tax Act,—

(a) for sub-section (2A), the following sub-section shall be substituted, namely:—

“(2A) If, at any stage of the proceedings before him, the Assessing Officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct the assessee to get either or both of the following, namely:—

(i) to get the accounts audited by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require;

(ii) to get the inventory valued by a cost accountant, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such inventory valuation in the prescribed form duly signed and verified by such cost accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require:

Provided that the Assessing Officer shall not direct the assessee to get the accounts so audited or inventory so valued unless the assessee has been given a reasonable opportunity of being heard.”;

(b) in sub-section (2D),—

(i) for the words, brackets, figure and letter “audit under sub-section (2A) (including the remuneration of the accountant)”, the words, brackets, figure and letter “audit or inventory valuation under sub-section (2A) (including the remuneration of the accountant or the cost accountant, as the case may be)” shall be substituted;

(ii) in the proviso,—

(I) for the words “audit under”, the words “audit or inventory valuation under” shall be substituted;

(II) for the words and brackets “such audit (including remuneration of the accountant)”, the words and brackets “such audit or inventory valuation (including the remuneration of the accountant or the cost accountant, as the case may be)” shall be substituted;

(c) in sub-section (3), after the word “audit”, the words “or inventory valuation” shall be inserted;

(d) after sub-section (4), the following *Explanation* shall be inserted, namely:—

*‘Explanation.—*For the purposes of this section, “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who holds a valid certificate of practice under sub-section (1) of section 6 of the said Act.’

23 of 1959.

Amendment
of section 148.

69. In section 148 of the Income-tax Act, —

(a) for the words “such period, as may be specified in such notice”, the words “a period of three months from the end of the month in which such notice is issued, or such further period as may be allowed by the Assessing Officer on the basis of an application made in this regard by the assessee” shall be substituted;

(b) after the second proviso and before *Explanation 1*, the following proviso shall be inserted, namely:—

“Provided also that any return of income, required to be furnished by an assessee under this section and furnished beyond the period allowed shall not be deemed to be a return under section 139.”.

Amendment
of section 149.

70. In section 149 of the Income-tax Act, in sub-section (I),—

(I) after the second proviso, the following provisos shall be inserted, namely:—

“Provided also that for cases referred to in clauses (i), (iii) and (iv) of *Explanation 2* to section 148, where,—

(a) a search is initiated under section 132; or

(b) a search under section 132 for which the last of authorisations is executed; or

(c) requisition is made under section 132A,

after the 15th day of March of any financial year and the period for issue of notice under section 148 expires on the 31st day of March of such financial year, a period of fifteen days shall be excluded for the purpose of computing the period of limitation as per this section and the notice issued under section 148 in such case shall be deemed to have been issued on the 31st day of March of such financial year:

Provided also that where the information as referred to in *Explanation 1* to section 148 emanates from a statement recorded or documents impounded under section 131 or section 133A, as the case may be, on or before the 31st day of March of a financial year, in consequence of,—

(a) a search under section 132 which is initiated; or

(b) a search under section 132 for which the last of authorisations is executed; or

(c) a requisition made under section 132A,

after the 15th day of March of such financial year, a period of fifteen days shall be excluded for the purpose of computing the period of limitation as per this section and the notice issued under clause (b) of section 148A in such case shall be deemed to have been issued on the 31st day of March of such financial year.”;

(II) in the sixth proviso, for the words “less than seven days”, the words “does not exceed seven days” shall be substituted.

Amendment
of section 151.

71. In section 151 of the Income-tax Act,—

(a) in clause (ii), the words “where there is no Principal Chief Commissioner or Principal Director General,” shall be omitted;

(b) after clause (ii), the following proviso shall be inserted, namely:—

“Provided that the period of three years for the purposes of clause (i) shall be computed after taking into account the period of limitation as excluded by the third or fourth or fifth provisos or extended by the sixth proviso to sub-section (I) of section 149.”.

Amendment
of section 153.

72. In section 153 of the Income-tax Act,—

(I) in sub-section (I),—

(a) in the third proviso, the words “or after” shall be omitted;

(b) after the third proviso, the following proviso shall be inserted, namely:—

“Provided also that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2022, the provisions of this sub-section shall have effect, as if for the words “twenty-one months”, the words “twelve months” had been substituted.”;

(II) in sub-section (IA), for the words “nine months”, the words “twelve months” shall be substituted;

(III) in sub-section (3),—

(a) for the words, brackets and figures “sub-sections (I) and (2)”, the words, brackets, figures and letter “sub-sections (I), (IA) and (2)” shall be substituted;

(b) for the words “Principal Commissioner or Commissioner” at both the places where they occur, the words “Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be,” shall be substituted;

(IV) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) Notwithstanding anything contained in sub-sections (I), (IA), (2) and (3), where an assessment or reassessment is pending on the date of initiation of search under section 132 or making of requisition under section 132A, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections shall,—

(a) in a case where such search is initiated under section 132 or such requisition is made under section 132A;

(b) in the case of an assessee, to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to;

(c) in the case of an assessee, to whom any books of account or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to,

be extended by twelve months.”;

(V) in sub-section (4), for the words, brackets and figures “sub-sections (1), (2) and (3)” at both the places where they occur, the words, brackets, figures and letters “sub-sections (1), (1A), (2), (3) and (3A)” shall be substituted;

(VI) in sub-section (5), for the words “the Principal Commissioner or Commissioner”, the words “the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be,” shall be substituted;

(VII) in sub-section (6),—

(a) in the opening portion, for the words, brackets and figures “sub-sections (1) and (2)”, the words, brackets, figures and letter “sub-sections (1), (1A) and (2)” shall be substituted;

(b) in clause (i), after the words “passed by the”, the words “Principal Chief Commissioner or Chief Commissioner or” shall be inserted;

(VIII) in *Explanation 1*,—

(a) in clause (iv),—

(i) in the opening portion, after the word “audited”, the words “or inventory valued” shall be inserted;

(ii) in sub-clause (a), after the words “such audit”, the words “or inventory valuation” shall be inserted;

(b) in the first proviso, for the words, brackets and figures “sub-sections (1), (2)”, the words, brackets, figures and letter “sub-sections (1), (1A), (2)” shall be substituted.

Amendment of
section 154.

73. In section 154 of the Income-tax Act, in sub-section (2), in clause (b), for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section 155.

74. In section 155 of the Income-tax Act,—

(a) in sub-section (11A), after the words, figures and letter “section 10A or” at both the places where they occur, the words, figures and letters “section 10AA or” shall be inserted with effect from the 1st day of April, 2024;

(b) after sub-section (18), the following sub-section shall be inserted, namely:—

“(19) Where any deduction in respect of any expenditure incurred for the purchase of sugarcane has been claimed by an assessee, being a co-operative society engaged in the business of manufacture of sugar, and such deduction has been disallowed wholly or partly in any previous year commencing on or before the 1st day of April, 2014, the Assessing Officer shall, on the basis of an application made by such assessee in this regard, recompute the total income of the assessee for such previous year after allowing deduction to the extent such expenditure is incurred at a price which is equal to or less than the price fixed or approved by the Government for that previous year, and the provisions of section 154 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 previous year commencing on the 1st day of April, 2022.”;

(c) after sub-section (19) and before the *Explanation*, the following sub-section shall be inserted with effect from the 1st day of October, 2023, namely:—

“(20) Where any income has been included in the return of income furnished by an assessee under section 139 for any assessment year (herein referred to as the relevant assessment year) and tax on such income has been deducted at source and paid to the credit of the Central Government in accordance with the provisions of Chapter XVII-B in a subsequent financial year, the Assessing Officer shall, on an application made by the assessee in such form, as may be prescribed, within a period of two years from the end of the financial year in which such tax was deducted at source, amend the order of assessment or any intimation allowing credit of such tax deducted at source in the relevant assessment year,

and the provisions of section 154 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:

Provided that the credit of such tax deducted at source shall not be allowed in any other assessment year.’.

Amendment of section 158A.

75. In section 158A of the Income-tax Act, in the *Explanation*, for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of section 158AB.

76. In section 158AB of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” wherever they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Substitution of new section for section 170A.

77. For section 170A of the Income-tax Act, the following section shall be substituted, namely:—

Effect of order of tribunal or court in respect of business reorganisation.

‘170A. (1) Notwithstanding anything to the contrary contained in section 139, in a case of business reorganisation, where prior to the date of order of a High Court or tribunal or an Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as order in respect of business reorganisation), as the case may be, any return of income has been furnished by an entity to which such order applies under the provisions of section 139 for any assessment year relevant to the previous year to which such order applies, the successor shall furnish, within a period of six months from the end of the month in which the order was issued, a modified return in such form and manner, as may be prescribed, in accordance with and limited to the said order.

31 of 2016.

(2) Where the assessment or reassessment proceedings for an assessment year relevant to a previous year to which the order in respect of the business reorganisation applies,—

(a) have been completed on the date of furnishing of the modified return in accordance with the provisions of sub-section (1), the Assessing Officer shall pass an order modifying the total income of the relevant assessment year determined in such assessment or reassessment, in accordance with such order and taking into account the modified return so furnished;

(b) are pending on the date of furnishing of the modified return in accordance with the provisions of sub-

section (1), the Assessing Officer shall pass an order assessing or reassessing the total income of the relevant assessment year in accordance with the order of the business reorganisation and taking into account the modified return so furnished.

(3) Save as otherwise provided in this section, in an assessment or reassessment made in respect of an assessment year under this section, all other provisions of this Act shall apply and the tax shall be chargeable at the rate or rates as applicable to such assessment year.

Explanation.—In this section, the expressions—

(i) “business reorganisation” means the reorganisation of business involving the amalgamation or demerger or merger of business of one or more persons;

(ii) “successor” means all resulting companies in a business reorganisation, whether or not the company was in existence prior to such business reorganisation.’.

Amendment of
section 177.

78. In section 177 of the Income-tax Act, in sub-section (2), for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section 189.

79. In section 189 of the Income-tax Act, in sub-section (2), for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section 192A.

80. In section 192A of the Income-tax Act, the second proviso shall be omitted.

Amendment of
section 193.

81. In section 193 of the Income-tax Act, in the proviso, clause (ix) shall be omitted.

Amendment of
section 194B.

82. In section 194B of the Income-tax Act, —

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

“Winnings from lottery or crossword puzzle, etc.”;

(ii) for the words “in an amount exceeding ten thousand rupees”, the words “or from gambling or betting of any form or nature whatsoever, being the amount or the aggregate of amounts exceeding ten thousand rupees during the financial year” shall be substituted;

(iii) after the proviso, the following shall be inserted with effect from the 1st day of July, 2023, namely:—

‘Provided further that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after the 1st day of July, 2023.

Explanation.—For the purposes of this section, “online game” shall have the meaning assigned to it in clause (iii) of the *Explanation* to section 115BBJ.’.

Insertion of new section 194BA.

83. After section 194B of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2023, namely:—

Winnings from online games.

‘194BA. (1) Notwithstanding anything contained in any other provisions of this Act, any person responsible for paying to any person any income by way of winnings from any online game during the financial year shall deduct income-tax on the net winnings in his user account, computed in the manner as may be prescribed, at the end of the financial year at the rates in force:

Provided that in a case where there is a withdrawal from user account during the financial year, the income-tax shall be deducted at the time of such withdrawal on the net winnings comprised in such withdrawal, as well as on the remaining amount of net winnings in the user account, computed in the manner as may be prescribed, at the end of the financial year.

(2) In a case where the net winnings are wholly in kind or partly in cash, and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the net winnings, the person responsible for paying shall, before releasing the winnings, ensure that tax has been paid in respect of the net winnings.

(3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purposes of removing the difficulty.

(4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the person liable to deduct income-tax.

Explanation.— For the purposes of this section—

(a) “computer resource”, “internet” and “online game” shall have the meanings respectively assigned to them in section 115BBJ;

(b) “online gaming intermediary” means an intermediary that offers one or more online games;

(c) “user” means any person who accesses or avails any computer resource of an online gaming intermediary;

(d) “user account” means account of a user registered with an online gaming intermediary.’.

Amendment of
section 194BB.

84. In section 194BB of the Income-tax Act, for the words “in an amount exceeding ten thousand rupees”, the words “, being the amount or aggregate of amounts exceeding ten thousand rupees during the financial year,” shall be substituted.

Amendment of
section 194N.

85. In section 194N of the Income-tax Act, after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that where the recipient is a co-operative society, the provisions of this section shall have effect, as if for the words “one crore rupees”, the words “three crore rupees” had been substituted.”.

Amendment of
section 194R.

86. In section 194R of the Income-tax Act, the *Explanation* shall be numbered as *Explanation 1* thereof, and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

“*Explanation 2.*—For the removal of doubts, it is clarified that the provisions of sub-section (1) shall apply to any benefit or perquisite, whether in cash or in kind or partly in cash and partly in kind.”.

Amendment of
section 196A.

87. In section 196A of the Income-tax Act, in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that where an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A applies to the payee and if the payee has furnished a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A, as the case may be, then, income-tax thereon shall be deducted at the rate of twenty per cent. or at the rate or rates of income-tax provided in such agreement for such income, whichever is lower.”.

Amendment of
section 197.

88. In section 197 of the Income-tax Act, in sub-section (1), after the figures and letters “194LA,”, the figures and letters “194LBA,” shall be inserted.

Amendment of
section 206AB.

89. In section 206AB of the Income-tax Act, in sub-section (3), for the proviso, the following proviso shall be substituted, namely:—

“Provided that the specified person shall not include—

(i) a non-resident who does not have a permanent establishment in India; or

(ii) a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.”

Amendment of
section 206C.

90. In section 206C of the Income-tax Act, in sub-section (1G), with effect from the 1st day of July, 2023,—

(i) in the long line, for the word, “five”, the word “twenty” shall be substituted;

(ii) in the first proviso, for the words, “and is for a purpose other than purchase of overseas tour program package”, the words “and is for the purposes of education or medical treatment” shall be substituted;

(iii) in the second proviso, for the words “is for a purpose other than purchase of overseas tour program package”, the words “is for the purposes of education or medical treatment” shall be substituted.

Amendment of
section
206CCA.

91. In section 206CCA of the Income-tax Act, in sub-section (3), for the proviso, the following proviso shall be substituted, namely:—

“Provided that the specified person shall not include—

(i) a non-resident who does not have a permanent establishment in India; or

(ii) a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.”

Amendment of
section 241A.

92. In section 241A of the Income-tax Act, the following proviso shall be inserted, namely:—

“Provided that the provisions of this section shall not apply from the 1st day of April, 2023.”.

Amendment of
section 244A.

93. In section 244A of the Income-tax Act,—

(a) in sub-section (1), in clause (a), after sub-clause (ii), the following proviso shall be inserted with effect from the 1st day of October, 2023, namely:—

“Provided that where refund arises as a result of an order passed by the Assessing Officer in consequence of an application made by the assessee under sub-section (20) of section 155, such interest shall be calculated at the rate of one-half per cent. for every month or part of a month comprised in the period from the date of such application to the date on which the refund is granted;”;

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

“Provided that where proceedings for assessment or reassessment are pending in respect of an assessee, in computing the period for determining the additional interest payable to such assessee under this sub-section, the period beginning from the date on which such refund is withheld by the Assessing Officer in accordance with and subject to provisions of sub-section (2) of section 245 and ending with the date on which such assessment or reassessment is made, shall be excluded.”.

Substitution of
new section for
section 245.

94. For section 245 of the Income-tax Act, the following section shall be substituted, namely:—

Set off and
withholding of
refunds in
certain cases.

“245. (1) Where under any of the provisions of this Act, a refund becomes due or is found to be due to any person, the Assessing Officer or Commissioner or Principal Commissioner or Chief Commissioner or Principal Chief Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded or any part of that amount, against the sum, if any, remaining payable under this Act by the person to whom the refund is due, after giving an intimation in writing to such person of the action proposed to be taken under this sub-section.

(2) Where a part of the refund is set off under the provisions of sub-section (1), or where no such amount is set off, and refund becomes due to a person, and the Assessing Officer, having regard to the fact that proceedings for assessment or reassessment are pending in the case of such

person, is of the opinion that the grant of refund is likely to adversely affect the revenue, he may, for reasons to be recorded in writing and with the previous approval of the Principal Commissioner or the Commissioner, as the case may be, withhold the refund up to the date on which such assessment or reassessment is made.”.

Amendment
of section 245D.

95. In section 245D of the Income-tax Act, in sub-section (9), for clause (iv), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of February, 2021, namely:—

“(iv) where the time-limit for amending any order or filing of rectification application under sub-section (6B) expires on or after the 1st day of February, 2021, but before the 1st day of February, 2022, such time-limit shall be extended to the 30th day of September, 2023.”.

Amendment
of section
245MA.

96. In section 245MA of the Income-tax Act, in sub-section (4), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the Central Government may amend any direction, issued under this sub-section on or before the 31st day of March, 2023, by notification in the Official Gazette.”.

Amendment
of section
245R.

97. In section 245R of the Income-tax Act, in sub-section (10), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the Central Government may amend any direction, issued under this sub-section on or before the 31st day of March, 2023, by notification in the Official Gazette.”.

Amendment of
Chapter XX.

98. In Chapter XX of Income-tax Act,—

(a) for the sub-heading “A.—Appeals to the Deputy Commissioner (Appeals) and Commissioner (Appeals)”, the sub-heading “A.—Appeals to the Joint Commissioner (Appeals) and Commissioner (Appeals)” shall be substituted;

(b) for section 246, the following section shall be substituted, namely:—

Appealable
orders before
Joint

‘246. (1) Any assessee aggrieved by any of the following orders of an Assessing Officer (below the rank

Commissioner
(Appeals).

of Joint Commissioner) may appeal to the Joint Commissioner (Appeals) against—

(a) an order being an intimation under sub-section (1) of section 143, where the assessee objects to the making of adjustments, or any order of assessment under sub-section (3) of section 143 or section 144, where the assessee objects to the amount of income assessed, or to the amount of tax determined, or to the amount of loss computed, or to the status under which he is assessed;

(b) an order of assessment, reassessment or recomputation under section 147;

(c) an order being an intimation under sub-section (1) of section 200A;

(d) an order under section 201;

(e) an order being an intimation under sub-section (6A) of section 206C;

(f) an order under sub-section (1) of section 206CB;

(g) an order imposing a penalty under Chapter XXI; and

(h) an order under section 154 or section 155 amending any of the orders mentioned in clauses (a) to (g):

Provided that no appeal shall be filed before the Joint Commissioner (Appeals) if an order referred to in this sub-section is passed by or with the prior approval of, an income-tax authority above the rank of Deputy Commissioner.

(2) Where any appeal filed against an order referred to in sub-section (1) is pending before the Commissioner (Appeals), the Board or an income-tax authority so authorised by the Board in this regard, may transfer such appeal and any matter arising out of or connected with such appeal and which is so pending, to the Joint Commissioner (Appeals) who may proceed with such appeal or matter, from the stage at which it was before, it was so transferred.

(3) Notwithstanding anything contained in sub-section (1) and sub-section (2), the Board or an income-tax authority so authorised by the Board in this regard, may transfer any appeal which is pending before a Joint Commissioner (Appeals) and any matter arising out of or connected with such appeal and which is so pending, to the Commissioner (Appeals) who may proceed with such appeal or matter, from the stage at which it was before, it was so transferred.

(4) Where an appeal is transferred under the provisions of sub-section (2) or sub-section (3), the appellant shall be given an opportunity of being reheard.

(5) For the purposes of disposal of appeal by the Joint Commissioner (Appeals), the Central Government may make a scheme, by notification in the Official Gazette, so as to dispose of appeals in an expedient manner with transparency and accountability, by eliminating the interface between the Joint Commissioner (Appeals) and the appellant, in the course of appellate proceedings to the extent technologically feasible and direct that any of the provisions of this Act relating to jurisdiction and procedure for disposal of appeals by the Joint Commissioner (Appeals), shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification.

(6) For the purposes of sub-section (1), the Board may specify that the provisions of that sub-section shall not apply to any case or any class of cases.

Explanation.—For the purposes of this section, “status” means the category under which the assessee is assessed as “individual”, “Hindu undivided family” and so on.’.

Amendment of
section 249.

99. In section 249 of the Income-tax Act,—

(a) in sub-section (1), in the opening portion, after the figures, letters and words “1st day of October, 1998”, the words, brackets, figures and letters “or to the Joint Commissioner (Appeals) on or after the 1st day of April, 2023,” shall be inserted;

(b) in sub-section (3), for the words and brackets “Commissioner (Appeals)”, the words and brackets “Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted;

(c) in sub-section (4), in the proviso, for the words and brackets “Commissioner (Appeals)”, the words and brackets “Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section 250.

100. In section 250 of the Income-tax Act,—

(a) in sub-sections (1), (3), (4), (5), (6) and (7), for the words and brackets “Commissioner (Appeals)” wherever they occur, the words and brackets “Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted;

(b) for sub-section (6A), the following sub-section shall be substituted, namely:—

“(6A) In every appeal, the Joint Commissioner (Appeals) or the Commissioner (Appeals), as the case may be, where it is possible, may hear and decide such appeal within a period of one year from the end of the financial year in which such appeal is filed before him under sub-section (1) or transferred to him under sub-section (2) or sub-section (3) of section 246 or filed before him under sub-section (1) of section 246A, as the case may be.”;

(c) in sub-section (6C), after the proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2022, namely:—

“Provided further that the Central Government may amend any direction, issued under this sub-section on or before the 31st day of March, 2022, by notification in the Official Gazette.”.

Amendment of
section 251.

101. In section 251 of the Income-tax Act,—

(i) for the marginal heading, the following marginal heading “Powers of the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted;

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

“(1A) In disposing of an appeal, the Joint Commissioner (Appeals) shall have the following powers—

(a) in an appeal against an order of assessment, he may confirm, reduce, enhance or annul the assessment;

(b) in an appeal against an order imposing a penalty, he may confirm or cancel such order or vary it so as either to enhance or to reduce the penalty;

(c) in any other case, he may pass such orders in the appeal as he thinks fit.”;

(iii) in sub-section (2), for the words and brackets “Commissioner (Appeals)”, the words and brackets “Joint Commissioner (Appeals) or the Commissioner (Appeals), as the case may be,” shall be substituted;

(iv) in the *Explanation*,—

(a) for the words and brackets “an appeal, the Commissioner (Appeals),”, the words and brackets “an appeal, the Joint Commissioner (Appeals) or the Commissioner (Appeals),” shall be substituted;

(b) for the words and brackets “raised before the Commissioner (Appeals)”, the words and brackets “raised before the Joint Commissioner (Appeals) or the Commissioner (Appeals), as the case may be,” shall be substituted.

Amendment
of section 253.

102. In section 253 of the Income-tax Act,—

(a) in sub-section (1),—

(A) in clause (a), after the word, figures and letter “section 271A,”, the words, figures and letters “section 271AAB, section 271AAC, section 271AAD,” shall be inserted;

(B) after clause (a), the following clause shall be inserted, namely:—

“(aa) an order passed by a Joint Commissioner (Appeals) under section 154, section 250, section 270A, section 271, section 271A, section 271AAC, section 271AAD or section 271J; or”;

(C) for clause (c), the following clause shall be substituted, namely:—

“(c) an order passed by,—

(i) a Principal Commissioner or Commissioner under section 12AA or section 12AB or under clause (vi) of sub-section (5) of section 80G or under section 263 or under section 270A or under section 271 or under section 272A or an order passed by him under section 154 amending any such order; or

(ii) a Principal Chief Commissioner or Chief Commissioner or a Principal Director General or Director General or a Principal Director or Director under section 263 or under section 272A or an order passed by him under section 154 amending any such order; or”;

(b) in sub-section (2), for the words and brackets “Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted;

(c) in sub-section (4),—

(i) for the words and brackets “against the order of the Commissioner (Appeals)”, the words “against an order” shall be substituted;

(ii) for the words and brackets “any part of the order of the Commissioner (Appeals)”, the words “any part of such order” shall be substituted.

Amendment of section 264.

103. In section 264 of the Income-tax Act, in sub-section (4), for the words and brackets “the Commissioner (Appeals)” wherever they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of section 267.

