

**The Finance Act, 2018**  
**(Act No. 13 of