104. In section 267 of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of section 269SS.

105. In section 269SS of the Income-tax Act,—

(a) after the second proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided also that the provisions of this section shall have effect, as if for the words “twenty thousand rupees”,

the words “two lakh rupees” had been substituted in the case of any deposit or loan where,—

(a) such deposit is accepted by a primary agricultural credit society or a primary co-operative agricultural and rural development bank from its member; or

(b) such loan is taken from a primary agricultural credit society or a primary co-operative agricultural and rural development bank by its member.”;

(b) in the *Explanation*, for clause (ii), the following clause shall be substituted, namely:—

‘(ii) “co-operative bank”, “primary agricultural credit society” and “primary co-operative agricultural and rural development bank” shall have the meanings respectively assigned to them in the *Explanation* to sub-section (4) of section 80P;’.

Amendment
of section 269T.

106. In section 269T of the Income-tax Act,—

(a) after the second proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided also that the provisions of this section shall have effect, as if for the words “twenty thousand rupees”, the words “two lakh rupees” had been substituted in the case of any deposit or loan where,—

(a) such deposit is paid by a primary agricultural credit society or a primary co-operative agricultural and rural development bank to its member; or

(b) such loan is repaid to a primary agricultural credit society or a primary co-operative agricultural and rural development bank by its member.”;

(b) in the *Explanation*, for clause (ii), the following clause shall be substituted, namely:—

‘(ii) “co-operative bank”, “primary agricultural credit society” and “primary co-operative agricultural and rural development bank” shall have the meanings respectively assigned to them in *Explanation* to sub-section (4) of section 80P;’.

Amendment of
section 270A.

107. In section 270A of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” wherever they occur, the

words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section 270AA.

108. In section 270AA of the Income-tax Act, in sub-section (6), after the words “No appeal under”, the words and figures “section 246 or” shall be inserted.

Amendment of
section 271.

109. In section 271 of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” wherever they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section 271A.

110. In section 271A of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section
271AAC.

111. In section 271AAC of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment of
section
271AAD.

112. In section 271AAD of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” at both the places where they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment
of section
271C.

113. In section 271C of the Income-tax Act, in sub-section (I), —

(A) in clause (b),—

(I) for the words “pay the whole”, the words “pay or ensure payment of, the whole” shall be substituted;

(II) in sub-clause (i), the word “or” shall be omitted;

(III) after sub-clause (ii), the following sub-clauses shall be inserted, namely:—

“(iii) the first proviso to sub-section (I) of section 194R; or

(iv) the proviso to sub-section (I) of section 194S; or”;

(IV) after sub-clause (iv) as inserted by the Finance Act, 2023, the following sub-clause shall be inserted with effect from the 1st day of July, 2023, namely:—

“(v) sub-section (2) of section 194BA,”;

(B) in the long line, after the words “deduct or pay”, the words “or ensure payment of,” shall be inserted.

Amendment of
section
271FAA.

114. Section 271FAA of the Income-tax Act shall be renumbered as sub-section (I) thereof and in sub-section (I) as so renumbered, for the long line, the following shall be substituted, namely:—

“then, the prescribed income-tax authority under sub-section (I) of section 285BA may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.

(2) Where in the case of a person, referred to in clause (k) of sub-section (I) of section 285BA, who is required to furnish a statement under that section (herein referred to as the reporting financial institution) provides inaccurate information in the statement and the inaccuracy in such statement is due to false or inaccurate information furnished by the holder or holders of the relevant reportable account or accounts, the prescribed income-tax authority under sub-section (I) of section 285BA, shall direct that the reporting financial institution shall, in addition to the penalty under sub-section (I), if any, pay a sum of five thousand rupees for every inaccurate reportable account and the reporting financial institution shall be entitled to recover the sum so paid on behalf of such reportable account holder, or to retain out of any moneys that may be in its possession, or may come to it from every such reportable account holder, an amount equal to the sum so paid.”.

Amendment of
section 271J.

115. In section 271J of the Income-tax Act, for the words and brackets “the Commissioner (Appeals)” at both the places where they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

Amendment
of section 274.

116. In section 274 of the Income-tax Act, in sub-section (2B), after the proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2022, namely:—

“Provided further that the Central Government may amend any direction, issued under this sub-section on or before the 31st day of March, 2022, by notification in the Official Gazette.”.

Amendment of
section 275.

117. In section 275 of the Income-tax Act,—

(a) for the words and brackets “the Commissioner (Appeals)” wherever they occur, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted;

(b) for the words and brackets “to the Commissioner (Appeals)” wherever they occur, the words and brackets “to the Joint Commissioner (Appeals) or to the Commissioner (Appeals)” shall be substituted.

Amendment of
section 276A.

118. In section 276A of the Income-tax Act, after the proviso, the following proviso shall be inserted, namely:—

“Provided further that no proceeding shall be initiated under this section on or after the 1st day of April, 2023.”.

Amendment
of section 276B.

119. In section 276B of the Income-tax Act,—

(A) in the opening portion, the words “pay to the credit of the Central Government” shall be omitted;

(B) in clause (a), for the words “the tax deducted”, the words “pay to the credit of the Central Government, the tax deducted” shall be substituted;

(C) for clause (b), the following clause shall be substituted, namely:—

‘(b) “pay tax or ensure payment of tax to the credit of the Central Government, as required by or under—

(i) sub-section (2) of section 115-O;

(ii) the proviso to section 194B;

(iii) the first proviso to sub-section (1) of section 194R;

(iv) the proviso to sub-section (1) of section 194S;
or’;

(D) after sub-clause (iv) of clause (b) as substituted by the Finance Act, 2023, the following sub-clause shall be inserted with effect from the 1st day of July, 2023, namely:—

“(v) sub-section (2) of section 194BA,”.

Amendment of
section 279.

120. In section 279 of the Income-tax Act, in sub-section (1), for the words and brackets “or Commissioner (Appeals)”, the words and brackets “or Joint Commissioner (Appeals) or Commissioner (Appeals)” shall be substituted.

Amendment of
section 287.

121. In section 287 of the Income-tax Act, in sub-section (2), for the words and brackets “to the Commissioner (Appeals)”, the words and brackets “to the Joint Commissioner (Appeals) or to the Commissioner (Appeals)” shall be substituted.

Amendment of
section 295.

122. In section 295 of the Income-tax Act, in sub-section (2),—

(i) in clause (eec), after the word “audit”, the words “or inventory valuation” shall be inserted;

(ii) in clause (mm), for the words and brackets “the Commissioner (Appeals)”, the words and brackets “the Joint Commissioner (Appeals) or the Commissioner (Appeals)” shall be substituted.

CHAPTER IV

INDIRECT TAXES

Customs

Amendment of
section 25.

123. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 25, in sub-section (4A), after the proviso, the following proviso shall be inserted, namely:— 52 of 1962.

“Provided further that nothing contained in this sub-section shall apply to any such exemption granted to, or in relation to,—

(a) any multilateral or bilateral trade agreement;

(b) obligations under international agreements, treaties, conventions or such other obligations including with respect to United Nations agencies, diplomats and international organisations;

(c) privileges of constitutional authorities;

(d) schemes under the Foreign Trade Policy;

(e) the Central Government schemes having validity of more than two years;

(f) re-imports, temporary imports, goods imported as gifts or personal baggage;

(g) any duty of customs under any law for the time being in force, including integrated tax leviable under sub-section (7) of section 3 of the Customs Tariff Act, 1975, other than duty of customs leviable under section 12.”. 51 of 1975.

Amendment of section 127C.

124. In the Customs Act, in section 127C, after sub-section (8), the following sub-section shall be inserted, namely: —

“(8A) The order under sub-section (5) shall be passed within a period of nine months from the last day of the month in which the application under section 127B is made, and if, no order is passed within the said period, the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending shall dispose of the application in accordance with the provisions of this Act as if no application under the said section had been made:

Provided that the period specified under this sub-section may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months:

Provided further that in respect of any application pending under sub-section (5) as on the date on which the Finance Bill, 2023 receives the assent of the President, the said period of nine months shall be reckoned from the date on which the said Finance Bill receives the assent of the President.”.

Customs tariff

Amendment of sections 9, 9A and 9C.

125. In the Customs Tariff Act, 1975, (hereinafter referred to as the Customs Tariff Act), with effect from the 1st day of January, 1995,— 51 of 1975.

(i) in section 9,—

(a) in sub-section (6), in the first proviso, for the words “in a review”, the words “on consideration of a review” shall be substituted;

(b) in sub-section (7), the words “and determined” shall be omitted;

(ii) in section 9A,—

(a) in sub-section (5), in the first proviso, for the words “in a review”, the words “on consideration of a review” shall be substituted;

(b) in sub-section (6), the words “and determined” shall be omitted;

(iii) in section 9C,—

(a) in sub-section (1), the words “order of” shall be omitted;

(b) in sub-section (2), for the word “order”, the words “determination or review” shall be substituted;

(c) in sub-section (3), for the word “order”, the words “determination or review” shall be substituted;

(d) after sub-section (5), the following *Explanation* shall be inserted, namely:—

‘Explanation.—For the purposes of this section, “determination” or “review” means the determination or review done in such manner as may be specified in the rules made under sections 8B, 9, 9A and 9B.’.

Amendment of
First Schedule.

126. In the Customs Tariff Act, the First Schedule shall— 51 of 1975.

(a) be amended in the manner specified in the Second Schedule;

(b) be also amended in the manner specified in the Third Schedule;

(c) with effect from the 1st May, 2023, be also amended in the manner specified in the Fourth Schedule.

Amendment of
Second
Schedule.

127. In the Customs Tariff Act, the Second Schedule shall, with effect from the 1st May, 2023, be amended in the manner specified in the Fifth Schedule.

Central Goods and Services Tax

Amendment of
section 10.

128. In the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in section 10,—

12 of 2017.

(a) in sub-section (2), in clause (d), the words “goods or” shall be omitted;

(b) in sub-section (2A), in clause (c), the words “goods or” shall be omitted.

Amendment of
section 16.

129. In section 16 of the Central Goods and Services Tax Act, in sub-section (2),—

(i) in the second proviso, for the words “added to his output tax liability, along with interest thereon”, the words and figures “paid by him along with interest payable under section 50” shall be substituted;

(ii) in the third proviso, after the words “made by him”, the words “to the supplier” shall be inserted.

Amendment of
section 17.

130. In section 17 of the Central Goods and Services Tax Act,—

(a) in sub-section (3), in the *Explanation*, for the words and figure “except those specified in paragraph 5 of the said Schedule”, the following shall be substituted, namely:—

“except,—

(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and

(ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule”;

(b) in sub-section (5), after clause (f), the following clause shall be inserted, namely:—

“(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;”.

18 of 2013.

Substitution of new section for section 23.

131. For section 23 of the Central Goods and Services Tax Act, the following section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:—

Persons not liable for registration.

“23. Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24,—

(a) the following persons shall not be liable to registration, namely:—

(i) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act, 2017;

13 of 2017.

(ii) an agriculturist, to the extent of supply of produce out of cultivation of land;

(b) the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.”.

Amendment of section 37.

132. In section 37 of the Central Goods and Services Tax Act, after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period after the expiry of a period of three years from the due date of furnishing the said details:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies for a tax period under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said details.”.

Amendment of section 39.

133. In section 39 of the Central Goods and Services Tax Act, after sub-section (10), the following sub-section shall be inserted, namely:—

“(11) A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return.”.

Amendment of
section 44.

134. Section 44 of the Central Goods and Services Tax Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return:

Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return.”.

Amendment of
section 52.

135. In section 52 of the Central Goods and Services Tax Act, after sub-section (14), the following sub-section shall be inserted, namely:—

“(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.”.

Amendment of
section 54.

136. In section 54 of the Central Goods and Services Tax Act, in sub-section (6), the words “excluding the amount of input tax credit provisionally accepted,” shall be omitted.

Amendment of
section 56.

137. In section 56 of the Central Goods and Services Tax Act, for the words “from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax”, the words “for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed” shall be substituted.

Amendment of
section 122.

138. In section 122 of the Central Goods and Services Tax Act, after sub-section (1A), the following sub-section shall be inserted, namely:—

“(1B) Any electronic commerce operator who—

(i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;

(ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or

(iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act,

shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.”.

Amendment of
section 132.

139. In section 132 of the Central Goods and Services Tax Act, in sub-section (1),—

(a) clauses (g), (j) and (k) shall be omitted;

(b) in clause (l), for the words, brackets and letters “clauses (a) to (k)”, the words, brackets and letters “clauses (a) to (f) and clauses (h) and (i)” shall be substituted;

(c) in clause (iii), for the words “any other offence”, the words, brackets and letter “an offence specified in clause (b),” shall be substituted;

(d) in clause (iv), the words, brackets and letters “or clause (g) or clause (j)” shall be omitted.

Amendment of
section 138.

140. In section 138 of the Central Goods and Services Tax Act,—

(a) in sub-section (1), in the first proviso,—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f), (h), (i) and (l) of sub-section (1) of section 132;”;

(ii) clause (b) shall be omitted;

(iii) for clause (c), the following clause shall be substituted, namely:—

“(c) a person who has been accused of committing an offence under clause (b) of sub-section (1) of section 132;”;

(iv) clause (e) shall be omitted;

(b) in sub-section (2), for the words “ten thousand rupees or fifty per cent. of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the tax, whichever is higher”, the words “twenty-five per cent. of the tax involved and the maximum amount not being more than one hundred per cent. of the tax involved” shall be substituted.

Insertion of new
section 158A.

141. After section 158 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:—

Consent based
sharing of
information
furnished by
taxable person.

“158A. (1) Notwithstanding anything contained in sections 133, 152 and 158, the following details furnished by a registered person may, subject to the provisions of sub-section (2), and on the recommendations of the Council, be shared by the common portal with such other systems as may be notified by the Government, in such manner and subject to such conditions as may be prescribed, namely:—

(a) particulars furnished in the application for registration under section 25 or in the return filed under section 39 or under section 44;

(b) the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies

furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68;

(c) such other details as may be prescribed.

(2) For the purposes of sharing details under sub-section (1), the consent shall be obtained, of —

(a) the supplier, in respect of details furnished under clauses (a), (b) and (c) of sub-section (1); and

(b) the recipient, in respect of details furnished under clause (b) of sub-section (1), and under clause (c) of sub-section (1) only where such details include identity information of the recipient,

in such form and manner as may be prescribed.

(3) Notwithstanding anything contained in any law for the time being in force, no action shall lie against the Government or the common portal with respect to any liability arising consequent to information shared under this section and there shall be no impact on the liability to pay tax on the relevant supply or as per the relevant return.”.

Retrospective exemption to certain activities and transactions in Schedule III to the Central Goods and Services Tax Act.

142. (1) In Schedule III to the Central Goods and Services Tax Act, paragraphs 7 and 8 and the *Explanation 2* thereof (as inserted *vide* section 32 of Act 31 of 2018) shall be deemed to have been inserted therein with effect from the 1st day of July, 2017. 12 of 2017.

(2) No refund shall be made of all the tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Integrated Goods and Services Tax

Amendment of section 2.

143. In the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the Integrated Goods and Services Tax Act), in section 2,— 13 of 2017.

(a) for clause (16), the following clause shall be substituted, namely:—

“(16) “non-taxable online recipient” means any unregistered person receiving online information and

database access or retrieval services located in taxable territory.

Explanation.—For the purposes of this clause, the expression “unregistered person” includes a person registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act, 2017’;

12 of 2017.

(b) in clause (17), the words “essentially automated and involving minimal human intervention and” shall be omitted.

Amendment of
section 12.

144. In section 12 of the Integrated Goods and Services Tax Act, in sub-section (8), the proviso shall be omitted.

CHAPTER V

MISCELLANEOUS

PART I

AMENDMENTS TO THE GOVERNMENT SAVINGS PROMOTION ACT, 1873

Commencement
of this Part.

145. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of
Act 5 of 1873.

146. In the Government Savings Promotion Act, 1873,—

(a) in section 4A, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) If a depositor dies and no nomination is in force at the time of his death, and the probate of his will or letters of administration of estate or a succession certificate granted under the Indian Succession Act, 1925, or legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction, is not produced within six months from the date of death of the depositor to the Authorised Officer, then, where the eligible balance does not exceed such limit as may be prescribed, the Authorised Officer may, for reasons to be recorded in writing, pay the eligible balance to the person legally entitled to receive it or to administer the estate of the deceased in accordance with such procedure and manner as may be prescribed.”;

39 of 1925.

(b) in section 15, in sub-section (2), for clause (i), the following clause shall be substituted, namely:—

“(i) the limit, procedure and manner under sub-section (4) of section 4A;”;

(c) in the Schedule, in PART A, for serial numbers 7 and 8 and the entries relating thereto, the following shall be substituted, namely:—

“7. Public Provident Fund Scheme

8. National Savings Certificates (VIII Issue) Scheme, 2019

9. Kisan Vikas Patra Scheme, 2019

10. PM CARES for Children Scheme, 2021”.

PART II

AMENDMENT TO THE INDIAN STAMP ACT, 1899

Amendment of
Act 2 of 1899.

147. In the Indian Stamp Act, 1899, in Schedule I, in article 47, in division D, under the heading “*Exemption*”, for the portion beginning with “Policies of life-insurance” and ending with “authority of the Central Government.”, the following shall be substituted, namely:—

“Policies of life insurance—

(a) granted by the Director-General of Post Offices in accordance with the rules for Postal Life-Insurance issued under the authority of the Central Government; and

(b) under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).”.

PART III

AMENDMENT TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

Amendment of
Act 42 of 1956.

148. In the Securities Contracts (Regulation) Act, 1956, in section 18A, after clause (b), the following clause shall be inserted, namely:—

‘(ba) regulated by the International Financial Services Centres Authority established under section 4 of the International Financial Services Centres Authority Act, 2019, in an International Financial Services Centre and issued by a Foreign Portfolio Investor.

50 of 2019.

Explanation.—For the purposes of this clause, the expression “Foreign Portfolio Investor” shall have the meaning assigned to it in clause (u) of rule 2 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 made under section 46 of the Foreign Exchange Management Act, 1999;’. 42 of 1999.

PART IV

AMENDMENTS TO THE CENTRAL SALES TAX ACT, 1956

Substitution of new section for section 19. **149.** In the Central Sales Tax Act, 1956 (hereinafter referred to as the Central Sales Tax Act), for section 19, the following section shall be substituted, namely:— 74 of 1956.

Customs, Excise and Service Tax Appellate Tribunal to function as Authority under this Act. “19. Notwithstanding anything to the contrary contained in this Act or in any other law for the time being in force, the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act, 1962 shall be the Authority under this Act to settle inter-State disputes falling under sections 6A and 9.”. 52 of 1962.

Omission of section 24. **150.** Section 24 of the Central Sales Tax Act shall be omitted.

Amendment of section 25. **151.** In the Central Sales Tax Act, in section 25, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) All appeals filed under section 20 and pending before the erstwhile Authority for Advance Rulings as on the date on which the Finance Bill, 2023 receives the assent of the President shall stand transferred to the Authority referred to in section 19.”.

PART V

AMENDMENTS TO THE PROHIBITION OF *BENAMI* PROPERTY TRANSACTIONS ACT, 1988

Amendment of Act 45 of 1988. **152.** In the Prohibition of *Benami* Property Transactions Act, 1988, with effect from the 1st day of April, 2023,—

(a) in section 2, in clause (18),—

(I) in sub-clause (i), the word “and” occurring at the end shall be omitted;

(II) in sub-clause (ii), the word “and” shall be inserted at the end;

(III) after clause (ii), the following clause shall be inserted, namely:—

“(iii) the High Court within the jurisdiction of which the office of the Initiating Officer is located,—

(a) where the aggrieved party does not ordinarily reside or carry on business or personally work for gain in the jurisdiction of any High Court;

(b) where the Government is the aggrieved party and any of the respondents do not ordinarily reside or carry on business or personally work for gain in the jurisdiction of any High Court;”;

(b) in section 46,—

(i) in sub-section (I), for the words “of the order”, the words “on which such order is received by the Initiating Officer or received by such person,” shall be substituted;

(ii) in sub-section (IA), for the words “of that order”, the words “on which such order is received by such person” shall be substituted.

PART VI

AMENDMENT TO THE FINANCE ACT, 2001

Amendment of
Seventh
Schedule to Act
14 of 2001.

153. In the Finance Act, 2001, the Seventh Schedule shall be amended in the manner specified in the Sixth Schedule.

PART VII

AMENDMENTS TO THE UNIT TRUST OF INDIA (TRANSFER OF UNDERTAKING AND REPEAL) ACT, 2002

Amendment of
Act 58 of 2002.

154. In the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, with effect from the 1st day of April, 2023,—

(a) in section 8, in sub-section (I), for the words “investors, shall”, the words “investors or from such date as may be notified by the Central Government in the Official Gazette, whichever is earlier,” shall be substituted;

(b) in section 13, in sub-section (I), for the figures, letters and words “31st day of March, 2023”, the figures, letters and words “30th day of September, 2023” shall be substituted.

**Declaration under the Provisional Collection of Taxes Act,
1931**

It is hereby declared that it is expedient in the public interest that the provisions of sub-clause (a) of clause 126 and clause 153 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

16 of 1931.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 2,50,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 5 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs.12,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,12,500 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs.10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 3,00,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 | 5 per cent. of the amount by which the total income exceeds Rs. 3,00,000; |

- (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 Rs.10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
- (4) where the total income exceeds Rs. 10,00,000 Rs. 1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 5,00,000 *Nil*;
- (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
- (3) where the total income exceeds Rs. 10,00,000 Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A or the provisions of section 115BAC of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

- (a) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax;
- (b) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding one crore rupees, but not exceeding two crore rupees, at the rate of fifteen per cent. of such income-tax;

(c) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees but not exceeding five crore rupees, at the rate of twenty-five per cent. of such income-tax;

(d) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax; and

(e) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 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 by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed fifteen per cent.:

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of Income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

(a) fifty lakh rupees but not exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(b) one crore rupees but does not exceed two crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(c) two crore rupees but does not exceed five crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees;

(d) five crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount

payable as income-tax and surcharge on a total income of five crore rupees by more than the amount of income that exceeds five crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- (1) where the total income does not exceed Rs.10,000 10 per cent. of the total income;
- (2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs.10,000;
- (3) where the total income exceeds Rs. 20,000 Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated in the case of every co-operative society,—

- (a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax;
- (b) having a total income exceeding ten crore rupees, at the rate of twelve per cent.:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2020-21 does not exceed four hundred crore rupees;

(ii) other than that referred to in item (i) 30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government.

(ii) on the balance, if any, of the total income 40 per cent..

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section

111A or section 112 or 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

(ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194A, 194B, 194BA, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

	Rate of income-tax
1. In the case of a person other than a company—	

(a) where the person is resident in India—

(i) on income by way of interest other than “Interest on securities” 10 per cent.;

(ii) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(iii) on income by way of winnings from horse races 30 per cent.;

(iv) on income by way of winnings from online games 30 per cent.;

(v) on income by way of insurance commission 5 per cent.;

(vi) on income by way of interest payable on— 10 per cent.;

(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;

(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;

(C) any security of the Central or State Government;

(vii) on any other income 10 per cent.;

(b) where the person is not resident in India—

(i) in the case of a non-resident Indian—

(A) on any investment income 20 per cent.;

(B) on income by way of long-term capital gains referred to in section 115E or sub-clause (iii) of clause (c) of sub-section (1) of section 112 10 per cent.;

- (C) on income by way of long-term capital gains referred to in section 112A exceeding one lakh rupees 10 per cent.;
- (D) on other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10] 20 per cent.;
- (E) on income by way of short-term capital gains referred to in section 111A 15 per cent.;
- (F) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent.;
- (G) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India 10 per cent.;
- (H) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(G)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the 10 per cent.;

agreement is in accordance with that policy

- (I) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 10 per cent.;
- (J) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;
- (K) on income by way of winnings from horse races 30 per cent.;
- (L) on income by way of winnings from online games 30 per cent.;
- (M) on the income by way of dividend 20 per cent.;
- (N) on the whole of the other income 30 per cent.;
- (ii) in the case of any other person—
 - (A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent.;
 - (B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a

licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India

- (C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 10 per cent.;
- (D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 10 per cent.;
- (E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;
- (F) on income by way of winnings from horse races 30 per cent.;

- (G) on income by way of winnings from online games 30 per cent.;
- (H) on income by way of short-term capital gains referred to in section 111A 15 per cent.;
- (I) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112 10 per cent.;
- (J) on income by way of long-term capital gains referred to in section 112A exceeding one lakh rupees 10 per cent.;
- (K) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10] 20 per cent.;
- (L) on income by way of dividend 20 per cent.;
- (M) on the whole of the other income 30 per cent.;

2. In the case of a company—

(a) where the company is a domestic company—

- (i) on income by way of interest other than “Interest on securities” 10 per cent.;
- (ii) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;
- (iii) on income by way of winnings from horse races 30 per cent.;
- (iv) on income by way of winnings from online games 30 per cent.;
- (v) on any other income 10 per cent.;

(b) where the company is not a domestic company—

(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(ii) on income by way of winnings from horse races 30 per cent.;

(iii) on income by way of winnings from online games 30 per cent.;

(iv) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent.;

(v) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India 10 per cent.;

(vi) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in with that policy—

(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976 50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976 10 per cent.;

(vii) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976 10 per cent.;

(viii) on income by way of short-term capital gains referred to in section 111A 15 per cent.;

(ix) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112 10 per cent.;

(x) on income by way of long-term capital gains referred to in section 112A exceeding one lakh rupees 10 per cent.;

(xi) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10] 20 per cent.;

(xii) on income by way of dividend 20 per cent.;

(xiii) on any other income 40 per cent.

Explanation.—For the purposes of item 1(b)(i) of this Part, “investment income” and “non-resident Indian” shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for the purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, calculated,—

I. at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

II. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed two crore rupees;

III. at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees but does not exceed five crore rupees;

IV. at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds five crore rupees; and

V. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 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 by way of dividend or income under the provisions of sections 111A, 112 and 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.:

Provided further that where the income of such person is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the rate of surcharge shall not exceed twenty-five per cent.;

(b) in the case of every co-operative society, being a non-resident, calculated,—

I. at the rate of seven per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;

II. at the rate of twelve per cent. where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees;

(c) in the case of every firm, being a non-resident, calculated at the rate of twelve per cent., where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(ii) Item 2 of this Part shall be increased by a surcharge, for the purposes of the Union, in the case of every company other than a domestic company, calculated,—

(a) at the rate of two per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees; and

(b) at the rate of five per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES,
DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE
HEAD “SALARIES” AND COMPUTING “ADVANCE TAX”

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head “Salaries” under section 192 of the said Act or deducted under section 194P of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” [not being “advance tax” in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the said Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such “advance tax” in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BAA or section 115BAB or section 115BAC or section 115BAD or section 115BAE or section 115BB or section 115BBA or section 115BBC or section 115BBE or section 115BBF or section 115BBG or section 115BBH or section 115BBI or section 115BBJ or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|---|--|
| (1) where the total income does not exceed Rs. 2,50,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 5 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 12,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,12,500 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 3,00,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 | 5 per cent. of the amount by which the total income exceeds Rs.3,00,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 10,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs.5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,10,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs.10,00,000; |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- | | |
|---|--|
| where the total income does not exceed Rs. 5,00,000 | <i>Nil</i> ; |
| where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| where the total income exceeds Rs.10,00,000 | Rs. 1,00,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000; |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or

every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

(a) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax; and

(b) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding one crore rupees but not exceeding two crore rupees, at the rate of fifteen per cent. of such income-tax;

(c) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees but not exceeding five crore rupees, at the rate of twenty-five per cent. of such income-tax;

(d) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax; and

(e) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) 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 by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of Income-tax computed in respect of that part of income shall not exceed fifteen per cent.:

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of Income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

(a) fifty lakh rupees but not exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(b) one crore rupees but does not exceed two crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(c) two crore rupees but does not exceed five crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees;

(d) five crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of five crore rupees by more than the amount of income that exceeds five crore rupees;

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- (1) where the total income does not exceed Rs.10,000 10 per cent. of the total income;
- (2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
- (3) where the total income exceeds Rs. 20,000 Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purpose of the Union, calculated in the case of every co-operative society,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax;

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent.:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees:

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section

111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

- (i) where its total turnover or the gross receipt in the previous year 2021-2022 does not exceed four hundred crore rupees; 25 per cent. of the total income;
- (ii) other than that referred to in item (i) 30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

- (i) on so much of the total income as consists of,— 50 per cent.,
 - (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or
 - (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

- (ii) on the balance, if any, of the total income 40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated,—

- (i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

- (ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV

[See section 2(13)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act

under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3), (3A) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head “Profits and gains of business or profession” and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3), (3A) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from house property” and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules,

1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2023, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021, or the 1st day of April, 2022, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2021 or the 1st day of April, 2022,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2022,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2023.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2024, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, is a loss, then, for the purposes of sub-section (10) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year

commencing on the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the or the 1st day of April, 2022 or the 1st day of April, 2023,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2023,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2023,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2024.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the First Schedule to the Finance Act, 2015 (20 of 2015) or the First Schedule to the Finance Act, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) or the First Schedule to the Finance Act, 2018 (13 of 2018) or the First Schedule of the Finance (No. 2) Act, 2019 (23 of 2019) or the First Schedule of the Finance Act, 2020 (12 of 2020) or the First Schedule of the Finance Act, 2021 (13 of 2021) or the First Schedule of the Finance Act, 2022 (6 of 2022) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 9.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be nil.

Rule 10.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net

agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

[See section 126 (a)]

In the First Schedule to the Customs Tariff Act,—

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(1) in Chapter 29,—

(i) for the entry in column (4) occurring against tariff item 2902 50 00, the entry “2.5%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 2903 21 00, the entry “2.5%” shall be substituted;

(2) in Chapter 40, for the entry in column (4) occurring against all the tariff items of heading 4005, the entry “25% or Rs. 30 per kg., whichever is lower” shall be substituted;

(3) in Chapter 71,—

(i) for the entry in column (4) occurring against all the tariff items of headings 7113 and 7114, the entry “25%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 7117, the entry “25% or Rs. 600 per kg., whichever is higher” shall be substituted;

(4) in Chapter 84, for the entry in column (4) occurring against tariff item 8414 60 00, the entry “15%” shall be substituted;

(5) in Chapter 87, for the entry in column (4) occurring against tariff item 8712 00 10, the entry “35%” shall be substituted;

(6) in Chapter 95, for the entry in column (4) occurring against all the tariff items of heading 9503, the entry “70%” shall be substituted.

THE THIRD SCHEDULE

[See section 126 (b)]

In the First Schedule to the Customs Tariff Act,—

- (1) in Chapter 40, for the entry in column (4) occurring against tariff item 4011 30 00, the entry “2.5%” shall be substituted;
- (2) in Chapter 71,—
 - (i) for the entry in column (4) occurring against all the tariff items of heading 7106, the entry “10%” shall be substituted;
 - (ii) for the entry in column (4) occurring against tariff item 7107 00 00, the entry “10%” shall be substituted;
 - (iii) for the entry in column (4) occurring against all the tariff items of heading 7108, the entry “10%” shall be substituted;
 - (iv) for the entry in column (4) occurring against tariff item 7109 00 00, the entry “10%” shall be substituted;
 - (v) for the entry in column (4) occurring against tariff items 7110 11 10, 7110 11 20, 7110 19 00, 7110 21 00, 7110 29 00, 7110 41 00 and 7110 49 00, the entry “10%” shall be substituted;
 - (vi) for the entry in column (4) occurring against tariff item 7111 00 00, the entry “10%” shall be substituted;
 - (vii) for the entry in column (4) occurring against all the tariff items of heading 7112, the entry “10%” shall be substituted;
 - (viii) for the entry in column (4) occurring against all the tariff items of heading 7118, the entry “10%” shall be substituted;
- (3) in Chapter 88, for the entry in column (4) occurring against tariff items 8802 20 00, 8802 30 00 and 8802 40 00, the entry “2.5%” shall be substituted;
- (4) in Chapter 98,—
 - (a) in heading 9801, in column (2),—
 - (i) for item (3), the following item shall be substituted, namely:—
“(3) Power project, other than solar power plant or solar power project”;
 - (ii) in item (6), for the words “Such other projects”, the words “Such other projects, other than solar power plant or solar power project,” shall be substituted;
 - (b) in sub-heading 9801 00, in column (2), —
 - (i) for item (3), the following item shall be substituted, namely:—
“(3) power project, other than solar power plant or solar power project”;
 - (ii) in item (6), for the words “such other projects”, the words “such other projects, other than solar power plant or solar power project,” shall be substituted;
 - (c) for the entry in column (2) occurring against tariff item 9801 00 13, the following entry shall be substituted, namely:—
“---- For power project, other than solar power plant or solar power project”;

(d) for the entry in column (2) occurring against tariff item 9801 00 19, the following entry shall be substituted, namely:—

“---- For other projects, other than solar power plant or solar power project”.

THE FOURTH SCHEDULE

[See section 126 (c)]

In the First Schedule to the Customs Tariff Act,—

(1) in the General Explanatory Notes, in paragraph 1, after the portion beginning with the words ‘Where the description of an article or group of articles’ and ending with the words ‘the article or group of articles which has “-” or “--”’, the following shall be inserted, namely:—

‘Where the description of an article or group of articles is preceded by “----”, ‘in addition to being a sub-classification of “-” or “--”, the said article or group of articles may also be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has “---”.’;

(2) for the List of Abbreviations Used, the following shall be substituted, namely:—

“LIST OF ABBREVIATIONS USED

Abbreviations	For
AC	Alternating Current
Amps	Ampere(s)
ASTM	American Society for Testing Materials
Bq	Becquerel(s)
Bq/g	Becquerel(s) per gram
°C	Degree(s) Celsius
cc	Cubic centimetre(s)
cg	Centigram(s)
Ci/g	Curie per gram
C.I.F.	Cost, Insurance and Freight
c/k	Carats (1 metric carat = 2 x 10 ⁻⁴ kg)
cm	Centimetre(s)
cm ²	Square centimetre(s)
cm ³	Cubic centimetre(s)
cN	Centinewton(s)
DC	Direct Current
dyne/cm	Dyne per centimetre
g	Gram(s)
g/cm ³	Gram per cubic centimetre
g/m ²	Gram per square metre
gi F/S	Gram of fissile isotopes
g.v.w.	Gross vehicle weight
Gy	Gray
HP	Horse Power
Hz	Hertz
IR	Infra-red
K	Kelvin
kcal	Kilocalorie(s)
kcal/kg	Kilocalorie(s) per kilogram
kg	Kilogram(s)

kgf	Kilogram force
kN	Kilonewton(s)
kN/m	Kilonewton(s) per metre
kPa	Kilopascal(s)
kPa. m ² /g	Kilopascal square metre per gram
kV	Kilovolt(s)
kVA	Kilovolt(s) - ampere(s)
kvar	Kilovolt(s) - ampere(s) - reactive
kW	Kilowatt(s)
kWh	Kilowatt hours
l	Litre(s)
m	Metre(s)
<i>m</i> -	Meta-
m ²	Square metre(s)
m ³	Cubic metre(s)
m ³ /h	Cubic metre(s) per hour
μCi	Microcurie
mm	Millimetre
mN	Millinewton(s)
mPa	Millipascal(s)
mT	Metric tonne
MW	Megawatt(s)
N	Newton(s)
N/m	Newton(s) per metre
No.	Number
<i>o</i> -	Ortho-
<i>p</i> -	Para-
pa	Number of pairs
RAD	Radiation absorbed dose
Rs.	Rupees
sq.	Square
SWG	Standard wire gauge
t	Tonne(s)
Tu	Thousand in number
u	Number
US\$	US Dollar
UV	Ultra-violet
V	Volt(s)
vol.	Volume
W	Watt(s)
%	Percent
x°	X degree(s)
1000 kWh	1000 kilowatt hours”;

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(3) in Chapter 3,—

(i) in heading 0302,—

(a) for sub-heading 0302 91, tariff item 0302 91 10 and the entries relating thereto, the following shall be substituted, namely:—

“0302 91 00 -- Livers, roes and milt kg. 30% -”;

(b) for sub-heading 0302 92, tariff item 0302 92 10 and the entries relating thereto, the following shall be substituted, namely:—

“0302 92 00 -- Shark fins kg. 30% -”;

(ii) in heading 0303, for sub-heading 0303 92, tariff item 0303 92 10 and the entries relating thereto, the following shall be substituted, namely:—

“0303 92 00 -- Shark fins kg. 30% -”;

(iii) in heading 0307, after tariff item 0307 43 30 and the entries relating thereto, the following shall be inserted, namely:—

“0307 43 90 --- Other kg. 30% -”;

(iv) in heading 0308, after tariff item 0308 30 20 and the entries relating thereto, the following shall be inserted, namely:—

“0308 30 90 --- Other kg. 30% -”;

(4) in Chapter 4, in heading 0406, for tariff item 0406 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“0406 10 - Fresh (unripened or uncured) cheese, including whey cheese, and curd

0406 10 10 --- Mozzarella cheese kg. 30% -

0406 10 90 --- Other kg. 30% -”;

(5) in Chapter 9, in heading 0910, for tariff items 0910 99 29 to 0910 99 39 and the entries relating thereto, the following shall be substituted, namely:—

“0910 99 29 ---- Other kg. 30% -

0910 99 30 --- Husk kg. 30% -”;

(6) in Chapter 10, in heading 1008,—

(i) after tariff item 1008 21 30 and the entries relating thereto, the following shall be inserted, namely:—

“1008 21 40 --- Barnyard (*Echinochloa esculenta* (L.)) kg. 50% -

1008 21 50 --- Proso (*Panicum miliaceum* (L.)) kg. 50% -

1008 21 60 --- Foxtail (*Setaria italica* (L.)) kg. 50% -

1008 21 70	---	Kodo (<i>Paspalum scrobiculatum</i> (L.))	kg.	50%	-
1008 21 80	---	Little (<i>Panicum sumatrense</i> (L.))	kg.	50%	-
	---	Other :			
1008 21 91	----	Amaranth (<i>Amaranthus</i> (L.))	kg.	50%	-
1008 21 99	----	Other	kg.	50%	-"

(ii) after tariff item 1008 29 30 and the entries relating thereto, the following shall be inserted, namely:—

“1008 29 40	---	Barnyard (<i>Echinochloa esculenta</i> (L.))	kg.	50%	-
1008 29 50	---	Proso (<i>Panicum miliaceum</i> (L.))	kg.	50%	-
1008 29 60	---	Foxtail (<i>Setaria italica</i> (L.))	kg.	50%	-
1008 29 70	---	Kodo (<i>Paspalum scrobiculatum</i> (L.))	kg.	50%	-
1008 29 80	---	Little (<i>Panicum sumatrense</i> (L.))	kg.	50%	-
	---	Other :			
1008 29 91	----	Amaranth (<i>Amaranthus</i> (L.))	kg.	50%	-
1008 29 99	----	Other	kg.	50%	-"

- (7) in Chapter 12, in heading 1211, for sub-heading 1211 90, tariff items 1211 90 11 to 1211 90 99 and the entries relating thereto, the following shall be substituted, namely:—

“1211 90	-	Other :			
	---	Seeds, Kernel, Aril, Fruit, Pericarp, Fruit rind, Endosperm, Mesocarp, Endocarp :			
1211 90 11	----	Ambrette seeds	kg.	30%	-
1211 90 12	----	Nuxvomica, Dried ripe seeds	kg.	30%	-
1211 90 13	----	Psyllium seeds (<i>isobgul</i>)	kg.	30%	-
1211 90 14	----	Neem seeds	kg.	30%	-
1211 90 15	----	Jojoba seeds	kg.	30%	-
1211 90 16	----	Garcinia	kg.	30%	-
1211 90 19	----	Other	kg.	30%	-
	---	Leaves, Leaf bud, Galls, flowers, Inflorescence, Spadix, Flower bud, Style and Stigma, Stamen and pods :			
1211 90 21	----	Belladonna leaves	kg.	30%	-
1211 90 22	----	Senna leaves and pods	kg.	30%	-
1211 90 23	----	Neem leaves	kg.	30%	-
1211 90 24	----	Gymnema	kg.	30%	-
1211 90 25	----	Cubeb	kg.	30%	-
1211 90 26	----	Pyrethrum	kg.	30%	-
1211 90 29	----	Other	kg.	30%	-

	---	<i>Bark, Husk and Rind :</i>			
1211 90 31	----	Cascara sagrada bark	kg.	30%	-
1211 90 32	----	Psyllium husk (<i>isobgol husk</i>)	kg.	30%	-
1211 90 33	----	Gamboge fruit rind	kg.	30%	-
1211 90 34	----	Ashoka (<i>Saraca asoca.</i>)	kg.	30%	-
1211 90 35	----	Arjuna (<i>Terminalia arjuna</i>)	kg.	30%	-
1211 90 39	----	Other	kg.	30%	-
	---	<i>Roots, Root stalk, Bulb, Corn, Tuber, Stolon and rhizome :</i>			
1211 90 41	----	Belladonna roots	kg.	30%	-
1211 90 42	----	Galangal rhizomes and roots	kg.	30%	-
1211 90 43	----	Ipecac dried rhizome and roots	kg.	30%	-
1211 90 44	----	Serpentina roots (<i>rowwalfia serpentina</i> and other species of <i>rowwalfias</i>)	kg.	30%	-
1211 90 45	----	Zedovary roots	kg.	30%	-
1211 90 46	----	Kuth root	kg.	30%	-
1211 90 47	----	Sarasaparilla roots	kg.	30%	-
1211 90 48	----	Sweet flag rhizomes	kg.	30%	-
1211 90 49	----	Other	kg.	30%	-
	---	<i>Whole Plant, Aerial Part, Stem, Shoot and Wood :</i>			
1211 90 51	----	Sandalwood chips and dust	kg.	30%	-
1211 90 52	----	Vinca rosea herbs	kg.	30%	-
1211 90 53	----	Mint	kg.	30%	-
1211 90 54	----	Agarwood	kg.	30%	-
1211 90 55	----	Chirata	kg.	30%	-
1211 90 56	----	Basil, hyssop, rosemary, sage and savory	kg.	30%	-
1211 90 57	----	Ashwagandha (<i>Withania somnifera</i>)	kg.	30%	-
1211 90 58	----	Giloy (<i>Tinospora cordifolia</i>)	kg.	30%	-
1211 90 59	----	Other	kg.	30%	-
1211 90 90	---	Other	kg.	30%	-”;

(8) In Chapter 13,—

(i) in the Note, in clause (g), for the brackets, word and figures “(heading 3006)”, the brackets, word and figures “(heading 3822)” shall be substituted;

(ii) in heading 1302,—

(a) for tariff item 1302 32 30 and the entries relating thereto, the following shall be substituted, namely:—

“--- *Guargum:*

1302 32 31	----	Chemically treated	kg.	30%	-
------------	------	--------------------	-----	-----	---

1302 32 39 ---- Other kg. 30% -”;

(b) tariff item 1302 32 40 and the entries relating thereto shall be omitted;

(c) for tariff item 1302 39 00 and the entries relating thereto, the following shall be substituted, namely:—

“1302 39 -- *Other* :

1302 39 10	---	Tamarind Kernel Powder	kg.	30%	-
1302 39 20	---	Kappa carrageenan	kg.	30%	-
1302 39 90	---	Other	kg.	30%	-”;

(9) in Chapter 19, in heading 1904, for tariff item 1904 20 00 and the entries relating thereto, the following shall be substituted, namely:—

“1904 20 - *Prepared foods obtained from unroasted cereal flakes or from mixtures of*

1904 20 10	---	With millet content 15% or more by weight	kg.	30%	-
1904 20 90	---	Other	kg.	30%	-”;

(10) in Chapter 27, in heading 2701, for tariff item 2701 12 00 and the entries relating thereto, the following shall be substituted, namely:—

“2701 12 -- *Bituminous coal* :

2701 12 10	---	Coking coal	kg.	5%	-
2701 12 90	---	Other	kg.	5%	-”;

(11) in Chapter 29, —

(i) in heading 2916, after tariff item 2916 20 10 and the entries relating thereto, the following shall be inserted, namely:—

“2916 20 20	---	Bifenthrin (ISO)	kg.	7.5%	-”;
-------------	-----	------------------	-----	------	-----

(ii) in heading 2924, after tariff item 2924 29 60 and the entries relating thereto, the following shall be inserted, namely:—

“2924 29 70	---	Pretilachlor (ISO)	kg.	7.5%	-”;
-------------	-----	--------------------	-----	------	-----

(iii) in heading 2930,—

(a) for tariff item 2930 20 00 and the entries relating thereto, the following shall be substituted namely:—

“2930 20 - *Thiocarbamates and dithiocarbamates* :

2930 20 10	---	Cartap Hydrochloride (ISO)	kg.	7.5%	-
2930 20 90	---	Other	kg.	7.5%	-”;

(b) after tariff item 2930 90 91 and the entries relating thereto, the following shall be inserted, namely:—

“2930 90 92	----	Acephate (ISO)	kg.	7.5%	-”;
-------------	------	----------------	-----	------	-----

(iv) in heading 2931, after tariff item 2931 49 20 and the entries relating thereto, the following shall be inserted, namely:—

“2931 49 30 --- Glyphosate (ISO) kg. 7.5% -”;

(v) in heading 2932, after tariff item 2932 99 10 and the entries relating thereto, the following shall be inserted, namely:—

“2932 99 20 --- Emamectin Benzoate (ISO) kg. 7.5% -”;

(vi) in heading 2933,—

(a) after tariff item 2933 29 50 and the entries relating thereto, the following shall be inserted, namely:—

“2933 29 60 --- Imidacloprid (ISO) kg. 7.5% -”;

(b) after tariff item 2933 39 16 and the entries relating thereto, the following shall be inserted, namely:—

“2933 39 17 ---- Chlorantraniliprole (ISO) kg. 7.5% -”;

(c) for tariff item 2933 39 19 and the entries relating thereto, the following shall be substituted, namely:—

“2933 39 21 ---- Acetamiprid (ISO) kg. 7.5% -

2933 39 22 ---- Imazethapyr (ISO) kg. 7.5% -

2933 39 29 ---- Other kg. 7.5% -”;

(d) after tariff item 2933 59 40 and the entries relating thereto, the following shall be inserted, namely:—

“2933 59 50 --- Bispyribac-sodium (ISO) kg. 7.5% -”;

(e) after tariff item 2933 99 10 and the entries relating thereto, the following shall be inserted, namely:—

“2933 99 20 --- Carbendazim (ISO) kg. 7.5% -”;

(vii) in heading 2934, after tariff item 2934 99 20 and the entries relating thereto, the following shall be inserted, namely:—

“2934 99 30 --- Buprofezin (ISO) kg. 7.5% -”;

(viii) in heading 2935, for tariff item 2935 50 00 and the entries relating thereto, the following shall be substituted, namely:—

“2935 50 - *Other perfluorooctane sulphonamides* :

2935 50 10 --- Flubendiamide (ISO) kg. 7.5% -

2935 50 90 --- Other kg. 7.5% -”;

(12) in Chapter 31,—

(i) after Note 6, the following Supplementary Note shall be inserted, namely:—

“Supplementary Note :

(1) In this Chapter, reference to any standard of the Bureau of Indian Standards refers to the last published version of that standard.

Illustration : IS 1459 refers to IS 1459: 2018 and not to IS 1459: 1974.”;

(ii) in heading 3102, for tariff item 3102 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“3102 10 - *Urea, whether or not in aqueous solution* :

3102 10 10	---	Fertilizer grade, conforming to Standard IS 5406	kg.	10%	-
3102 10 90	---	Other	kg.	10%	-”;

(13) in Chapter 38,—

(i) after Sub-heading Note 4, the following Supplementary Notes shall be inserted, namely:—

“Supplementary Notes:

1. Tariff item 3808 91 41 covers one of the following goods of sub-heading 3808 91 : Acephate (ISO) conforming to IS-12915; Cartap Hydrochloride (ISO) conforming to IS-14159; Imidachloprid (ISO) conforming to IS-15443; Acetamiprid (ISO) conforming to IS-15981.
2. Tariff item 3808 91 42 covers one of the following goods of sub-heading 3808 91 with content by mass greater than 90% : Chlorentaniliprole (ISO); Buprofezin (ISO); Flubendiamide (ISO); Imamectin Benzoate (ISO).
3. Tariff item 3808 91 51 covers only mixtures and preparations of goods of sub-heading 3808 91, containing one or more of the following : Acephate (ISO) conforming to IS-12916; Cartap Hydrochloride (ISO) conforming to IS-14183; Imidachloprid (ISO) conforming to IS-15335; Acetamiprid (ISO) conforming to IS-16328.
4. Tariff item 3808 91 52 covers only mixtures and preparations of goods of sub-heading 3808 91 with content by mass greater than 90%, containing one or more of the following : Chlorentaniliprole (ISO); Buprofezin (ISO); Flubendiamide (ISO); Imamectin Benzoate (ISO).
5. Tariff item 3808 92 60 covers one of the following goods of sub-heading 3808 92 : Carbendazim (ISO) conforming to IS-8445.
6. Tariff item 3808 92 70 covers only mixtures and preparations of goods of sub-heading 3808 92, containing one or more of the following : Carbendazim (ISO) conforming to IS-8446.
7. Tariff item 3808 93 61 covers one of the following goods of sub-heading 3808 93 : Pretilachlor (ISO) conforming to IS-15158; Glyphosate (ISO) conforming to IS-12502.
8. Tariff item 3808 93 62 covers one of the following goods of sub-heading 3808 93 with content by mass greater than 90% : Bispyribac sodium (ISO); Imazethapyr (ISO).
9. Tariff item 3808 93 71 covers only mixtures and preparations of goods of sub-heading 3808 93, containing one or more of the following : Pretilachlor (ISO) conforming to IS-15160.
10. Tariff item 3808 93 72 covers only mixtures and preparations of goods of sub-heading 3808 93 with content by mass greater than 90%, containing one or more of the following : Bispyribac sodium (ISO); Imazethapyr (ISO).”;

(ii) in heading 3808,—

(a) after tariff item 3808 91 37 and the entries relating thereto, the following shall be inserted, namely:—

“--- *Goods specified in Supplementary Note 1 and 2 to this Chapter :*

3808 91 41	----	Goods specified in Supplementary Note 1 to this Chapter	kg.	10%	-
------------	------	---	-----	-----	---

3808 91 42	----	Goods specified in Supplementary Note 2 to this Chapter	kg.	10%	-
	---	<i>Goods specified in Supplementary Note 3 and 4 to this Chapter :</i>			
3808 91 51	----	Goods specified in Supplementary Note 3 to this Chapter	kg.	10%	-
3808 91 52	----	Goods specified in Supplementary Note 4 to this Chapter	kg.	10%	-”;

(b) after tariff item 3808 92 50 and the entries relating thereto, the following shall be inserted, namely:—

“3808 92 60	---	Goods specified in Supplementary Note 5 to this Chapter	kg.	10%	-
3808 92 70	---	Goods specified in Supplementary Note 6 to this Chapter	kg.	10%	-”;

(c) after tariff item 3808 93 50 and the entries relating thereto, the following shall be inserted, namely:—

	“---	<i>Goods specified in Supplementary Note 7 and 8 to this Chapter :</i>			
3808 93 61	----	Goods specified in Supplementary Note 7 to this Chapter	kg.	10%	-
3808 93 62	----	Goods specified in Supplementary Note 8 to this Chapter	kg.	10%	-
	---	<i>Goods specified in Supplementary Note 9 and 10 to this Chapter :</i>			
3808 93 71	----	Goods specified in Supplementary Note 9 to this Chapter	kg.	10%	-
3808 93 72	----	Goods specified in Supplementary Note 10 to this Chapter	kg.	10%	-”;

(14) in Chapter 39, in heading 3915, after tariff item 3915 90 75 and the entries relating thereto, the following shall be inserted, namely:—

“3915 90 79	----	Others	kg.	7.5%	-”;
-------------	------	--------	-----	------	-----

(15) in Chapter 48, in heading 4811, for tariff item 4811 90 94 and the entries relating thereto, the following shall be substituted, namely:—

“4811 90 94	----	Thermal paper in jumbo rolls (of size 1 m and above in width and 5,000 m and above in length)	kg.	10%	-
4811 90 95	----	Thermal paper in jumbo rolls (of size 1 m and above in width and less than 5,000 m in length)	kg.	10%	-
4811 90 96	----	Thermal paper in rolls of size less than 1 m in width	kg.	10%	-”;

(16) in Chapter 52, in heading 5201, for tariff item 5201 00 20 and the entries relating thereto, the following shall be substituted, namely:—

- | | | | | |
|------------|---|-----|----|-----|
| | “--- Other : | | | |
| 5201 00 21 | ---- Of staple length not exceeding 20.0 mm | kg. | 5% | - |
| 5201 00 22 | ---- Of staple length exceeding 20.0 mm but not exceeding 24.5 mm | kg. | 5% | - |
| 5201 00 23 | ---- Of staple length exceeding 24.5 mm but not exceeding 27.0 mm | kg. | 5% | - |
| 5201 00 24 | ---- Of staple length exceeding 27.0 mm but not exceeding 32.0 mm | kg. | 5% | - |
| 5201 00 25 | ---- Of staple length exceeding 32.0 mm | kg. | 5% | -”; |
- (17) in Chapter 54, in heading 5402,—
- (i) for tariff item 5402 11 10 and the entries relating thereto, the following shall be substituted, namely:—
- | | | | | |
|-------------|---------------|-----|----|-----|
| “5402 11 00 | -- Of aramids | kg. | 5% | -”; |
|-------------|---------------|-----|----|-----|
- (ii) for sub-heading 5402 59, tariff item 5402 59 90 and the entries relating thereto, the following shall be substituted, namely:—
- | | | | | |
|-------------|----------|-----|----|-----|
| “5402 59 00 | -- Other | kg. | 5% | -”; |
|-------------|----------|-----|----|-----|
- (18) in Chapter 57, in heading 5702, after tariff item 5702 39 20 and the entries relating thereto, the following shall be inserted, namely:—
- | | | | | |
|-------------|-----------|----------------|-----|-----|
| “5702 39 90 | --- Other | m ² | 20% | -”; |
|-------------|-----------|----------------|-----|-----|
- (19) in Chapter 61, in heading 6115, for sub-heading 6115 21 and the entries relating thereto, the following shall be substituted, namely:—
- “- Other panty hose and tights :”;
- (20) in Chapter 62,—
- (i) in heading 6213,—
- (a) for the entry in column (2) occurring against sub-heading 6213 90, the following shall be substituted, namely:—
- “- Of other textile materials :”;
- (b) for the entry in column (2) occurring against tariff item 6213 90 90, the following shall be substituted, namely:—
- “--- Other” ;
- (ii) in heading 6217,—
- (a) for the entry in column (2) occurring against tariff item 6217 10 10, the following shall be substituted, namely:—
- “--- For articles of apparel, of cotton”;
- (b) for the entry in column (2) occurring against tariff item 6217 10 20, the following shall be substituted, namely:—

“--- For articles of apparel, of synthetic fibres”;

- (c) for the entry in column (2) occurring against tariff item 6217 10 30, the following shall be substituted, namely:—

“--- For articles of apparel, of wool”;

- (d) for the entry in column (2) occurring against tariff item 6217 10 40, the following shall be substituted, namely:—

“--- For articles of apparel, of silk”;

- (e) for the entry in column (2) occurring against tariff item 6217 10 50, the following shall be substituted, namely:—

“--- For articles of apparel, of regenerated fibres”;

- (f) for the entry in column (2) occurring against tariff item 6217 10 60, the following shall be substituted, namely:—

“--- For articles of apparel, of other fibres”;

- (g) for the entry in column (2) occurring against tariff item 6217 10 70, the following shall be substituted, namely:—

“--- Stockings, socks, sockettes and the like, of cotton”;

(21) in Chapter 63,—

- (i) in heading 6301, for the entry in column (2) occurring against tariff item 6301 20 00, the following shall be substituted, namely:—

“- Blankets (other than electric blankets) and travelling rugs, of wool or of fine animal hair”;

- (ii) in heading 6304, for the entry in column (2) occurring against tariff item 6304 20 00, the following shall be substituted, namely:—

“- Bed nets specified in Sub-heading Note 1 to this Chapter”;

- (iii) in heading 6310, for tariff items 6310 10 90 to 6310 90 10 and the entries relating thereto, the following shall be substituted, namely:—

“6310 10 90	--- Other	kg.	20%	-
6310 90	- <i>Other</i> :			
6310 90 10	--- Woollen rags	kg.	20%	-”;

(22) in Chapter 69,—

- (i) in Note 1, in introductory sentence, for the word “shaping:”, the word “shaping :” shall be substituted;

- (ii) in heading 6907, for sub-heading 6907 30, tariff item 6907 30 10, sub-heading 6907 40, tariff item 6907 40 10 and the entries relating thereto, the following shall be substituted, namely:—

“6907 30 00	- Mosaic cubes and the like, other than those of	m ²	15%	-
	sub-heading 6907 40			
6907 40 00	- Furnishing ceramics	m ²	15%	-”;

(23) in Chapter 71,—

(i) after Sub-heading Note 3, the following Supplementary Note shall be inserted, namely:—

“Supplementary Note:

For the purposes of heading 7104, “Diamonds” means-

(a) chemically produced stones which have essentially the same chemical composition and crystal structure as a particular natural diamond and are produced using various methods including High Pressure High Temperature method (HPHT) and Chemical Vapour Deposition method (CVD); or

(b) stones obtained artificially by various means, e.g., agglomerating, pressing or fusing together (usually with the aid of a blow pipe) fragments of natural diamonds which have generally been reduced to a powder.”;

(ii) in heading 7104,—

(a) for tariff item 7104 21 00 and the entries relating thereto, the following shall be substituted, namely:—

“7104 21	--	<i>Diamonds :</i>			
7104 21 10	---	Industrial	c/k	10%	-
7104 21 20	---	Non-industrial	c/k	10%	-”;

(b) for tariff item 7104 91 00 and the entries relating thereto, the following shall be substituted, namely:—

“7104 91	--	<i>Diamonds :</i>			
7104 91 10	---	Industrial	c/k	10%	-
7104 91 20	---	Non-industrial	c/k	10%	-”;

(iii) in heading 7105, for tariff item 7105 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“7105 10	-	<i>Of diamonds :</i>			
7105 10 10	---	Of heading 7102	c/k	10%	-
7105 10 20	---	Of heading 7104	c/k	10%	-”;

(iv) in heading 7113,—

(a) for tariff items 7113 11 20 and 7113 11 30 and the entries relating thereto, the following shall be substituted, namely:—

“---	<i>Other jewellery :</i>				
7113 11 41	----	Unstudded	kg.	25%	-
7113 11 42	----	Studded with pearls	kg.	25%	-
7113 11 43	----	Studded with diamonds of heading 7102	kg.	25%	-
7113 11 44	----	Studded with diamonds of heading 7104	kg.	25%	-

7113 11 45	----	Studded with other precious and semi-precious stones	kg.	25%	-
7113 11 49	----	Other	kg.	25%	-”;

(b) for tariff items 7113 19 10 to 7113 19 50 and the entries relating thereto, the following shall be substituted, namely:—

“--- <i>Of gold</i> :					
7113 19 11	----	Unstudded	kg.	25%	-
7113 19 12	----	Studded with pearls	kg.	25%	-
7113 19 13	----	Studded with diamonds of heading 7102	kg.	25%	-
7113 19 14	----	Studded with diamonds of heading 7104	kg.	25%	-
7113 19 15	----	Studded with other precious and semi-precious stones	kg.	25%	-
7113 19 19	----	Other	kg.	25%	-
--- <i>Of platinum</i> :					
7113 19 21	----	Unstudded	kg.	25%	-
7113 19 22	----	Studded with pearls	kg.	25%	-
7113 19 23	----	Studded with diamonds of heading 7102	kg.	25%	-
7113 19 24	----	Studded with diamonds of heading 7104	kg.	25%	-
7113 19 25	----	Studded with other precious and semi-precious stones	kg.	25%	-
7113 19 29	----	Other	kg.	25%	-”;

(24) in Chapter 84,—

(i) in heading 8414, for tariff item 8414 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“8414 10 - <i>Vacuum pumps</i> :					
8414 10 10	---	with maximum flow-rate greater than 5 m ³ /h (under standard temperature (273 K (0 °C)) and pressure (101.3 kPa) conditions)	u	7.5%	-
8414 10 90	---	Other	u	7.5%	-”;

(ii) in heading 8419,—

(a) for tariff items 8419 50 10 to 8419 50 90 and the entries relating thereto, the following shall be substituted, namely:—

“--- <i>with a heat transfer surface area of greater than 0.15 m², and less than 20 m²</i> :					
8419 50 11	----	Shell and tube type	u	7.5%	-
8419 50 12	----	Plate type	u	7.5%	-
8419 50 13	----	Spiral type	u	7.5%	-
8419 50 19	----	Other	u	7.5%	-
--- <i>Other</i> :					

8419 50 91	----	Shell and tube type	u	7.5%	-
8419 50 92	----	Plate type	u	7.5%	-
8419 50 93	----	Spiral type	u	7.5%	-
8419 50 99	----	Other	u	7.5%	-”;

(b) for tariff item 8419 89 10 and the entries relating thereto, the following shall be substituted, namely:—

“--- *Pressure vessels, reactors, columns or towers or chemical storage tanks :*

8419 89 11	----	Pressure vessels	u	10%	-
8419 89 12	----	Reactors with total internal (geometric) volume greater than 0.1 m ³ (100 l) and less than 20 m ³ (20000 l)	u	10%	-
8419 89 13	----	Other reactors	u	10%	-
8419 89 14	----	Distillation or absorption columns of internal diameter greater than 0.1 m	u	10%	-
8419 89 15	----	Other distillation or absorption columns	u	10%	-
8419 89 16	----	Chemical storage tanks with a total internal (geometric) volume greater than 0.1 m ³ (100 l)	u	10%	-
8419 89 17	----	Other chemical storage tanks	u	10%	-
8419 89 19	----	Other	u	10%	-”;

(25) in Chapter 85,—

(i) in heading 8517,—

(a) for the entry in column (2) occurring against tariff item 8517 62 30, the following shall be substituted, namely:—

“--- Modems (modulators-demodulators) for xDSL based Wireline Telephony”;

(b) tariff item 8517 62 40 and the entries relating thereto shall be omitted;

(c) for the entry in column (2) occurring against tariff item 8517 62 70, the following shall be substituted, namely:—

“--- Multiplexers, statistical multiplexers for PDH based Wireline Telephony”;

(d) in sub-heading 8517 69,—

(A) tariff item 8517 69 50 and the entries relating thereto shall be omitted;

(B) for the entry in column (2) occurring against tariff item 8517 69 60, the following shall be substituted, namely:—

“--- Set top boxes for gaining access to internet for Wireline Telephony”;

(ii) for heading 8524, tariff items 8524 11 00 to 8524 99 00 and the entries relating thereto, the following shall be substituted, namely:—

“8524	FLAT PANEL DISPLAY MODULES, WHETHER OR NOT INCORPORATING TOUCH-SENSITIVE SCREENS				
	- <i>Without drivers or control circuits :</i>				
8524 11	-- <i>Of liquid crystals :</i>				
8524 11 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 11 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 11 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 11 90	---	Other	u	15%	-
8524 12	-- <i>Of organic light-emitting diodes (OLED) :</i>				
8524 12 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 12 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 12 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 12 90	---	Other	u	15%	-
8524 19	-- <i>Other :</i>				
8524 19 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 19 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 19 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 19 90	---	Other	u	15%	-
	- <i>Other :</i>				
8524 91	-- <i>Of liquid crystals :</i>				
8524 91 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 91 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 91 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 91 90	---	Other	u	15%	-
8524 92	-- <i>Of organic light-emitting diodes (OLED) :</i>				
8524 92 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 92 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 92 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 92 90	---	Other	u	15%	-
8524 99	-- <i>Other :</i>				
8524 99 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 99 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 99 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 99 90	---	Other	u	15%	-”;

- “8704 10 90 --- Other u 40% -”.

THE FIFTH SCHEDULE*(See section 127)*

In the Second Schedule to the Customs Tariff Act, for serial numbers 8 and 9 and the entries relating thereto, the following serial numbers and entries shall be substituted, namely :—

Sl. No.	Chapter/heading/ sub-heading/Tariff Item	Description of goods	Rate of duty
(1)	(2)	(3)	(4)
“8.	1202 41	Groundnut in shell	Rs. 1,125 per tonne
9.	1202 42	Groundnut kernel	Rs. 1,500 per tonne”.

THE SIXTH SCHEDULE

(See section 153)

In the Seventh Schedule to the Finance Act, 2001, —

(i) for the entry in column (4) occurring against tariff item 2402 20 10, the entry “Rs. 230 per thousand” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 2402 20 20, the entry “Rs. 290 per thousand” shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 2402 20 30 and 2402 20 40, the entry “Rs. 510 per thousand” shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 2402 20 50, the entry “Rs. 630 per thousand” shall be substituted;

(v) for the entry in column (4) occurring against tariff item 2402 20 90, the entry “Rs. 850 per thousand” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 2402 90 10, the entry “Rs. 690 per thousand” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to give effect to the financial proposals of the Central Government for the financial year 2023-2024. The notes on clauses explain the various provisions contained in the Bill.

NIRMALA SITHARAMAN.

NEW DELHI;
The 31st January, 2023.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F.2(4)-B(D)/2023, dated the 31st January, 2023 from Smt. Nirmala Sitharaman, Minister of Finance, to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill, recommends, under clauses (1) and (3) of article 117, read with clause (1) of article 274, of the Constitution of India, the introduction of the Finance Bill, 2023 to the Lok Sabha and also recommends to the Lok Sabha the consideration of the Bill.

2. The Bill will be introduced in the Lok Sabha immediately after the presentation of the Budget on the 1st February, 2023.

NOTES ON CLAUSES

Clause 2 read with the First Schedule to the Bill, seeks to specify the rates at which income-tax is to be levied on income chargeable to tax for the assessment year 2023-2024. Further, it lays down the rates at which tax is to be deducted at source during the financial year under the Income-tax Act; and the rates at which “advance tax” is to be paid, tax is to be deducted at source from, or paid on, income chargeable under the head “Salaries” or deducted under section 194P of the Income-tax Act and tax is to be calculated and charged in special cases for the financial year 2023-2024.

Clause 3 of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions.

It is proposed to amend clause (19B) of the said section to omit “Additional Commissioner of Income-tax (Appeals)” from the definition.

This amendment will take effect from 1st April, 2023.

Clause (24) of the said section provides definition of income for the purposes of the Act.

It is further proposed to insert a new sub-clause (xviic) in clause (24) of the said section to provide that any sum referred to in clause (xii) of sub-section (2) of section 56 shall also be included within the definition of income.

It is also proposed to insert sub-clause (xviid) in the said clause so as to provide that income shall include any sum referred to in clause (xiii) of sub-section (2) of section 56.

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

It is also proposed to insert a new clause (28CA) to provide for definition of “Joint Commissioner (Appeals)” to mean a person appointed to be a Joint Commissioner of Income-tax (Appeals) or an Additional Commissioner of Income-tax (Appeals) under sub-section (1) of section 117.

This amendment will take effect from 1st April, 2023.

Clause (42A) of the said section defines “short-term capital asset” and the *Explanation* 1 of the said clause provides for determining the period for which any capital asset is held by the assessee.

It is proposed to insert a new sub-clause (hi) in clause (i) to the *Explanation* 1 of the said clause so as to provide that in the case of capital asset, being Electronic Gold Receipt or gold being capital asset, the holding period for the purpose of capital gain shall include the period for which the gold or Electronic Gold Receipt, was held by the assessee prior to conversion into Electronic Gold Receipt or gold, as the case may be.

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

Clause 4 seeks to amend section 9 of the Income-tax Act relating to income deemed to accrue or arise in India.

Sub-section (1) of the said section provides for incomes which shall be deemed to accrue or arise in India.

It is proposed to substitute clause (viii) of the said sub-section so as to provide that income deemed to accrue or arise in India shall include income arising outside India, being any sum of money referred to in sub-clause (xviiia) of clause (24) of section 2, paid by a person resident in India —

(a) on or after the 5th day of July, 2019 to a non-resident, not being a company, or to a foreign company; or

(b) on or after the 1st day of April, 2023 to a person not ordinarily resident in India within the meaning of clause (6) of section 6.

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

Clause 5 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

It is proposed to amend the *Explanation* to clause (4D) of the said section to give reference of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 in the definition of “specified fund”.

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

Clause (4E) of the said section provides that any income accrued or arisen to, or received by a non-resident as a result of transfer of non-deliverable forward contracts or offshore derivative instruments or over-the-counter derivatives entered into with an offshore banking unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be prescribed, shall not be included in the total income.

It is further proposed to include distribution of income on offshore derivative instruments also within the ambit of the said clause.

It is also proposed to insert a proviso to provide that the amount of distributed income referred to in the said clause shall include only so much of the amount which is chargeable to tax in the hands of the offshore banking unit under section 115AD.

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

Clause (10D) of the said section, *inter alia*, provides exemption to any sum received under a life insurance policy, including the sum allocated by way of bonus on such policy.

It is also proposed to omit the reference of *Explanation* to sub-section (2A) of section 88 in the second proviso to clause (10D) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

It is also proposed to substitute the sixth proviso in the said clause to the effect that nothing contained in this clause shall apply with respect to any life insurance policy other than a unit linked insurance policy, issued on or after 1st April, 2023, if the amount of premium payable for any of the previous year during the term of such policy exceeds five lakh rupees.

The proposed seventh proviso of the said clause provides that if the premium is payable, by a person, for more than one life insurance policy other than unit linked insurance policy, issued on or after 1st April, 2023, the provisions of this clause shall apply only with respect to those life insurance policies other than unit linked insurance policies, where the aggregate amount of premium does not exceed the amount referred to in the sixth proviso in any of the previous years during the term of any of those policies.

The proposed eighth proviso of the said clause provides that the provisions of fourth, fifth, sixth and seventh provisos shall not apply to any sum received on the death of a person.

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

It is also proposed to insert a new clause (12C) in the said section so as to provide that any payment from the *Agniveer* Corpus Fund under the *Agnipath* Scheme to a person enrolled under the said Scheme, or to his nominee, shall be exempted. It is further proposed to give reference of the definitions for the expressions “*Agniveer* Corpus Fund” and “*Agnipath* Scheme” as provided in section 80CCH.

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

Clause (22B) of said section, *inter alia*, provides that any income of a notified news agency set up in India solely for collection and distribution of news shall not be included in total income, provided that the news agency applies its income or accumulates it for application solely for collection and distribution of news and does not distribute its income in any manner to its members. It has also been provided that the provisions of this clause are applicable to a notified news agency for a specified period of time not exceeding three assessment years.

It is also proposed to insert fourth proviso to clause (22B) of said section so as to provide that nothing contained in this clause shall apply to any income of the news agency of the previous year relevant to the assessment year beginning on or after 1st April, 2024.

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

Clause (23BBF) of said section provides income tax exemption to any income of the North-Eastern Development Finance Corporation Limited. This exemption has been withdrawn for assessment year beginning on the 1st day of April, 2010 and any subsequent assessment year or years.

It is proposed to omit the said clause with effect from 1st April, 2023.

Clause (23C) of the said section provides exemption to the income of certain entities.

Sub-clauses (iv), (v), (vi) and (via) of clause (23C) of said section provide exemption to the income received by any person on behalf of any fund or trust or institution or university or other educational institutions or hospital or other institutions which may be approved or provisionally approved by the Principal Commissioner or Commissioner.

It is proposed to substitute clause (iv) of the first proviso to clause (23C) to provide that the fund or trust or institution or any university or other educational institution or any hospital or other institution, as is referred to in sub-clauses (iv), (v), (vi) and (via) of the said clause, which is not covered by clauses (i), (ii) or (iii) of the said proviso, can make an application for approval, where activities of the fund or trust or institution or university or other educational institution or hospital or other medical institution have,—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought;

(B) commenced and no income or part thereof of the said fund or trust or institution or university or other educational institution or hospital or other medical institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, or section 11 or 12, for any previous year ending on or before the date of such application, at any time after the commencement of such activities.

It is further proposed to amend clause (ii) of the second proviso to clause (23C) so as to provide that where the application is made under the proposed sub-clause (B) of clause (iv) of the first proviso, the Principal Commissioner or Commissioner shall follow the procedure provided under clause (ii) of the second proviso to clause (23C).

It is also proposed to substitute item (B) of sub-clause (b) of clause (ii) of the second proviso to clause (23C) so as to provide that if the Principal Commissioner or Commissioner is not so satisfied, about the objects and the genuineness of its activities under item (A), and compliance of the requirements under item (B), of sub-clause (a) of clause (ii) of the said proviso, pass an order in writing,—

(I) in a case referred to in clause (ii) or clause (iii) of the first proviso, rejecting such application and also cancelling its approval; or

(II) in a case referred to in the proposed sub-clause (B) of clause (iv) of the first proviso, rejecting such application,

after affording it a reasonable opportunity of being heard.

It is also proposed to substitute clause (iii) of the second proviso so as to provide that where the application is made under sub-clause (A) of clause (iv) of the first proviso or the application made under clause (iv) of the first proviso as it stood immediately before its amendment by the Finance Act, 2023, the Principal Commissioner or Commissioner shall pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the approval is sought, and send a copy of such order to the fund or trust or institution or university or other educational institution or hospital or other medical institution

These amendments will take effect from 1st October, 2023.

It is also proposed to insert a second proviso to clause (i) of *Explanation 2* to the third proviso of clause (23C) so as to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in the twelfth, thirteenth and twenty-first proviso, and those specified in *Explanation 2* and *Explanation 3*, of the said clause, at the time the application was made from the corpus.

It is also proposed to insert a third proviso to clause (i) of *Explanation 2* to the third proviso of clause (23C) of the said section so as to provide that the amount invested or deposited back shall not be treated as application for charitable or religious purposes under the first proviso unless such investment or deposit is made within a period of five years from the end of the previous year in which such application was made from corpus.

It is also proposed to insert a fourth proviso to clause (i) of *Explanation 2* to the third proviso of clause (23C) so as to provide that nothing contained in the first proviso, shall apply where application from corpus is made on or before 31st March, 2021.

It is also proposed to insert a second proviso to clause (ii) of *Explanation 2* to the third proviso of clause (23C) to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in the twelfth, thirteenth and twenty-first provisos and those specified in *Explanation 2* and *Explanation 3*, of the said clause, at the time the application was made from loan or borrowing.

It is also proposed to insert a third proviso to clause (ii) of *Explanation 2* to the third proviso of clause (23C) to provide that the amount repaid shall not be treated as application for charitable or religious purposes under the first proviso unless such repayment is made within a period of five years from the end of the previous year in which such application was made from loan or borrowing.

It is also proposed to insert a fourth proviso to clause (ii) of *Explanation 2* to the third proviso of clause (23C) to provide that nothing contained in the first proviso, shall apply where the application, from any loan or borrowing is made on or before 31st March, 2021.

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

It is also proposed to insert clause (iii) in *Explanation 2* to the third proviso of clause (23C) to provide that any amount credited or paid out of the income of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), other than the amount referred to in the twelfth proviso, to any other fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), or trust or institution registered under section 12AB, as the case may be, shall be treated as application for charitable or religious purposes only to the extent of eighty-five per cent. of such amount credited or paid.

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

It is also proposed to amend clause (c) of *Explanation 3* to third proviso of clause (23C) to provide that the statement of accumulation shall be furnished at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year.

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

It is also proposed to insert clause (e) to *Explanation 2* to the fifteenth proviso of clause (23C) to provide that specified violation shall also include the case where the application referred to in the first proviso is not complete or it contains false or incorrect information.

This amendment will take effect from 1st April, 2023.

It is also proposed to consequentially amend the *Explanation* to the nineteenth proviso to clause (23C) of the said section so as to give the reference of newly inserted clause (46A) therein.

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

It is also proposed to amend the twentieth proviso of clause (23C) to provide that the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) shall furnish the return of income for the previous year in accordance with the provisions of sub-section (4C) of section 139, within the time allowed under sub-section (1) or sub-section (4) of that section.

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

Clause (23EB) of the said section provides income tax exemption to any income of the Credit Guarantee Fund Trust for Small Industries for five previous years relevant to the assessment years beginning on the 1st day of April, 2002 and ending on the 31st day of March, 2007.

Clause (26A) of the said section provides income tax exemption to any income accruing or arising to any person from any source in the district of Ladakh or outside India in any previous year relevant to any assessment year commencing before the 1st day of April, 1989, where such person is resident in the said district in that previous year.

Clause (41) of the said section provides income tax exemption to any income arising from transfer of a capital asset, being an asset of an undertaking engaged in the business of generation or transmission or distribution of power where such transfer is effected on or before the 31st day of March, 2006, to the Indian company notified under sub-clause (a) of clause (v) of sub-section (4) of section 80-IA.

It is also proposed to omit the said clauses (23EB), (26A) and (41) of the said section with effect from 1st April, 2023.

It is also proposed to insert a new clause (46A) after clause (46) so as to provide that any income arising to a body or authority or Board or Trust or Commission not being a company, which –

(a) has been established or constituted by or under a Central Act or State Act with one or more of the following purposes, namely:—

(i) dealing with and satisfying the need for housing accommodation;

(ii) planning, development or improvement of cities, towns and villages;

(iii) regulating, or regulating and developing, any activity for the benefit of the general public; or

(iv) regulating any matter, for the benefit of the general public, arising out of the object for which it has been created; and

(b) is notified by the Central Government in the Official Gazette for the purposes of this clause,

shall not be included in total income;

Consequently, it is proposed to amend clause (46) of the said section so as to exclude any income arising to a body or authority or Board or Trust or Commission (by whatever name called) that are covered under clause (46A) of the said section from the provisions of the said clause.

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

Clause (49) of the said section provides income tax exemption to any income of the National Financial Holdings Company Limited of any previous year relevant to any assessment year commencing on or before the 1st day of April, 2014.

It is proposed to omit the said clause with effect from 1st April, 2023.

Clause 6 of the Bill seeks to amend section 10AA of the Income-tax Act relating to special provisions in respect of newly established Units in Special Economic Zones.

The said section, *inter alia*, provides fifteen years tax benefit to a Unit established in a Special Economic Zone which begins to manufacture or produce articles or things or provide any services on or after 1st April, 2005. The deduction is available for Units that begin operations before 1st April, 2020, which has been extended to 30th September, 2020 through the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and is allowed in the manner specified therein.

The claiming of deduction under the said section for Units established in Special Economic Zone is time bound as it is available to only those Units which begin to manufacture or produce articles or things or provide any services on or after 1st April, 2005 but before 1st April, 2020.

It is proposed to insert a proviso to sub-section (1) of the said section so as to provide that no such deduction under that sub-section shall be allowed to an assessee who does not furnish a return of his income on or before the due date specified under sub-section (1) of section 139.

It is further proposed to insert a new sub-section (4A) to provide that the deduction under section 10AA shall be available for such Unit, if the proceeds from sale of goods or provision of services is received in, or brought into, India by the assessee in convertible foreign exchange, within a period of six months from the end of the previous year or, within such further period as the competent authority may allow in this behalf.

It is also proposed to provide an *Explanation* to define the expression “Competent Authority” and to provide that the sale of goods or provision of services referred to in this sub-section shall be deemed to have been received in India where such export turnover is credited to a separate account maintained for the purpose by the assessee with any bank outside India with the approval of the Reserve Bank of India.

It is also proposed to substitute clause (i) of *Explanation* 1 to define the term “convertible foreign exchange” and give reference to new sub-section (4A) in the definition of “Export Turnover”.

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

Clause 7 seeks to amend section 11 of the Income-tax Act relating to income from property held for charitable or religious purposes.

It is proposed to amend clause (2) of *Explanation* 1 of sub-section (1) of the said section to provide that option by the person under the said *Explanation* shall be exercised at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income.

It is further proposed to insert a second proviso to clause (i) of *Explanation* 4 of sub-section (1) of the said section so as to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions, specified in

- (a) clause (c) and those specified in *Explanations 2, 3 and 5*, of the said sub-section; and
- (b) in the *Explanation* to the said section; and
- (c) in clause (c) of sub-section (1) of section 13,

at the time the application was made from the corpus.

It is also proposed to insert a third proviso to clause (i) of the said *Explanation 4* so as to provide that the amount invested or deposited back shall not be treated as application for charitable or religious purposes under the first proviso unless such investment or deposit is made within a period of five years from the end of the previous year in which such application was made from corpus.

It is also proposed to insert a fourth proviso to clause (i) of the said *Explanation 4* so as to provide that nothing contained in the first proviso shall apply where application from the corpus is made on or before 31st March, 2021.

It is also proposed to insert a second proviso to clause (ii) of the said *Explanation 4* so as to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in

- (a) clause (c) and those specified in *Explanations 2, 3 and 5*, of the said sub-section;
- (b) in the *Explanation* to the said section; and
- (c) in clause (c) of sub-section (1) of section 13,

at the time the application was made from loan or borrowing.

It is also proposed to insert a third proviso to clause (ii) of the said *Explanation 4* so as to provide that the amount repaid shall not be treated as application for charitable or religious purposes under the first proviso, unless such repayment is made within a period of five years from the end of the previous year in which such application was made from loan or borrowing.

It is also proposed to insert a fourth proviso to clause (ii) of the said *Explanation 4* so as to provide that nothing contained in the first proviso shall apply where application from any loan or borrowing is made on or before 31st March, 2021.

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

It is also proposed to insert clause (iii) in *Explanation 4* to sub-section (1) of the said section to provide that any amount credited or paid, other than the amount referred to in *Explanation 2* of the said sub-section, to any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be, or other trust or institution registered under section 12AB shall be

treated as application for charitable or religious purposes only to the extent of eighty-five per cent. of such amount credited or paid.

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

It is also proposed to amend clause (c) of sub-section (2) of the said section so as to provide that the statement of accumulation shall be furnished at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year.

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

Sub-section (7) of the said section, *inter alia*, provides that where a trust or an institution has been granted registration under section 12AA or section 12AB and the said registration is in force for any previous year, then, nothing contained in section 10 other than clause (1) or clause (23C) or clause (46) of section 10, shall operate to exclude any income derived from the property held under trust from the total income of the trust or institution for that previous year.

Consequential to insertion of clause (46A) in section 10, it is proposed to give reference of the said new clause in the said sub-section (7) and in the first and second provisos thereof.

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

Clause 8 seeks to amend section 12A of the Income-tax Act relating to conditions for applicability of sections 11 and 12.

Sub-section (1) of section 12A provides the conditions for applicability of sections 11 and 12 in respect of income of any trust or institution under clauses (ac), (b) and (ba).

It is proposed to substitute sub-clause (vi) of clause (ac) of sub-section (1) of the said section so as to provide that the trust or institution, which is not covered under sub-clauses (i) to (v) of this clause, shall apply for registration where the activities of the said trust or institution have —

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought;

(B) commenced and no income or part thereof of the said trust or institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, or section 11, or section 12, for any previous year ending on or before the date of such application, at any time after the commencement of such activities.

This amendment will take effect from 1st October, 2023.

It is further proposed to amend clause (ba) of sub-section (1) of the said section to provide that the person in receipt of the income shall furnish the return of income for the previous year in accordance with the provisions of sub-section (4A) of section 139, within the time allowed under sub-section (1) or sub-section (4) of that section.

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

It is also proposed to omit the second, third and fourth provisos to sub-section (2) of said section.

This amendment will take effect from 1st April, 2023.

Clause 9 seeks to amend section 12AB of the Income-tax Act relating to procedure for fresh registration.

It is proposed to amend clause (b) of sub-section (1) of the said section so as to provide that where the application is made under the item (B) of sub-clause (vi) of clause (ac) of sub-section (1) of section 12A, the Principal Commissioner or Commissioner shall follow the procedure provided under clause (b) of sub-section (1).

It is further proposed to substitute item (B) of sub-clause (ii) of clause (b) of sub-section (1) of the said section to provide that where the Principal Commissioner or Commissioner not so satisfied about the objects of the trust or institution and the genuineness of its activities and compliance of the requirements, he shall pass an order in writing,—

(I) in a case referred to in sub-clause (ii) or sub-clause (iii) or sub-clause (v) of clause (ac) of sub-section (1) of section 12A rejecting such application and also cancelling its registration;

(II) in a case referred to in sub-clause (iv) or in item (B) of sub-clause (vi) of sub-section (1) of section 12A, rejecting such application,

after affording a reasonable opportunity of being heard.

It is also proposed to substitute clause (c) of sub-section (1) of the said section to provide that where the application is made under item (A) of sub-clause (vi) of clause (ac) of sub-section (1) of section 12A or the application made under sub-clause (vi) of clause (ac) of sub-section (1) of section 12A, as it stood immediately before its amendment *vide* the Finance Act, 2023, pass an order in writing provisionally registering the trust or institution for a period of three years from the assessment year from which the registration is sought, and send a copy of such order to the trust or institution.

These amendments will take effect from 1st October, 2023.

It is also proposed to insert a new clause (g) to the *Explanation* to sub-section (4) of the said section so as to provide that “specified violation” shall also include the case where the application referred to in clause (ac) of sub-section (1) of section 12A is not complete or it contains false or incorrect information.

This amendment will take effect from 1st April, 2023.

Clause 10 of the Bill seeks to amend section 17 of the Income-tax Act relating to “Salary”, “perquisite” and “profits in lieu of salary” defined.

It is proposed to insert a new sub-clause (ix) in clause (1) of the said section so as to provide that the contribution made by the Central Government in the previous year to the *Agniveer* Corpus Fund account of an individual enrolled in the *Agnipath* Scheme referred to in section 80CCH shall be considered as salary of that individual.

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

As per clause (2) of the said section, “perquisite”, *inter alia*, includes value of rent-free accommodation or value of any accommodation provided to employees by the employer at a concessional rate.

It is further proposed to amend sub-clause (i) and substitute sub-clause (ii) of clause (2) of the said section so as to provide that the method of computation for the value of rent free accommodation provided to the assessee by his employer and the value of any accommodation provided to the assessee by his employer at a concessional rate shall be computed in such manner as may be provided by rules.

It is also proposed to clarify that accommodation shall be deemed to have been provided at a concessional rate if the value of accommodation computed in such manner as may be provided by rules exceeds the rent recoverable from, or payable by, the assessee.

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

Clause 11 of the Bill seeks to amend section 28 of the Income-tax Act relating to profits and gains of business or profession.

Clause (iv) of the said section provides that the value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession shall be chargeable to income-tax under the head “Profits and gains of business or profession”.

It is proposed to amend the said clause so as to apply to cases where benefit or perquisite provided is in cash or in kind or partly in cash and partly in kind.

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

Clause 12 of the Bill seeks to amend section 35D of the Income-tax Act relating to amortisation of certain preliminary expenses.

Clause (a) of sub-section (2) of the said section includes expenditure in connection with (i) preparation of feasibility report, (ii) preparation of project report, (iii) conducting marketing survey or any other survey necessary for the business of the assessee; and (iv)

engineering services related to the business of the assessee: within the scope of preliminary expenses which are allowed to be amortised under sub-section (1). Proviso to the said clause requires that the works regarding reports, surveys, etc., are to be carried out by the assessee himself or by a concern which is approved in this behalf by the Board.

It is proposed to substitute the said proviso so as to provide that the assessee shall furnish a statement containing the particulars of expenditure specified in this clause within such period, to such income-tax authority, in such form and manner, as may be provided by rules.

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

Clause 13 of the Bill seeks to amend section 43B of the Income-tax Act relating to certain deductions to be only on actual payment.

It is proposed to amend clause (da) of the said section, to substitute the expression “a deposit taking non-banking financial company or systemically important non-deposit taking non-banking financial company” with “such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf”.

It is further proposed to insert a new clause (h) to the said section so as to provide that any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006 shall be allowed as deduction only on actual payment.

It is also proposed to amend the proviso to the said section so as to not allow the deduction on accrual basis, if the amount is paid by due date of furnishing the return of income in the case of micro or small enterprises.

It is also proposed to substitute clause (e) and clause (g) of *Explanation 4* to define the expressions “micro enterprise” and “small enterprise” for the purposes of the said section.

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

Clause 14 of the Bill seeks to amend section 43D of the Income-tax Act relating to special provision in case of income of public financial institutions, public companies, etc.

It is proposed to amend the said section to substitute the expression “a deposit taking non-banking financial company or a systemically important non-deposit taking non-banking financial company” with “such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf”.

It is further proposed to substitute clause (h) of the *Explanation* to the said section to define the expression “non-banking financial company”.

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

Clause 15 of the Bill seeks to amend section 44AB of the Income-tax Act relating to audit of accounts of certain persons carrying on business or profession.

It is proposed to substitute the first proviso to provide that the provisions of the said section shall not apply to a person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of section 44AD or sub-section (1) of section 44ADA, as the case may be.

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

Clause 16 of the Bill seeks to amend section 44AD of the Income-tax Act relating to special provision for computing profits and gains of business on presumptive basis.

The provisions of the said section, *inter alia*, provide for a presumption income scheme for small businesses, under which a sum equal to eight per cent. or six per cent. of the total turn over or gross receipts is deemed to be the profits and gains from business, in case of certain assesseees, that is, an individual, Hindu undivided family or a partnership firm other than limited liability partnership, carrying on eligible business and having a turn over of two crore rupees or less. If such assessee has claimed to have earned higher sum than that eight per cent. or six per cent., then that higher sum is taxable.

Clause (b) of *Explanation* to the said section defines “eligible business” which can avail the benefit of the provisions of the said section to mean any business except the business of plying, hiring or leasing goods carriages referred to in section 44AE, whose total turnover or gross receipts in the previous year does not exceed an amount of two crore rupees.

It is proposed to insert two provisos to the said section to provide an increased threshold limit of three crore rupees where the amount or aggregate of the amounts received by the eligible assessee during the previous year, in cash, does not exceed five per cent. of the total turnover or gross receipts of such previous year and also that the receipt of amount or aggregate of the amounts by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be the receipt in cash.

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

Clause 17 of the Bill seeks to amend section 44ADA of the Income-tax Act relating to special provision for computing profits and gains of profession on presumptive basis.

Sub-section (1) of the said section provides that notwithstanding anything contained in sections 28 to 43C, in case of an assessee, being an individual or a partnership firm other than a limited liability partnership, who is a resident in India, and is engaged in a profession referred to in sub-section (1) of section 44AA and whose total gross receipts do not exceed fifty lakh rupees in a previous year, a sum equal to fifty per cent. of the total gross receipts of the assessee in the previous year on account of such profession or, as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the assessee, shall be

deemed to be the profits and gains of such profession chargeable to tax under the head “Profits and gains of business or profession”.

It is proposed to insert two provisos to the said sub-section to provide an increased threshold limit of seventy-five lakh rupees where the amount or aggregate of the amounts received by the assessee during the previous year, in cash, does not exceed five per cent. of the total gross receipts of such previous year and also that the receipt of amount or aggregate of amount by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be receipt in cash.

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

Clause 18 of the Bill seeks to amend section 44BB of the Income-tax Act relating to special provision for computing profits and gains in connection with the business of exploration, etc., of mineral oils.

Sub-section (1) of section 44BB of the Act provides that in the case of an assessee, being a non-resident, engaged in the business of providing services or facilities in connection with, or supplying plant and machinery on hire used, or to be used, in the prospecting for, or extraction or production of, mineral oils, a sum equal to ten per cent. of the aggregate of the amounts specified in sub-section (2) shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

It is proposed to insert a new sub-section (4) to provide that notwithstanding anything contained in sub-section (2) of section 32 and sub-section (1) of section 72, where an assessee declares profits and gains of business for any previous year in accordance with the provisions of sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.

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

Clause 19 of the Bill seeks to amend section 44BBB of the Income-tax Act relating to special provision for computing profits and gains of foreign companies engaged in the business of civil construction, etc., in certain turnkey power projects.

Sub-section (1) of section 44BBB of the Act provides that in the case of an assessee, being a foreign company, engaged in the business of civil construction or the business of erection of plant or machinery or testing or commissioning thereof, in connection with a turnkey power project approved by the Central Government in this behalf, a sum equal to ten per cent. of the amount paid or payable (whether in or out of India) to the said assessee or to any person on his behalf on account of such civil construction, erection, testing or commissioning shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

It is proposed to insert a new sub-section (3) to provide that notwithstanding anything contained in sub-section (2) of section 32 and sub-section (1) of section 72, where an assessee declares profits and gains of business for any previous year in accordance with the

provisions of sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.

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

Clause 20 of the Bill seeks to amend section 45 of the Income-tax Act relating to capital gains.

Sub-section (5A) of the said section, *inter alia*, provides that on the capital gain arising to an assessee, from the transfer of a capital asset, being land or building or both, under a specified agreement, the capital gains shall be chargeable to income-tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the competent authority. Further, for computing the capital gains amount on this transaction, the full value of consideration shall be taken as the stamp duty value of his share, as increased by the consideration received in cash.

It is proposed to include consideration received by cash or by a cheque or draft or by any other mode shall be deemed to be full value of consideration of the capital asset as a result of the transfer of the capital asset.

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

Clause 21 of the Bill seeks to amend section 47 of the Income-tax Act relating to transactions not regarded as transfers.

Clause (b) of the *Explanation* to clause (viiad) of the said section defines the term "relocation" as transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund on or before the 31st day of March, 2023, where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund in the manner specified therein.

It is proposed to extend the said date for transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund in case of relocation from 31st March, 2023 to 31st March, 2025.

It is further proposed to amend sub-clause (i) of clause (b) of the said *Explanation* to clause (viiad) to give reference of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 in the definition of "resultant fund" of section 47 of the Act.

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

It is proposed to insert a new clause (viid) in the said section so as to include conversion of gold into Electronic Gold Receipt or Electronic Gold Receipt into gold which shall not be regarded as transfer for the purposes of the said section.

It is further proposed to define the expressions “Electronic Gold Receipt” and “Vault Manager” to mean Electronic Gold Receipt and Vault Manager defined respectively in clauses (h) and (l) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Vault Managers) Regulations, 2021.

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

Clause 22 of the Bill seeks to amend section 48 of the Income-tax Act relating to mode of computation.

The said section, *inter alia*, provides that the income chargeable under the head “Capital gains” shall be computed by deducting the cost of acquisition of the asset and the cost of any improvement thereto from the full value of the consideration received or accruing as a result of the transfer of such capital asset.

It is proposed to insert a proviso in clause (ii) of the said section so as to provide that the cost of acquisition of the asset or the cost of improvement thereto shall not include the deductions claimed on the amount of interest under clause (b) of section 24 or under the provisions of Chapter VIA of the Act.

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

Clause 23 of the Bill seeks to amend section 49 of the Income-tax Act relating to cost with reference to certain modes of acquisition.

It is proposed to insert a new sub-section (10) so as to provide that the cost of acquisition of Electronic Gold Receipt for the purpose of computing capital gain shall be deemed to be the cost of gold in the hands of the person in whose name Electronic Gold Receipt is issued.

It is further proposed that the cost of acquisition of gold for the purpose of computing capital gain shall be deemed to be the cost of Electronic Gold Receipt in the hands of such person.

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

Clause 24 of the Bill seeks to insert a new section 50AA in the Income-tax Act relating to special provision for taxation of Market Linked Debentures.

It is proposed to insert a new section 50AA in the Income-tax Act to treat the full value of the consideration received or accruing as a result of the transfer or redemption or maturity of the “Market Linked Debentures” as reduced by the cost of acquisition of the debenture and the expenditure incurred wholly or exclusively in connection with transfer or redemption of such debenture, as capital gains arising from the transfer of a short term capital asset.

It is further proposed to define the expression ‘Market linked Debenture’ to mean a security by whatever name called, which has an underlying principal component in the form

of a debt security and where the returns are linked to market returns on other underlying securities or indices and includes any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

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

Clause 25 of the Bill seeks to amend section 54 of the Income-tax Act relating to profit on sale of property used for residence.

Sub-section (1) of the said section, *inter alia*, allows deduction on the capital gains arising from the transfer of long-term capital asset, being buildings or lands appurtenant thereto, and being a residential house, if an assessee, within a period of one year before or two years after the date on which the transfer took place, purchased one residential property in India, or within a period of three years after that date, constructed one residential property in India.

It is proposed to insert a third proviso to the said sub-section so as to provide that where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for the purposes of that sub-section.

It is further proposed to insert a proviso to provide that the amount of capital gain in excess of rupees ten crores will not be taken into account for the purposes of sub-section (2).

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

Clause 26 of the Bill seeks to amend section 54EA of the Income-tax Act relating to capital gain on transfer of long-term capital assets not to be charged in the case of investment in specified securities.

It is proposed to omit sub-section (3) of said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 27 of the Bill seeks to amend section 54EB of the Income-tax Act relating to capital gain on transfer of long-term capital assets not to be charged in certain cases.

It is proposed to omit sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 28 of the Bill seeks to amend section 54EC of the Income-tax Act relating to capital gain not to be charged on investment in certain bonds.

It is proposed to omit clause (a) of sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 29 of the Bill seeks to amend section 54ED of the Income-tax Act relating to capital gain on transfer of certain listed securities or unit not to be charged in certain cases.

It is proposed to omit clause (a) of sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 30 of the Bill seeks to amend section 54F of the Income-tax Act relating to capital gain on transfer of certain capital assets not to be charged in case of investment in residential house.

Sub-section (1) of the said section, *inter alia*, allows deduction on the capital gains arising from the transfer of long-term capital asset, not being a residential house, if an assessee, within a period of one year before or two years after the date on which the transfer took place purchased one residential property in India, or within a period of three years after that date constructed one residential property in India.

It is proposed to insert a second proviso to the said sub-section so as to provide that where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for the purposes of that sub-section.

It is further proposed to insert a proviso to provide that the amount of net consideration in excess of rupees ten crores will not be taken into account for the purposes of sub-section (4).

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

Clause 31 of the Bill seeks to amend section 55 of the Income-tax Act relating to meaning of “adjusted”, “cost of improvement” and “cost of acquisition”.

The provisions of the said section, *inter alia*, defines the expressions ‘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 other right for which no consideration has been paid for acquisition, and the transfer of which may result in generation of any income or could be converted into any profit or gain, but the cost of acquisition for such assets is not clearly defined as ‘nil’ in the present provision.

It is proposed to amend the said section to insert expression “or intangible asset or any other right” in the definitions of “cost of any improvement” and “cost of acquisition”.

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

Clause 32 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Sub-section (2) of the said section provides for incomes that are chargeable to income-tax under the head “Income from other sources”.

The provisions of clause (viib) of sub-section (2) of the said section, *inter alia*, provides that where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to income-tax under the head “Income from other sources”.

It is proposed to omit the words “being a resident” from the said clause (viib) so as to cover all the investors within the ambit of the said clause of sub-section (2) of section 56, irrespective of their residency.

It is further proposed to insert a new clause (xii) in the said sub-section (2) to provide that income chargeable to income-tax under the head “income from other sources” shall also include any sum received by a unit holder from a business trust which—

(a) is not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and

(b) is not chargeable to tax under sub-section (2) of section 115UA.

It is also proposed to insert a proviso to the said clause (xii) of the said sub-section (2) 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 so 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.

It is also proposed to insert clause (xiii) in the said sub-section (2) so as to provide that where any sum is received, including the amount allocated by way of bonus, at any time during a previous year, under a life insurance policy, other than the sum,—

(a) received under a unit linked insurance policy;

(b) being the income referred to in clause (iv),

which is not to be excluded from the total income of the previous year in accordance with the provisions of clause (10D) of section 10, the sum so received as exceeds the aggregate of the premium paid, during the term of such life insurance policy, and not claimed as deduction in any other provision of the Act, computed in the manner as may be provided by rules shall be chargeable to income-tax under the head “Income from other sources”.

It is also proposed to define the expression “unit linked insurance policy” for the purposes of the said clause.

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

Clause 33 of the Bill seeks to amend section 72A relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc.

It is proposed to substitute clause (iii) of the *Explanation* to clause (d) of sub-section (1) of the said section to provide that strategic disinvestment shall mean sale of shareholding by the Central Government or any State Government or a public sector company in a public sector company or in a company, which results in—

- (a) reduction of its shareholding to below fifty-one per cent.; and
- (b) transfer of control to the buyer.

It is further proposed to provide that the condition of reduction of its shareholding to below fifty-one per cent. shall apply only in a case where shareholding of the Central Government or the State Government or the public sector company was above fifty-one per cent. before such sale of shareholding.

It is also proposed to provide that the requirement of transfer of control in relation to such strategic disinvestment may be carried out by either the Central Government, or the State Government or the public sector company or any two of them or all of them.

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

Clause 34 of the Bill seeks to amend section 72AA of the Income-tax Act relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in scheme of amalgamation in certain cases.

It is proposed to amend clause (i) of the said section to also allow carry forward of accumulated losses and unabsorbed depreciation allowance in the case of amalgamation of one or more banking company with any other banking institution or a company subsequent to a strategic disinvestment, if such amalgamation takes place within five years of strategic disinvestment.

It is further proposed to insert a new clause (via) in the *Explanation* to the said section to define “strategic disinvestment” by giving reference to the meaning assigned to it in clause (iii) of the *Explanation* to clause (d) of sub-section (1) of section 72A.

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

Clause 35 of the Bill seeks to amend section 79 of the Income-tax Act relating to carry forward and set off of losses in case of certain companies.

Sub-section (1) of the said section provides that where a change in shareholding has taken place during the previous year in the case of a company, not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per

cent. of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent. of the voting power on the last day of year or years in which the loss was incurred.

Proviso to sub-section (1) provides that even if the said condition is not satisfied in case of an eligible start-up as referred to in section 80-IAC, the loss incurred in any year prior to the previous year shall be allowed to be carried forward and set off against the income of the previous year if all the shareholders of such company who held shares carrying voting power on the last day of the year or years in which the loss was incurred, continue to hold those shares on the last day of such previous year and such loss has been incurred during the period of seven years beginning from the year in which such company is incorporated.

It is proposed to amend the said proviso so as to increase the period from seven years to ten years.

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

Clause 36 of the Bill seeks to amend section 80C of the Income-tax Act relating to deduction in respect of life insurance premia, deferred annuity, contributions to provident fund, subscription to certain equity shares or debentures, etc.

It is proposed to omit sub-section (7) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 37 of the Bill seeks to amend section 80CCC of the Income-tax Act relating to deduction in respect of contribution to certain pension funds.

It is proposed to omit clause (a) of sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 38 of the Bill seeks to amend section 80CCD of the Income-tax Act relating to deduction in respect of contribution to pension scheme of Central Government.

It is proposed to omit clause (a) of sub-section (4) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 39 of the Bill seeks to insert a new section 80CCH in the Income-tax Act relating to deductions in respect of contribution to *Agnipath* Scheme.

It is proposed to insert a new section 80CCH to provide that where an assessee, being an individual enrolled in the *Agnipath* Scheme and subscribing to the *Agniveer* Corpus Fund on or after 1st November, 2022, has in the previous year, paid or deposited any amount in his account in the said Fund, he shall be allowed a deduction in the computation of his total

income, of the whole of the amount so paid or deposited in accordance with the said Scheme; and where the Central Government makes any contribution to the account in the *Agniveer* Corpus Fund, the assessee shall be allowed a deduction in the computation of his total income of the whole of the amount so contributed. It is further proposed to define the expressions “*Agnipath* Scheme” and “*Agniveer* Corpus Fund” for the purposes of the said section.

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

Clause 40 seeks to amend section 80G in the Income-tax Act relating to deduction in respect of donations to certain funds, charitable institutions, etc.

Sub-section (2) of the said section, *inter alia*, provides the names of the funds to which any sum paid by the assessee in the previous year as donation is allowed as a deduction to an extent of fifty per cent. of the amount so donated.

It is proposed to omit sub-clauses (ii), (iiic) and (iiid) of clause (a) of the said sub-section.

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

First proviso to sub-section (5) of the said section, *inter alia*, provides for the time within which institution or fund referred to in clause (vi) of the said sub-section is required to make an application to the Principal Commissioner or Commissioner for approval.

It is proposed to substitute clause (iv) of the first proviso to sub-section (5) to provide that the institution or fund, referred to in clause (vi) of the said sub-section, which is not covered by clause (i), (ii) or (iii) of the said proviso, may make an application for approval, where activities of the institution or fund have—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought;

(B) commenced and no income or part thereof of the said institution or fund has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 or section 11 or section 12 for any previous year ending on or before the date of such application, at any time after the commencement of such activities.

Clause (ii) of the second proviso to sub-section (5) of the said section provides for the procedure of granting approval by the Principal Commissioner or Commissioner where the application has been made under clause (ii) or clause (iii) of the first proviso.

It is proposed to amend clause (ii) of the second proviso to sub-section (5) of the said section so as to provide that where the application is made under the proposed sub-clause (B) of clause (iv) of the first proviso, the Principal Commissioner or Commissioner shall follow the procedure provided under clause (ii) of the second proviso.

It is further proposed to substitute item (B) of sub-clause (b) of clause (ii) of the second proviso to sub-section (5) of the said section so as to provide that if the Principal Commissioner or Commissioner is not so satisfied, about the objects and the genuineness of its activities under item (A) of sub-clause (a) of the said clause, and compliance of the requirements under item (B) of sub-clause (a) of the said clause, pass an order in writing,—

(I) in a case referred to in clause (ii) or clause (iii) of the first proviso, rejecting such application and also cancelling its approval; or

(II) in a case referred to in the proposed sub-clause (B) of clause (iv) of the first proviso, rejecting such application.

after affording it a reasonable opportunity of being heard.

It is also proposed to amend clause (iii) of the second proviso of the said sub-section to provide that where the application is made under sub-clause (A) of clause (iv) of the first proviso or the application made under clause (iv) of the first proviso as it stood immediately before its amendment *vide* the Finance Act, 2023, the Principal Commissioner or Commissioner shall pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the approval is sought, and send a copy of such order to institution or fund.

These amendments will take effect from 1st October, 2023.

Third proviso to sub-section (5) of the said section, *inter alia*, provides that time line during which the order under the first proviso is required to be passed by the Principal Commissioner or Commissioner.

It is proposed to amend the third proviso to sub-section (5) of the said section so as to substitute the reference of “first proviso” with “second proviso”.

This amendment will take effect from 1st April, 2023.

Clause 41 of the Bill seeks to amend section 80-IAC of the Income-tax Act relating to special provision in respect of specified business.

The said section, *inter alia*, provides for a deduction of an amount equal to one hundred per cent. of the profits and gains derived from an eligible business by an eligible start-up for any three consecutive assessment years out of ten years, beginning from the year of incorporation, at the option of the assessee subject to the conditions specified therein.

It is proposed to amend sub-clause (a) of clause (ii) of the *Explanation* to the said section so as to extend the period of eligible start-ups before which they are to be incorporated from “1st April, 2023” to “1st April, 2024”.

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

Clause 42 of the Bill seeks to amend section 87 of the Income-tax Act relating to rebate to be allowed in computing income-tax.

It is proposed to omit reference of sections 88, 88A, 88B, 88C and 88D in sub-sections (1) and (2) of the said section which is consequential in nature.

These amendments will take effect from 1st April, 2023.

Clause 43 of the Bill seeks to amend section 87A of the Income-tax Act relating to rebate of income-tax in case of certain individuals.

The said section provides that an assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees, shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred per cent. of such income-tax or an amount of twelve thousand and five hundred rupees, whichever is less.

It is proposed to insert a proviso to the said section to provide that where the income-tax payable on the total income of the assessee is computed under sub-section (1A) of section 115BAC, the said section shall have the effect as if,—

(i) for the words “five hundred thousand rupees”, the words “seven hundred thousand rupees”;

(ii) for the words “twelve thousand and five hundred rupees”, the words “twenty-five thousand rupees”,

had been substituted.

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

Clause 44 of the Bill seeks to omit section 88 of the Income-tax Act relating to rebate on life insurance premia, contribution to provident fund, etc.

It is proposed to omit the said section as it was sunset by Finance Act, 2005 and section 80C was introduced for allowing deduction on various instruments listed therein.

This amendment will take effect from 1st April, 2023.

Clause 45 of the Bill seeks to amend section 92BA of the Income-tax Act relating to meaning of ‘specified domestic transaction’.

It is proposed to insert a new clause (vb) to the said section to include the transaction between the cooperative society and the other person with close connection within the meaning of ‘specified domestic transaction’. This is consequential to the insertion of new section 115BAE.

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

Clause 46 seeks to amend section 92D of the Income-tax Act relating to maintenance, keeping and furnishing of information and document by certain persons.

Clause (i) of sub-section (1) of the said section provides that every person who has entered into an international transaction or specified domestic transaction shall keep and maintain such information and document in respect thereof as may be prescribed.

Sub-section (3) of said section provides that the Assessing Officer or the Commissioner (Appeals) may, in the course of any proceeding under this Act, require any person referred to in clause (i) of sub-section (1), to furnish any information or document referred therein, within a period of thirty days from the date of receipt of a notice issued in this regard. Proviso to sub-section (3) provides that the Assessing Officer or the Commissioner (Appeals) may, on an application made by such person, extend the period of thirty days by a further period not exceeding thirty days.

It is proposed to amend the said sub-section (3) and the proviso to reduce the said period from thirty days to ten days for furnishing any information or document, extendable by a further period of not exceeding thirty days.

This amendment will take effect from the 1st April, 2023.

Clause 47 of the Bill seeks to amend section 94B of the Income-tax Act relating to limitation on interest deduction in certain cases.

The said section, *inter alia*, provides that notwithstanding anything contained in the Act, where an Indian company, or a permanent establishment of a foreign company in India, being the borrower, incurs any expenditure by way of interest or of similar nature exceeding one crore rupees which is deductible in computing income chargeable under the head "Profits and gains of business or profession" in respect of any debt issued by a non-resident, being an associated enterprise of such borrower, the interest deductible in computation of income under the said head shall be restricted only to the extent of thirty per cent., of its earnings before interest, taxes, depreciation and amortisation or interest paid or payable to associated enterprise, whichever is less.

It is proposed to amend sub-section (3) of the said section so as to provide that the provision of said section shall not apply to such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf.

It is further proposed to define the expression "non-banking financial company".

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

Clause 48 of the Bill seeks to amend section 111A of the Income-tax Act relating to tax on short-term capital gains in certain cases.

It is proposed to omit sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 49 of the Bill seeks to amend section 112 of the Income-tax Act relating to tax on long-term capital gains.

It is proposed to omit sub-section (3) of the said section which is consequential due to omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 50 of the Bill seeks to amend section 115BAC of the Income-tax Act relating to tax on income of individuals and Hindu undivided family.

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

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

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

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

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

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

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

under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or sub-section (2) of section 80CCH or section 80JJAA.

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

(i) the assessee has not exercised the option under sub-section (5) for any previous year relevant to the assessment year beginning on or before the 1st day of April, 2023;

(ii) the income-tax on the total income of the assessee is computed under sub-section (1A); and

(iii) there is a depreciation allowance in respect of a block of assets which has not been given full effect prior to the assessment year beginning on the 1st day of April, 2024,

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

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

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

(ii) whose total income is computed under sub-section (1A),

the conditions contained in sub-section (2) shall be modified to the extent that the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

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

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

(i) on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for such assessment year, in case of a person having income from business or profession, and such option once exercised shall apply to subsequent assessment years; or

(ii) along with the return of income to be furnished under sub-section (1) of section 139 for such assessment year, in case of a person not having income referred to in clause (i).

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

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

Clause 51 of the Bill seeks to amend section 115BAD of the Income-tax Act relating to tax on income of certain resident co-operative societies.

The existing provisions of the section 115BAD of the Act, *inter alia*, provides a concessional taxation regime for co-operative societies, wherein they can opt to pay tax at the reduced rate of twenty-two per cent. if they do not avail of any specified incentives or deductions.

It is proposed to make consequential amendments since new section 115BAE relating to tax on income of new manufacturing co-operative societies is being inserted.

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

Clause 52 of the Bill seeks to insert a new section 115BAE of the Income-tax Act relating to tax on income of certain new manufacturing co-operative societies

The Taxation Laws (Amendment) Act, 2019, *inter-alia*, inserted section 115BAB to Act which provides that new manufacturing domestic companies set up on or after 1st October, 2019, which commence manufacturing or production by 31st March, 2023 and do not avail of any specified incentive or deductions, may opt to pay tax at a concessional rate of fifteen per cent. The time for commencing manufacturing or production has been extended to 31st March, 2024 by the Finance Act, 2022. The same provision has not been provided to new manufacturing co-operative societies.

It is proposed to insert a new section 115BAE so as to provide that new manufacturing co-operative society set up on or after 1st April, 2023, which commence manufacturing or production by 31st March, 2025 and do not avail of any specified incentive or deduction, may opt to pay tax at a concessional rate of fifteen per cent.

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

Clause 53 of the Bill seeks to amend section 115BB of the Income-tax Act relating to tax on winnings from lotteries, crossword puzzles, races including horse races, card games and other games of any sort or gambling or betting of any form or nature whatsoever.

It is proposed to amend the said section to insert a proviso to provide that nothing contained in said section shall apply to income by way of winnings from any online game for the assessment year beginning on or after 1st April, 2024.

It is further proposed to substitute the *Explanation* to define the expression “horse race” and “online game”.

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

Clause 54 seeks to insert a new section 115BBJ in the Income-tax Act relating to tax on winnings from online games.

The proposed section seeks to provide that notwithstanding anything contained in any other provisions of this Act, where the total income of an assessee includes any income by way of winnings from any online game, the income-tax payable shall be the aggregate of—

- (i) the amount of income-tax calculated on net winnings from such online games during the previous year, computed in the manner as may be provided by rules, at the rate of thirty per cent.; and
- (ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the net winnings referred to in clause (i).

It is further proposed to define the expressions “computer resource”, “internet” and “online game”.

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

Clause 55 of the Bill seeks to amend section 115JC of the Income-tax Act relating to special provisions for payment of tax by certain persons other than a company.

It is proposed to amend sub-section (5) of the said section to provide that the provisions of the said section shall not apply to a person, where—

- (i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or
- (ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.

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

Clause 56 of the Bill seeks to amend section 115JD of the Income-tax Act relating to tax credit for alternate minimum tax.

It is proposed to amend sub-section (7) of the said section to provide that the provisions of the said section shall not apply to a person, where—

(i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or

(ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.

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

Clause 57 seeks to amend section 115TD of the Income-tax Act relating to Tax on accreted income.

It is proposed to insert a new clause (iii) in sub-section (3) of said section to provide that a trust or institution registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 shall be deemed to have been converted into any form not eligible for registration or approval in a previous year, if the specified person fails to make an application in accordance with the provisions of clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A, within the period specified in the said clauses or sub-clauses, as the case may be, which expires in the said previous year.

It is further proposed to amend clause (ii) of sub-section (5) of the said section to provide that the principal officer or the trustee of the specified person or the specified person, as the case may be, shall also be liable to pay the tax on accreted income to the credit of the Central Government within fourteen days from the end of the previous year in a case referred to in sub-clause (a) of clause (ii), or clause (iii) of sub-section (3) of the said section.

Clause (i) of *Explanation* to the section provides the definition of “date of conversion” for the purposes of the said section.

It is also proposed to amend clause (i) of the said *Explanation*, which defines the expression “date of conversion”, by inserting a new sub-clause (c) to the said clause to provide that date of conversion shall also mean the last date for making an application for registration under sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or for making an application for approval under clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10, as the case may be, in a case referred to in clause (iii) of sub-section (3).

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

Clause 58 seeks to amend section 115UA of the Income-tax Act relating to tax on income of unit holder and business trust.

It is proposed to insert sub-section (3A) in the said section to provide that the provisions of sub-sections (1), (2) and (3) of the said section shall not apply in respect of

any sum, referred to in clause (xii) of sub-section (2) of section 56, received by a unit holder from a business trust.

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

Clause 59 of the Bill seeks to amend section 115UB of the Income-tax Act relating to tax on income of investment fund and its unit holders

It is proposed to amend clause (a) of *Explanation 1* to the said section to give reference of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 in the definition of “investment fund”.

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

Clause 60 of the Bill seeks to amend section 116 of the Income-tax Act relating to income-tax authorities.

It is proposed to consequentially amend clause (cca) of the said section to include Joint Commissioners of Income-tax (Appeals) for the purposes of the said section.

This amendment will take effect from 1st April, 2023.

Clause 61 of the Bill seeks to amend section 119 of the Income-tax Act relating to instructions to subordinate authorities.

It is proposed to consequentially amend the said section to substitute the expression “Commissioner (Appeals)” with “Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 62 of the Bill seeks to amend section 131 of the Income-tax Act relating to power regarding discovery, production of evidence, etc.

It is proposed to consequentially amend the said section to substitute the expression “Commissioner (Appeals)” with “Joint Commissioner (Appeals), Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 63 of the Bill seeks to amend section 132 of the Income-tax Act relating to search and seizure.

Sub-section (2) of said section provides that during the course of search, the authorised officer may requisition the services of any police officer or any officer of the Central Government to assist him for any of the action required to be performed during the course of such search and it shall be duty of such officer to comply.

It is proposed to substitute sub-section (2) of the said section so as to provide that the authorised officer, during the course of search, may requisition the services of any police officer or of any officer of the Central Government, or of both, or other person or entity, as approved by the Principal Chief Commissioner or the Chief Commissioner, the Principal Director General or the Director General, in accordance with the procedure as may be provided by rules by the Board in this regard, to assist him for the purposes of the search and it shall be the duty of such officer or person or entity to comply with such requisition.

Sub-section (9D) of said section provides that the authorised officer may take a reference to a valuation officer for estimating the fair market value of the property and such reference can be made during the search or within sixty days from the date of executing the last authorisation for search.

It is further proposed to substitute sub-section (9D) of the said section to provide that, the authorised officer, during the course of a search or within sixty days from the date of the last authorisation, may make a reference to a Valuation Officer referred to in section 142A or any other person or entity or any valuer registered by or under any law for the time being in force, as may be approved by the Principal Chief Commissioner, the Chief Commissioner, the Principal Director General or the Director General, in accordance with the procedure laid down by the Board in this regard, who shall estimate the fair market value of the property in the manner as may be provided by rules, and submit a report of the estimate to the authorised officer or the Assessing Officer, as the case may be, within sixty days from the receipt of such reference.

These amendments will come into effect from 1st April, 2023.

It is also proposed to substitute *Explanation 1* to the said section, so as to provide that for the purposes of sub-sections (9A), (9B) and (9D), execution of an authorisation for search shall be deemed to have been executed, in the case of search, on the conclusion of search as recorded in the last panchnama drawn in relation to any person in whose case the warrant of authorisation has been issued; and in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the authorised officer.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 64 of the Bill seeks to amend section 133 of the Income-tax Act relating to power to call for information.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 65 of the Bill seeks to amend section 134 of the Income-tax Act relating to power to inspect registers of companies.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the

Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 66 of the Bill seeks to amend the section 135A of the Income-tax Act, 1961 relating to faceless collection of information.

It is proposed to insert a second proviso in the said sub-section (2) of the said section so as to provide that the Central Government may amend any direction issued under the said sub-section on or before 31st March, 2022, by notification in the Official Gazette.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 67 of the Bill seeks to amend the section 140B of the Income-tax Act relating to tax on updated return.

Sub-section (4) of the said section provides that interest payable under section 234B shall be computed on an amount equal to the assessed tax or the amount by which the advance tax paid falls short of the assessed tax. Further, sub-clause (i) of clause (a) of the said sub-section provides for reduction of advance tax which has been claimed in earlier return of income.

It is proposed to amend the said sub-section to provide that interest payable under section 234B shall be computed on an amount equal to the assessed tax as reduced by the amount of advance tax, the credit for which has been claimed in the earlier return, if any.

These amendments will take effect retrospectively from 1st April, 2022.

Clause 68 of the Bill seeks to amend section 142 of the Income-tax Act relating to inquiry before assessment.

Sub-section (2A) of the said section provides that if, at any stage of the proceedings before him the Assessing Officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and in the interests of revenue, is of the opinion that it is necessary, he may with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct the assessee to get his accounts audited by an accountant, and to furnish report as per rules.

It is proposed to amend the said sub-section (2A) so as to enable the Assessing Officer to get the inventory of the assessee also valued by a cost accountant.

It is also proposed to insert an *Explanation* in the said section to define “cost accountant” to mean a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who holds a valid certificate of practice under sub-section (1) of section 6 of the said Act.

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

Clause 69 of the Bill seeks to amend section 148 of the Income-tax Act relating to issue of notice where income has escaped assessment.

The said section, *inter alia*, provides that before making the assessment, reassessment or recomputation under section 147 of the Act, the Assessing Officer shall serve on the assessee a notice requiring him to furnish within such period, as may be specified in such notice, a return of his income or the income of any other person in respect of which he is assessable.

It is proposed to amend the said section to provide that such return shall be furnished in a period of three months from the end of the month in which such notice is issued, or such further period as may be allowed by the Assessing Officer on the basis of an application made in this regard by the assessee.

It is further proposed to insert a third proviso in the said section to provide that any return of income, required to be furnished by an assessee under this section and furnished beyond the period allowed shall not be deemed to be a return under section 139.

These amendments will take effect from 1st April, 2023.

Clause 70 of the Bill seeks to amend section 149 of the Income-tax Act relating to time limit for notice.

It is proposed to amend sub-section (1) of the said section to insert the provisos after the second proviso to provide that for cases referred to in clause (i), (iii) and (iv) of the *Explanation 2* to section 148 where a search is initiated under section 132 or a search under section 132 for which the last of the authorisations is executed or requisition is made under section 132A, after the 15th March of any financial year and the period for issue of notice under section 148 expires on 31st March of such financial year, a period of fifteen days shall be excluded for the purpose of computing the period of limitation as per this section and the notice issued under section 148 in such case shall be deemed to have been issued on the 31st March of such financial year.

The proposed fourth proviso provides that where the information as referred to in *Explanation 1* to section 148 emanates from a statement recorded or documents impounded under section 131 or section 133A, as the case may be, on or before the 31st March of a financial year, in consequence of, a search under section 132 which is initiated or a search under section 132 for which the last of the authorisations is executed or a requisition is made under section 132A, after the 15th March of such financial year, a period of fifteen days shall be excluded for the purpose of computing the period of limitation as per this section and the notice issued under clause (b) of section 148A in such case shall be deemed to have been issued on the 31st March of such financial year.

It is also proposed to amend the sixth proviso in the said sub-section to provide that where immediately after the exclusion of the period referred to in the fifth proviso, the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A does not exceed seven days, such remaining period shall be extended

to seven days and the period of limitation under this sub-section shall be deemed to be extended accordingly.

These amendments will take effect from 1st April, 2023.

Clause 71 of the Bill seeks to amend the section 151 of the Income-tax Act relating to sanction for issue of notice.

It is proposed to amend clause (ii) of the said section to provide that the specified authority for the purposes of section 148 and section 148A shall be the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.

It is further proposed to insert a proviso in the said section so as to provide that the period of three years for the purposes of clause (i) shall be computed after taking into account the period of limitation as excluded by the third or fourth or fifth provisos or extended by the sixth proviso to sub-section (1) of section 149.

These amendments will take effect from 1st April, 2023.

Clause 72 of the Bill seeks to amend the section 153 of the Income-tax Act relating to time limit for completion of assessment, reassessment and recomputation.

It is proposed to amend the third proviso to sub-section (1) to provide that the period of nine months specified therein to pass an order of assessment shall be applicable only to the assessment year commencing on 1st April, 2021.

It is further proposed to insert a new proviso, so that an order of assessment relating to the assessment year commencing on or after 1st April, 2022 shall be passed within twelve months from the end of the assessment year in which the income was first assessable.

It is also proposed to increase the said time limit to pass an order of assessment from nine months to twelve months from the end of the financial year in which return under sub-section (8A) of section 139 was furnished.

It is also proposed to amend sub-section (3) of the said section to provide that the provisions of the said sub-section shall also be applicable to order under section 263 or section 264, passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be.

It is also proposed to insert a new sub-section (3A) in the said section to provide that notwithstanding anything contained in sub-sections (1), (1A), (2) and (3) of the said section, where an assessment or reassessment is pending on the date of initiation of search under section 132 or making of requisition under section 132A, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections (1), (1A), (2) and (3) of the said section shall be extended by twelve months in a case where such search is initiated under section 132 or such requisition is made under section 132A or in the case of an assessee to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to or in the case of an assessee to whom any books of account

or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to.

It is also proposed to amend sub-section (4) of the said section to provide that the provisions thereof shall also be applicable to cases covered by sub-sections (1A) and (3A) of section 153 of the Act.

It is also proposed to amend sub-section (5) of the said section to provide that the provision of the said sub-section shall also be applicable to an order under section 263 or section 264 passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be.

It is also proposed to amend sub-section (6) of the said section to provide that nothing contained in sub-section (1A) shall also apply to the classes of assessments, reassessments and recomputation mentioned therein.

Clause (i) of the sub-section (6) of the said section provides that where the assessment, reassessment or recomputation is made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 250, section 254, section 260, section 262, section 263, or section 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act, such assessment, reassessment or recomputation shall be completed on or before the expiry of twelve months from the end of the month in which such order is received or passed by the Principal Commissioner or Commissioner, as the case may be.

It is also proposed to amend the said sub-section to provide that provisions of the said sub-section shall also be applicable to an order under section 263 passed by the Principal Chief Commissioner or Chief Commissioner.

It is also proposed to amend the first proviso to *Explanation* 1 of the said section so as to also make it available to the period of limitation mentioned in sub-section (1A) of the said section.

These amendments will take effect from 1st April, 2023.

It is also proposed to amend clause (iv) of *Explanation* 1 to the said section, so as to exclude the period for inventory valuation through the cost accountant for the purposes of computation of time limit.

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

Clause 73 of the Bill seeks to amend section 154 of the Income-tax Act relating to rectification of mistake.

It is proposed to consequentially amend clause (b) of sub-section (2) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 74 of the Bill seeks to amend section 155 of the Income-tax Act relating to other amendments.

Sub-section (11A) of the said section provides that where in the assessment for any year, the deduction under section 10A or section 10B or section 10BA has not been allowed on the ground that such income has not been or partly received in convertible foreign exchange in India and subsequently such income or part thereof has been received in, or brought into India, the Assessing Officer shall amend the order of assessment so as to allow such deduction later.

It is proposed to amend the said sub-section to give reference of section 10AA to allow the Assessing Officer to amend his assessment order later to provide deduction in respect of any income or part thereof not received in, or brought into India, within prescribed time limit, but has been subsequently realised.

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

It is proposed to insert a new sub-section (19) in the said section so as to provide that where any deduction in respect of any expenditure incurred for the purchase of sugarcane has been claimed by an assessee, being a co-operative society engaged in the business of manufacture of sugar, and such deduction has been disallowed wholly or partly in any previous year commencing on or before 1st April, 2014, the Assessing Officer shall, on the basis of an application made by such assessee in this regard, recompute the total income of such assessee for such previous year after allowing such deduction to the extent such expenditure is incurred at a price which is equal to or less than the price fixed or approved by the Government for that previous year, and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years specified in sub-section (7) of section 154 shall be reckoned from the end of previous year commencing on the 1st April, 2022.

This amendment will take effect from 1st April, 2023.

It is proposed to insert a new sub-section (20) in the said section so as to provide that where any income has been included in the return of income furnished by an assessee under section 139 for any assessment year (herein referred to as the relevant assessment year) and tax on such income has been deducted at source and paid to the credit of the Central Government in accordance with the provisions of Chapter XVII-B in a subsequent financial year, the Assessing Officer shall, on an application made by the assessee in the prescribed form within a period of two years from the end of the financial year in which such tax was deducted at source, amend the order of assessment or any intimation allowing credit of such tax deducted at source in the relevant assessment year, and the provisions of section 154 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. However, the credit of such tax deducted at source shall not be allowed in any other assessment year.

This amendment will take effect from 1st October, 2023.

Clause 75 of the Bill seeks to amend section 158A of the Income-tax Act relating to

procedure when assessee claims identical question of law is pending before High Court or Supreme Court.

It is proposed to consequentially amend *Explanation* to the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 76 of the Bill seeks to amend section 158AB of the Income-tax Act relating to procedure where an identical question of law is pending before High Courts or Supreme Court.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 77 of the Bill seeks to substitute section 170A of the Income-tax Act relating to effect of order of tribunal or court in respect of business reorganisation.

The existing section provides that in case of business reorganisation where a return of income has been filed by the successor under section 139 of the Act, such successor shall furnish a modified return within six months from the end of the month in which such order of business reorganisation was issued in accordance with limited to the said order.

The proposed sub-section (1) seeks to provide that notwithstanding anything contained in section 139, in a case of business reorganisation, where prior to the date of order of a High Court or tribunal or Adjudicating Authority, any return of income has been furnished under the provisions of section 139 for any assessment year relevant to a previous year, by an entity to which such order applies, the successor shall furnish, within a period of six months from the end of the month in which the said order was issued, a modified return in the form and manner, as may be provided by rules, in accordance with and limited to the said order.

The proposed sub-section (2) seeks to provide that if proceedings of assessment or reassessment for the relevant assessment year have been completed on the date of furnishing of modified return under sub-section (1), the Assessing Officer shall pass an order modifying the total income of the relevant assessment year in accordance with the order of the business reorganisation and taking into account the modified return so furnished and it is also proposed that if proceedings of assessment or reassessment for the relevant assessment year are pending on the date of furnishing of modified return under sub-section (1), the Assessing Officer shall pass an order assessing or reassessing the total income of the relevant assessment year in accordance with the order of the business reorganisation and taking into account the modified return so furnished.

The proposed sub-section (3) seeks to provide that unless otherwise provided, all other provisions of the Income-tax Act shall apply to the assessment or reassessment made under this section and in such cases, the tax shall be chargeable at the rate applicable to such

assessment year.

The proposed *Explanation* seeks to define the expressions “business reorganisation” and “successor” for the purposes of this section.

This amendment will take effect from 1st April, 2023.

Clause 78 of the Bill seeks to amend section 177 of the Income-tax Act relating to association dissolved or business discontinued.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 79 of the Bill seeks to amend section 189 of the Income-tax Act relating to firm dissolved or business discontinued.

It is proposed to consequentially amend sub-section (2) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 80 of the Bill seeks to amend section 192A of the Income-tax Act relating to payment of accumulated balance due to an employee.

The provisions of the said section provide for deduction of tax at the rate of ten per cent. on payment of taxable component of accumulated balance due to an employee under the Employees' Provident Fund Scheme, 1952. The second proviso to the said section provides that any person entitled to receive any amount on which tax is deductible under the said section shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the maximum marginal rate.

It is proposed to omit the second proviso to the said section.

This amendment will take effect from 1st April, 2023.

Clause 81 of the Bill seeks to amend section 193 of the Income-tax Act relating to interest on securities.

Clause (ix) of the proviso to the said section provides that no tax shall be deducted on interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

It is proposed to omit the said clause.

This amendment will take effect from 1st April, 2023.

Clause 82 of the Bill seeks to amend section 194B of the Income-tax Act relating to winnings from lottery or crossword puzzle.

It is proposed to amend the said section so as to include winnings from gambling or betting of any form or nature whatsoever within the ambit of section 194B and accordingly proposed to amend the marginal heading.

It is further proposed to provide that deduction of tax under the said section shall be on the amount or aggregate of the amounts exceeding ten thousand rupees during the financial year.

These amendments will take effect from 1st April, 2023.

It is also proposed to insert a new proviso to provide that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after 1st July, 2023 and also an *Explanation* to provide that “online game” shall have the meaning assigned to it in clause (iii) of *Explanation* to the proposed section 115BBJ.

This amendment will take effect from 1st July, 2023.

Clause 83 of the Bill seeks to insert a new section 194BA in the Income-tax Act relating to winnings from online game.

Sub-section (1) of the proposed section provides that notwithstanding anything contained in any other provisions of this Act, any person responsible for paying to any person any income by way of winnings from any online game during the financial year shall, deduct income-tax on the net winnings in his user account, computed in the manner as may be provided by rules, at the end of the financial year at the rates in force.

The proviso to the said sub-section provides that in a case where there is a withdrawal from user account during the financial year, the income-tax shall be deducted at the time of such withdrawal on net winnings comprised in such withdrawal, as well as on the remaining amount of net winnings in the user account, computed in the manner as may be provided by rules, at the end of the financial year.

Sub-section (2) of the proposed section provides that in a case where the net winnings are wholly in kind or partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the net winnings, the person responsible for paying shall, before releasing the winnings, ensure that tax has been paid in respect of the net winnings.

Sub-section (3) of the proposed section provides that if any difficulty arises in giving effect to the provisions of section 194BA, the Board may, with the prior approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

Sub-section (4) of the proposed section provides that every guideline issued by the Board shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the person liable to deduct income-tax.

It is also proposed to define the expressions “computer resource”, “internet”, “online game”, “online gaming intermediary”, “user” and “user account”.

This amendment will take effect from 1st July, 2023.

Clause 84 of the Bill seeks to amend section 194BB of the Income-tax Act, 1961 relating to winning from horse race.

It is proposed to amend the said section so as to provide that deduction of tax under section 194BB shall be on the amount or aggregate of the amounts exceeding ten thousand rupees during the financial year.

This amendment will take effect from 1st April, 2023.

Clause 85 of the Bill seeks to amend section 194N of the Income-tax Act relating to payment of certain amounts in cash.

The provisions of the said section provide that a banking company or a co-operative society engaged in carrying on the business of banking or a post office, which is responsible for paying any sum, being the amount or the aggregate of amounts, in excess of one crore rupees in cash during the previous year to any person (referred to as the recipient) from one or more accounts maintained by the recipient with it shall, at the time of payment of such sum, deduct an amount equal to two per cent. of such sum, as income-tax.

It is proposed to insert a third proviso in the said section so as to provide that where the recipient is a co-operative society, the provisions of this section shall have effect, as if for the words “one crore rupees” the words “three crore rupees” had been substituted.

This amendment will take effect from 1st April, 2023.

Clause 86 of the Bill seeks to amend section 194R of the Income-tax Act relating to deduction of tax on benefit or perquisite in respect of business or profession.

Sub-section (1) of the said section provides that any person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession, by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent. of the value or aggregate of value of such benefit or perquisite.

It is proposed to insert a new *Explanation 2* to the said section so as to clarify that the provisions of sub-section (1) shall also apply to any benefit or perquisite, whether in cash or in kind or partly in cash and partly in kind.

This amendment will take effect from 1st April, 2023.

Clause 87 of the Bill seeks to amend section 196A of the Income-tax Act relating to income in respect of units of non-residents.

Sub-section (1) of the said section provides for deduction of tax on payment of any income to a non-resident, not being a company, or to a foreign company in respect of units of a Mutual Fund specified under clause (23D) of the section 10 or from the specified company referred to in the *Explanation* to clause (35) of the said section at the rate of twenty per cent.

It is proposed to insert a proviso to the said sub-section so as to provide that where an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A applies to the payee and if the payee has furnished a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A, as the case may be, then, income-tax thereon shall be deducted at the rate of twenty per cent. or at the rate or rates of income-tax provided in such agreement for such income, whichever is lower.

This amendment will take effect from 1st April, 2023.

Clause 88 of the Bill seeks to amend section 197 of the Income-tax Act relating to certificate for deduction at lower rate.

It is proposed to amend sub-section (1) of the said section to provide that the sums on which tax is required to be deducted under section 194LBA shall also be eligible for certificate for deduction at lower rate.

This amendment will take effect from 1st April, 2023.

Clause 89 of the Bill seeks to amend section 206AB of the Income-tax Act relating to special provision for deduction of tax at source for non-filers of income-tax return.

Sub-section (3) of the said section defines “specified person” for the purpose of this section to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted. The proviso to the said sub-section excludes a non-resident from the definition of specified person, if the non-resident does not have a permanent establishment in India.

It is proposed to amend the said proviso to also exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

This amendment will take effect from 1st April, 2023.

Clause 90 of the Bill seeks to amend section 206C of the Income-tax Act relating to tax collected at source from profits and gains from the business of trading in alcoholic liquor, forest produce, scrap etc.

Sub-section (1G) of the said section, *inter-alia*, provides that every person being an authorised dealer, who receives any amount, or an aggregate of amounts, of seven lakh rupees or more in a financial year for remittance out of India under the Liberalised Remittance Scheme of the Reserve Bank of India from a buyer, being a person remitting such amount out of India; or being a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package, shall, at

the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer by any mode, whichever is earlier, collect from the buyer, a sum equal to five per cent. of such amount as income-tax.

It is proposed to amend the said sub-section (1G) so as to increase the rate of collection of tax at source from “five per cent.” to “twenty per cent. if it is for a purpose other than for education or medical treatment”.

It is further proposed to amend the first proviso to the said section to provide that collection of tax at source is not applicable where amount or aggregate of amount is less than seven lakh rupees is remitted for the purpose of education or medical treatment.

It is also proposed to amend the second proviso to provide that collection of tax at source is applicable where amount or aggregate of amount in excess of seven lakh rupees is remitted for the purpose of education or medical treatment.

These amendments will take effect from 1st July, 2023.

Clause 91 of the Bill seeks to amend section 206CCA of the Income-tax Act relating to special provision for collection of tax at source for non-filers of income-tax return.

Sub-section (3) of the said section defines “specified person” to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected. The proviso to said sub-section excludes a non-resident from the definition of specified person, if the non-resident does not have a permanent establishment in India.

It is proposed to amend the said proviso to exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

This amendment will take effect from the 1st April, 2023.

Clause 92 of the Bill seeks to amend section 241A of the Income-tax Act relating to withholding of refund in certain cases.

It is proposed to insert a new proviso in the said section to provide that the provisions thereof shall not apply from 1st April, 2023.

This amendment will take effect from 1st April, 2023.

Clause 93 of the Bill seeks to amend section 244A of the Income-tax Act relating to interest on refunds.

It is proposed to amend clause (a) of sub-section (1) of the said section to insert a proviso to provide that where refund arises as a result of an order passed by the Assessing Officer in consequence of an application made by the assessee under sub-section (20) of section 155, such interest shall be calculated at the rate of one-half per cent. for every month or part of a month comprised in the period from the date of such application to the date on which the refund is granted.

This amendment will take effect from 1st October, 2023.

It is further proposed to insert a proviso to sub-section (1A) of the said section to provide that where proceedings for assessment or reassessment are pending in respect of an assessee, in computing the period for determining the additional interest payable to such assessee under this sub-section, the period beginning from the date on which such refund is withheld by the Assessing Officer in accordance with and subject to provisions of sub-section (2) of section 245 and ending with the date on which such assessment or reassessment is made shall be excluded.

This amendment will take effect from 1st April, 2023.

Clause 94 of the Bill seeks to substitute section 245 of the Income-tax Act with a new section relating to set off and withholding of refunds in certain cases.

Sub-section (1) of the proposed section seeks to provide that where under any of the provisions of this Act, a refund becomes due or is found to be due to any person, the Assessing Officer or Commissioner or Principal Commissioner or Chief Commissioner or Principal Chief Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded or any part of that amount, against the sum, if any, remaining payable under this Act by the person to whom the refund is due, after giving an intimation in writing to such person of the action proposed to be taken under this sub-section.

Sub-section (2) of the proposed section seeks to provide that where a part of the refund has been set off as per sub-section (1) or where no amount is set off, and refund becomes due to a person, then, the Assessing Officer, having regard to the fact that proceedings of assessment or reassessment are pending in such case and grant of refund is likely to adversely affect the revenue, and for reasons to be recorded in writing and with the previous approval of the Principal Commissioner or Commissioner, may withhold the refund till the date of such assessment or reassessment.

This amendment will take effect from 1st April, 2023.

Clause 95 of the Bill seeks to amend the section 245D of the Income-tax Act relating to procedure on receipt of an application under section 245C.

It is proposed to substitute clause (iv) of sub-section (9) of the said section so as to provide that where the time-limit for amending any order or filing of rectification application under sub-section (6B) of the said section expires on or after the 1st February, 2021, but before the 1st February, 2022, such time-limit shall be extended to 30th September, 2023.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 96 of the Bill seeks to amend the section 245MA of the Income-tax Act, relating to Dispute Resolution Committee.

It is proposed to insert a second proviso in sub-section (4) of the said section so as

to provide that the Central Government may amend any direction issued under sub-section (4) of that section on or before 31st March, 2023, by notification in the Official Gazette.

This amendment will take effect from 1st April, 2023.

Clause 97 of the Bill seeks to amend the section 245R of the Income-tax Act relating to procedure on receipt of application.

It is proposed to insert a new proviso in sub-section (10) of the said section so as to provide that the Central Government may amend any direction issued under sub-section (10) of that section on or before 31st March, 2023, by notification in the Official Gazette.

This amendment will take effect from 1st April, 2023.

Clause 98 of the Bill seeks to amend Chapter XX of the Income-tax Act relating to appeals and revision.

It is proposed to amend the sub-heading of Chapter XX relating to appeals to enable creation and functioning of Joint Commissioner (Appeals).

It is further proposed to substitute section 246 with a new section so as to provide for appealable orders before Joint Commissioner (Appeals).

Sub-section (1) of the proposed section seeks to provide that any assessee aggrieved by any of the following orders of an Assessing Officer (below the rank of Joint Commissioner) may appeal to the Joint Commissioner (Appeals) against—

(i) (a) an order being an intimation under sub-section (1) of section 143, where the assessee objects to the making of adjustments, or any order of assessment under sub-section (3) of section 143 or section 144, where the assessee objects to the amount of income assessed, or to the amount of tax determined, or to the amount of loss computed, or to the status under which he is assessed;

(b) an order of assessment, reassessment or recomputation under section 147;

(c) an order being an intimation under sub-section (1) of section 200A;

(d) an order under section 201;

(e) an order being an intimation under sub-section (6A) of section 206C;

(f) an order under sub-section (1) of section of section 206CB;

(g) an order imposing a penalty under Chapter XXI; and

(h) an order under section 154 or section 155 amending any of the orders mentioned in clauses (a) to (g).

The proviso to the said sub-section provides that where an order referred to under this sub-section is passed by or with the approval of an income-tax authority above the rank of

Deputy Commissioner, an appeal cannot be filed against such order under this section.

Sub-section (2) provides that where any appeal filed against an order referred to in sub-section (1) is pending before the Commissioner (Appeals), the Board or an income-tax authority so authorised by the Board in this regard, may transfer such appeal and any matter arising out of or connected with such appeal and which is so pending, to the Joint Commissioner (Appeals) who may proceed with such appeal or matter, from the stage at which it was before it was so transferred.

Sub-section (3) provides that notwithstanding anything contained in sub-section (1) or sub-section (2), the Board or an income-tax authority so authorised by the Board in this regard, may transfer any appeal which is pending before a Joint Commissioner (Appeals) and any matter arising out of or connected with such appeal and which is so pending, to the Commissioner (Appeals) who may proceed with such appeal or matter, from the stage at which it was before it was so transferred.

Sub-section (4) provides that where an appeal is transferred under the provisions of sub-section (2) and sub-section (3), the appellant shall be provided an opportunity of being reheard.

Sub-section (5) provides that for the purposes of disposal of appeal by the Joint Commissioner (Appeals), the Central Government may make a scheme, by notification in the Official Gazette, so as to dispose of appeals in an expedient manner with transparency and accountability by eliminating the interface between the Joint Commissioner (Appeals) and the appellant in the course of appellate proceedings to the extent technologically feasible and direct that any of the provisions of this Act relating to jurisdiction and procedure for disposal of appeals by Joint Commissioner (Appeals) shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification.

Sub-section (6) provides that for the purposes of sub-section (1), the Board may specify that the provisions of that sub-section shall not apply to any case or any class of cases.

It is also proposed to insert an *Explanation* to the proposed section defines “status” to mean the category under which the assessee is assessed as “individual”, “Hindu undivided family” and so on.

These amendments will take effect from 1st April, 2023.

Clause 99 of the Bill seeks to amend section 249 of the Income-tax Act relating to form of appeal and limitation.

It is proposed to amend sub-section (1) of said section to insert Joint Commissioner (Appeals) within the ambit of the said section.

It is further proposed to amend sub-section (3) and proviso to sub-section (4) of said section to insert Joint Commissioner (Appeals) in the said sub-sections.

These amendments will take effect from 1st April, 2023.

Clause 100 of the Bill seeks to amend section 250 of the Income-tax Act relating to procedure in appeal.

It is proposed to amend the said section to make the provisions therein applicable to the Joint Commissioner (Appeals) by inserting a reference to the Joint Commissioner (Appeals) wherever the term the Commissioner (Appeals) occurs.

It is further proposed to substitute sub-section (6A) of the said section so as to provide that in every appeal, the Joint Commissioner (Appeals) or the Commissioner (Appeals), as the case may be, where it is possible, may hear and decide such appeal within a period of one year from the end of the financial year in which such appeal is filed before him under sub-section (1) or transferred to him under sub-section (2) or sub-section (3) of section 246 or filed before him under sub-section (1) of section 246A, as the case may be.

These amendments will take effect from 1st April, 2023.

It is also proposed to insert a second proviso in sub-section (6C) of the said section so as to provide that the Central Government may amend any direction issued under sub-section (6C) of that section on or before 31st March, 2022, by notification in the Official Gazette.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 101 of the Bill seeks to amend section 251 of the Income-tax Act relating to powers of the Commissioner (Appeals).

It is proposed to substitute the marginal heading of the said section to include the Joint Commissioner (Appeals) also in the said heading.

It is further proposed to insert a new sub-section (1A) of the said section so as to provide that in disposing of an appeal, the Joint Commissioner (Appeals) shall have powers to confirm, reduce, enhance or annul the assessment in an appeal against an order of assessment, confirm or cancel or vary an order so as either to enhance or to reduce the penalty in an appeal against an order imposing a penalty, and in any other case, to pass such orders in the appeal as he thinks fit.

It is also proposed to amend sub-section (2) and the *Explanation* to that section to make the provisions therein applicable to the Joint Commissioner (Appeals) by inserting a reference to the Joint Commissioner (Appeals) wherever the term “Commissioner (Appeals)” occurs.

These amendments will take effect from 1st April, 2023.

Clause 102 of the Bill seeks to amend section 253 of the Income-tax Act relating to appeals to the Appellate Tribunal.

Sub-section (1) of the said section details the types of orders passed under various sections of the Income-tax Act against which an aggrieved assessee may appeal to the Appellate Tribunal. It is proposed to amend clause (a) of the said sub-section to provide that penalty orders passed by Commissioner (Appeals) under the sections 271AAB,

271AAC and 271AAD shall also be appealable to the Appellate Tribunal.

It is proposed to amend sub-section (1) of the said section by inserting a new sub-clause (aa) so as to provide that an order passed by a Joint Commissioner (Appeals) under section 154, section 250, section 270A, section 271, section 271A, section 271AAC, section 271AAD or section 271J shall be appealable before the Appellate Tribunal.

It is further proposed to amend clause (c) of the said sub-section to provide that an order passed under section 263 by a Principal Chief Commissioner or Chief Commissioner or an order passed under section 154 amending any such order shall also be appealable to the Appellate Tribunal.

It is also proposed to amend sub-section (2) of the said section to make the provisions therein applicable to the Joint Commissioner (Appeals) by substituting “Commissioner (Appeals)” with “Joint Commissioner (Appeals) or Commissioner (Appeals)”.

It is also proposed to amend sub-section (4) of the said section to enable filing of memorandum of cross-objections in all classes of cases against which appeal can be made to the Appellate Tribunal.

These amendments will take effect from 1st April, 2023.

Clause 103 of the Bill seeks to amend section 264 of the Income-tax Act relating to revision of other orders.

It is proposed to consequentially amend sub-section (4) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 104 of the Bill seeks to amend section 267 of the Income-tax Act relating to amendment of assessment on appeal.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 105 of the Bill seeks to amend the section 269SS of the Income-tax Act relating to mode of taking or accepting certain loans, deposits and specified sum.

It is proposed to insert a third proviso in the said section so as to provide that in case where a deposit is accepted by a primary agricultural credit society or a primary cooperative agricultural and rural development bank from its member or a loan is taken from a primary agricultural credit society or a primary cooperative agricultural and rural development bank by its member, the limit of twenty thousand rupees shall be increased to two lakh rupees.

It is further proposed to substitute the clause (ii) of *Explanation* to the said section so as to provide that "co-operative bank", "primary agricultural credit society" and "primary co-operative agricultural and rural development bank" shall have the meanings respectively assigned to them in *Explanation* to sub-section (4) of section 80P.

This amendment will take effect from 1st April, 2023.

Clause 106 of the Bill seeks to amend the section 269T of the Income-tax Act relating to mode of repayment of certain loans or deposits.

It is proposed to insert a third proviso in the said section so as to provide that in case where a deposit is paid by a primary agricultural credit society or a primary cooperative agricultural and rural development bank to its member or a loan is repaid to a primary agricultural credit society or a primary cooperative agricultural and rural development bank by its member, the limit of twenty thousand rupees shall be increased to two lakh rupees.

It is further proposed to substitute clause (ii) to *Explanation* to the said section so as to provide that "co-operative bank", "primary agricultural credit society" and "primary co-operative agricultural and rural development bank" shall have the meanings respectively assigned to them in *Explanation* to sub-section (4) of section 80P.

This amendment will take effect from 1st April, 2023.

Clause 107 of the Bill seeks to amend section 270A of the Income-tax Act relating to penalty for under-reporting and misreporting of income.

It is proposed to consequentially amend the said section to substitute the expression "the Commissioner (Appeals)" with "the Joint Commissioner (Appeals) or the Commissioner (Appeals)".

This amendment will take effect from 1st April, 2023.

Clause 108 of the Bill seeks to amend section 270AA of the Income-tax Act relating to immunity from imposition of penalty, etc.

It is proposed to consequentially amend sub-section (6) of the said section by giving reference to the appeal filed under section 246 before the Joint Commissioner (Appeals) to make it applicable under the provisions of the said sub-section.

This amendment will take effect from 1st April, 2023.

Clause 109 of the Bill seeks to amend section 271 of the Income-tax Act relating to failure to furnish returns, comply with notices, concealment of income, etc.

It is proposed to consequentially amend the said section to substitute the expression "the Commissioner (Appeals)" with "the Joint Commissioner (Appeals) or the Commissioner (Appeals)".

This amendment will take effect from 1st April, 2023.

Clause 110 of the Bill seeks to amend section 271A of the Income-tax Act relating to failure to keep, maintain or retain books of account, documents, etc.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 111 of the Bill seeks to amend section 271AAC of the Income-tax Act relating to penalty in respect of certain income.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 112 of the Bill seeks to amend section 271AAD of the Income-tax Act relating to penalty for false entry, etc., in books of account.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 113 of the Bill seeks to amend the section 271C of the Income-tax Act relating to penalty for failure to deduct tax at source.

It is proposed to amend clause (b) of sub-section (1) of said section so as to provide that a person shall be liable to pay penalty under that section for failure to ensure payment, in addition to failure of payment, of whole or any part of tax as required under the provisions.

It is further proposed to amend the said clause to provide that a person shall be liable to pay, as penalty, a sum equal to the amount of tax which such person failed to ensure payment of.

These amendments will take effect from 1st April, 2023.

It is also proposed to amend the said clause to give reference of sub-section (2) of section 194BA.

This amendment will take effect from 1st July, 2023.

It is also proposed to amend the said clause to give reference of the first proviso to sub-section (1) of section 194R and the proviso to sub-section (1) of section 194S therein.

This amendment will take effect from 1st April, 2023.

Clause 114 of the Bill seeks to amend the section 271FAA of the Income-tax Act relating to penalty for furnishing inaccurate statement of financial transaction or reportable account.

The said section provides for imposition of penalty of fifty thousand rupees on a person for furnishing inaccurate information in the statement of financial transaction or reportable account.

It is proposed to amend the said section to provide that the income-tax authority imposing penalty under the said section shall be the same as the income tax authority prescribed under sub-section (1) of section 285BA.

It is further proposed to insert a new sub-section (2) in the said section to provide that where in the case of a person, referred to in clause (k) of sub-section (1) of section 285BA, who is required to furnish a statement under that section (herein referred to as reporting financial institution) provides inaccurate information in the statement and the inaccuracy in such statement is due to false or inaccurate information furnished by the holder or holders of the relevant reportable account or accounts, the income-tax authority prescribed under sub-section (1) of section 285BA, shall direct that the reporting financial institution shall, in addition to the penalty under sub-section (1), if any, pay a sum of five thousand rupees for every inaccurate reportable account and the reporting financial institution shall be entitled to recover the sum so paid on behalf of such reportable account holder, or to retain out of any moneys that may be in its possession, or may come to it from every such reportable account holder, an amount equal to the sum so paid.

This amendment will take effect from 1st April, 2023.

Clause 115 of the Bill seeks to amend section 271J of the Income-tax Act relating to penalty for furnishing incorrect information in reports or certificates.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 116 of the Bill seeks to amend the section 274 of the Income-tax Act relating to procedure.

It is proposed to insert a second proviso in sub-section (2B) of the said section so as to provide that the Central Government may amend any direction issued under sub-section (2B) of that section on or before 31st March, 2022, by notification in the Official Gazette.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 117 of the Bill seeks to amend section 275 of the Income-tax Act relating to bar of limitation for imposing penalties.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 118 of the Bill seeks to amend section 276A of the Income-tax Act relating to failure to comply with the provisions of sub-sections (1) and (3) of section 178.

The said section provides for punishment for non-compliance of the provisions of sub-sections (1) and (3) of section 178.

It is proposed to insert a second proviso to the said section so as to provide that no proceeding shall be initiated under this section on or after 1st April, 2023.

This amendment will take effect from 1st April, 2023.

Clause 119 of the Bill seeks to amend the section 276B of the Income-tax Act relating to failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B.

It is proposed to amend clause (a) of the said section so as to make it applicable if a person fails to pay to the credit of the Central Government the tax deducted at source by him as required by or under the provisions of Chapter XVII-B.

It is further proposed to substitute clause (b) of the said section to provide that failure to pay tax or ensure payment of tax, to the credit of the Central Government as required by or under sub-section (2) of section 115-O, the proviso to section 194B, the first proviso to sub-section (1) of section 194R or the proviso to sub-section (1) of section 194S shall be eligible for initiating proceedings under the section.

These amendments will take effect from 1st April, 2023.

It is also proposed to provide in the said clause that failure to pay tax or ensure payment of tax, to the credit of Central Government as required under sub-section (2) of section 194BA shall be eligible for initiating proceedings under that section.

This amendment will take effect from 1st July, 2023.

Clause 120 of the Bill seeks to amend section 279 of the Income-tax Act relating to prosecution to be at instance of Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner.

It is proposed to consequentially amend sub-section (1) of the said section to substitute the expression “Commissioner (Appeals)” with “Joint Commissioner (Appeals) or Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 121 of the Bill seeks to amend section 287 of the Income-tax Act relating to publication of information respecting assesses in certain cases.

It is proposed to consequentially amend sub-section (2) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 122 of the Bill seeks to amend section 295 of the Income-tax Act relating to power to make rules.

It is proposed to amend clause (eec) of sub-section (2) of the said section so as to include the words “or inventory valuation” after the word “audit”.

It is further proposed to consequentially amend the clause (mm) of sub-section (2) of said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Customs

Clause 123 seeks to amend section 25 of the Customs Act by inserting a new proviso in sub-section (4A), so as to exclude certain categories of conditional exemption specified therein from the purview of the said sub-section.

Clause 124 of the Bill seeks to amend section 127C of the Customs Act by inserting a new sub-section (8A) therein to provide that an order under sub-section (5) shall be passed within nine months from the date of making application under section 127B, and if no order is passed within the said period, the settlement proceeding shall abate and the case shall be reverted back to the adjudicating authority.

Customs Tariff

Clause 125 of the Bill seeks to amend sections 9, 9A and 9C of the Customs Tariff Act so as to omit certain words therein and to clarify that the determination or review of safeguard duty or of countervailing duty or of anti-dumping duty are to be done by an authority in such manner as may be specified in the rules made under sections 8B, 9, 9A and 9B of the said Act.

Clause 126 seeks to amend the First Schedule to the Customs Tariff Act, in the manner specified in—

(a) the Second Schedule so as to revise the rates in respect of certain tariff items with effect from the 2nd day of February, 2023;

(b) the Third Schedule with a view to revise the rates in respect of certain tariff items, with effect from the date on which the Finance Bill, 2023 receives the assent of the President.

(c) the Fourth Schedule so as to revise the entries in respect of certain tariff items

with effect from 1st May,2023.

Clause 127 seeks to amend the Second Schedule to the Customs Tariff Act so as to revise the entries in respect of certain tariff items in the manner specified in the Fifth Schedule with effect from 1st May, 2023.

Central Goods and Services Tax

Clause 128 of the Bill seeks to amend clause (d) of sub-section (2) and clause (c) of sub-section (2A) in section 10 of the Central Goods and Services Tax Act so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the composition levy.

Clause 129 of the Bill seeks to amend second and third provisos to sub-section (2) of section 16 of the Central Goods and Services Tax Act to align the said sub-section with the return filing system provided in the said Act.

Clause 130 of the Bill seeks to amend *Explanation* to sub-section (3) of section 17 of the Central Goods and Services Tax Act so as to restrict availment of input tax credit in respect of certain transactions specified in clause (a) of paragraph 8 of Schedule III of the said Act, as may be provided by rules, by including the value of such transactions in the value of exempt supply.

It also seeks to amend sub-section (5) so as to provide that input tax credit shall not be available in respect of goods or services or both received by a taxable person which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013.

Clause 131 of the Bill seeks to substitute, with effect from the 1st day of July, 2017, section 23 of the Central Goods and Services Tax Act relating to persons not liable for registration so as to provide overriding effect to the said section over sub-section (1) of section 22 and section 24 of the said Act.

Clause 132 of the Bill seeks to insert a new sub-section (5) in section 37 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the details of outward supplies under sub-section (1) of the said section for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 133 of the Bill seeks to insert a new sub-section (11) in section 39 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the return for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 134 of the Bill seeks to insert a new sub-section (2) in section 44 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the annual return under sub-section (1) of the said section for a financial year can be furnished

by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 135 of the Bill seeks to insert a new sub-section (15) in section 52 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the statement under sub-section (4) of the said section for a month can be furnished by an electronic commerce operator. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for an operator or a class of operators, subject to certain conditions and restrictions.

Clause 136 of the Bill seeks to amend sub-section (6) of section 54 of the Central Goods and Services Tax Act by removing reference to the provisionally accepted input tax credit so as to align the same with the present scheme of availment of self-assessed input tax credit as per sub-section (1) of section 41 of the said Act.

Clause 137 of the Bill seeks to amend section 56 of the Central Goods and Services Tax Act so as to provide by rules the manner of computation of period of delay for calculation of interest on delayed refunds.

Clause 138 of the Bill seeks to insert a new sub-section (1B) in section 122 of the Central Goods and Services Tax Act so as to provide for penal provisions applicable to electronic commerce operators in case of contravention of provisions relating to supplies of goods or services made through them by unregistered persons or composition taxpayers.

Clause 139 of the Bill seeks to amend sub-section (1) of section 132 of the Central Goods and Services Tax Act so as to decriminalise offences specified in clauses (g), (j) and (k) of the said sub-section and to increase the monetary threshold from one hundred lakh rupees to two hundred lakh rupees for launching prosecution for the offences under the said Act, except for the offences related to issuance of invoices without supply of goods or services or both.

Clause 140 of the Bill seeks to amend first proviso to sub-section (1) of section 138 of the Central Goods and Services Tax Act so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act.

It further seeks to amend sub-section (2) so as to rationalise the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.

Clause 141 of the Bill seeks to insert a new section 158A in the Central Goods and Services Tax Act so as to provide for the manner and conditions for sharing of the information furnished by the registered person in his application for registration or in his return filed or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be provided by rules, on the common portal with such other systems, as may be notified.

Clause 142 of the Bill seeks to amend Schedule III of the Central Goods and Services Tax Act to give retrospective applicability to paragraphs 7 and 8 and the *Explanation* 2 to

the said Schedule with effect from the 1st day of July, 2017.

Integrated Goods and Services Tax

Clause 143 of the Bill seeks to amend clause (16) of section 2 of the Integrated Goods and Services Tax Act, by omitting certain words therein, so as to restrict the meaning of the term “non-taxable online recipient” to mean any unregistered person receiving online information and database access or retrieval services located in the taxable territory. It further seeks to clarify that the persons registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act shall be treated as unregistered person for the purpose of the said clause.

It also proposes to amend clause (17) of the said section by removing certain words therein so as to remove the condition of “essentially automated” and “involving minimal human intervention” from the said definition.

Clause 144 of the Bill seeks to omit the proviso to sub-section (8) of section 12 of the Integrated Goods and Services Tax Act so as to remove the confusion regarding availment of input tax credit and other matters.

Miscellaneous

Clauses 145 and 146 seek to amend the Government Savings Promotion Act, 1873.

It is proposed to substitute sub-section (4) of section 4A of the said Act to make a provision for payment of eligible balance to the legal heir in case of death of the depositor without nomination. It is, *inter alia*, proposed to include legal heir certificate also to be a valid proof for payment of eligible balance to the person legally entitled. This is to simplify and facilitate the process of payment of claim where no nomination had been made by the depositor in the account exceeding such balance as may be provided in the rules.

It is further proposed to consequentially substitute clause (i) of sub-section (2) of section 15 of the said Act.

It is also proposed to amend the Schedule to incorporate new Savings Schemes notified on or after 12th December, 2019.

Clauses 147 seek to amend the Indian Stamp Act, 1899.

It is proposed to amend the division D of article 47 of Schedule I of the said Act so as to also exempt policies of life insurance issued under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) from the application of stamp duty.

Clause 148 of the Bill seeks to amend section 18A of the Securities Contracts (Regulation) Act, 1956 relating to contracts in derivatives.

It is proposed to insert a new clause (ba) in the said section so as to provide that the contract in derivatives issued by a Foreign Portfolio Investor in a International Financial Service Centre regulated by the International Financial Service Centres Authority shall also be legal and valid contracts and to define the expression “Foreign Portfolio Investor”.

Clause 149 of the Bill seeks to substitute a new section for section 19 of the Central Sales Tax Act so as to declare the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act as the Appellate Authority for settlement of inter-State disputes falling under sections 6A and 9.

Clause 150 of the Bill seeks to omit section 24 of the Central Sales Tax Act in view of the abolition of Authority for Advance Rulings.

Clause 151 of the Bill seeks to amend section 25 of the Central Sales Tax Act so as to insert a new sub-section (3) therein to provide for transfer of pending proceedings before the erstwhile Authority for Advance Rulings to the Authority referred to in section 19.

Clause 152 of the Bill seeks to amend sections 2 and 46 of the Prohibition of *Benami* Property Transactions Act, 1988.

Clause (18) of section 2 provides the definition of High Court.

It is proposed to amend the said clause to provide that where the aggrieved party does not ordinarily reside or carry on business or personally work for gain within the jurisdiction of any High Court; and where the Government being the aggrieved party, any of the respondents do not ordinarily reside or carry on business or personally work for gain within the jurisdiction of any High Court, the High Court shall be the High Court within the jurisdiction of which, the office of the Initiating Officer is located.

It is further proposed to amend sub-sections (1) and (1A) of section 46 to provide that the aggrieved persons including the Initiating Officer shall file appeal against the order of the Adjudicating Authority within a period of forty-five days from the date on which the order was received by the Initiating Officer or by such person, instead of forty-five days from the date of the order.

These amendments will take effect from 1st April, 2023.

Clause 153 seeks to amend the Seventh Schedule to the Finance Act, 2001, in the manner specified in the Sixth Schedule so as to revise the rates in respect of certain tariff items with effect from the 2nd February, 2023.

Clause 154 seeks to amend the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

Section 8 of the said provides for Administrator to vacate office.

Sub-section (1) of the said section, *inter alia*, provides that the Administrator shall, immediately on redemption of all the schemes of the specified undertaking and the payment of entire amount to investors shall vacate his office.

It is proposed to amend the said sub-section so as to provide that the Administrator shall, immediately on redemption of all the schemes of the specified undertaking and the payment of entire amount to investors or from such date as may be notified by the Central Government in the Official Gazette, whichever is earlier, vacate his office.

Section 13 of the Act pertains to tax exemption or benefit to continue to have effect.

Sub-section (1) of the said section provides that notwithstanding anything contained in the Income-tax Act or any other enactment for the time being in force relating to tax or income, profits or gains, no income-tax or any other tax shall be payable by the Administrator in relation to the specified undertaking for the period beginning on the appointed day and ending on 31st March, 2023, in respect of any income, profits or gains derived, or any amount received in relation to the specified undertaking.

It is proposed to amend the said sub-section (1) so as to extend tax exemption to specified undertaking from 31st March, 2023 to 30th September, 2023.

These amendments will take effect from the 1st April, 2023.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The provisions of the Bill, *inter alia*, empower the Central Government to issue notifications and the Board to make rules for various purposes as specified therein.

Clause 10 of the Bill seeks to amend section 17 of the Income-tax Act relating to “salary”, “perquisite” and “profits in lieu of salary” defined. Clause (2) of the said section empowers the Board to make rules to provide for the manner of computation of the value of accommodation provided by the employer to the employee.

Clause 12 of the Bill seeks to amend section 35D of the Income-tax Act relating to amortisation of certain preliminary expenses.

Clause (a) of sub-section (2) empowers the Board to make rules to provide for the form and manner and the period within which the assessee shall furnish statement of expenditure to the income-tax authority.

Clause 32 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Clause (xiii) of sub-section (2) of the said section empowers the Board to make rules for the manner of computation of the sum received which exceeds the aggregate of the premium paid in a life insurance policy which shall be chargeable to income-tax under the head ‘Income from other sources’.

Clause 50 of the Bill seeks to amend section 115BAC of the Income-tax Act relating to tax on income of individuals and Hindu undivided family.

Second proviso to sub-section (3) of the said section empowers the Board to make rules to provide for the manner of corresponding adjustment to the written down value of block of assets.

Sub-section (6) of the said section, empowers the Board to make rules for opting out of sub-section (1A) for the purpose of computation of tax on total income. It further empowers the Board to make rules to provide for the manner of exercise of the option.

Clause 52 of the Bill seeks to insert a new section 115BAE of the Income-tax Act relating to tax on income of certain new manufacturing co-operative societies.

(1) Sub-clause (iii) of clause (c) of sub-section (2) of the said section empowers the Board to make rules to prescribe the manner of claiming depreciation under clause (iia) of sub-section (1) of section 32.

(2) Sub-section (5) of the said section empowers the Board to make rules for the manner of exercising the option to file return.

Clause 54 seeks to insert a new section 115BBJ in the Income-tax Act relating to tax on winnings from online games.

The proposed amendment seeks to empower the Board to make rules to provide the manner of computation of the net winnings from online game during the previous year.

Clause 63 of the Bill seeks to amend section 132 of the Income-tax Act relating to search and seizure.

Sub-section (2) of the said section empowers the Board to make rules to provide the procedure for approval of any person or entity, for providing assistance to the authorised officer for all or any action under sub-section (1) or (1A) of section 132.

Clause (iii) of sub-section (9D) empowers the Board to make rules to provide procedure for approval for making reference to any other person or entity or any valuer registered by or under any law for the time being in force, for the purposes of search or seizure. It is further empowers the Board to make rules to provide for the manner of estimation of the fair market value of the property, for the purposes of search or seizure.

Clause 74 of the Bill empowers the Board to make rules to provide the form of application to be made by the assessee under sub-section (20) of section 155.

Clause 83 of the Bill seeks to insert a new section 194BA in the Income-tax Act relating to winnings from online game.

Sub-section (1) of the proposed section seeks to empower the Board to provide for the manner of computation of deduction of income-tax on the net winnings from online games while paying income to any person. It further empowers the Board to make rules to provide for the manner of computation to deduct the income-tax at the time of withdrawal of the net winnings.

Indirect-tax

Clause 130 of the Bill seeks to amend the *Explanation* in sub-section (3) of section 17 of the Central Goods and Services Tax Act which clarifies that the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III except certain activities or transactions specified therein. Clause (ii) of the said *Explanation* empowers the Government to specify by rules the value of such activities or transactions in respect of clause (a) of paragraph 8 of Schedule III which are so excepted.

Clause 137 of the Bill seeks to amend section 56 of the Central Goods and Services Tax Act by substituting certain words therein which empowers the Government to provide by rules the manner of computing the interest in respect of refund payable for the period of delay beyond sixty days from the date of receipt of application till the date of refund, subject to the conditions and restrictions specified therein.

Clause 141 of the Bill seeks to insert a new section 158A in the Central Goods and Services Tax Act relating to consent based sharing of information furnished by taxable person. Sub-section (1) of the said section empowers the Government to provide by rules the details to be shared and the manner in which and the conditions subject to which the

details may be shared by the common portal with such other systems notified by the Government.

Sub-section (2) of the said section empowers the Government to provide by rules the form and manner in which the consent of the supplier and the recipient specified therein shall be obtained.

Miscellaneous

Clauses 145 to 146 seek to amend the Government Savings Promotion Act, 1873.

Sub-section (4) of section 4A empowers the Central Government to make rules to provide for payment of the exceeding balance where no nomination had been made by the depositor.

2. The matters in respect of which rules may be made or notifications or order may be issued in accordance with the provisions of the Bill are matters of procedure and detail and it is not practicable to provide for them in the Bill itself.

3. The delegation of legislative power is, therefore, of a normal character.

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to give effect to the financial proposals of the Central Government
for the financial year 2023-2024.

*(Smt. Nirmala Sitharaman,
Minister of Finance.)*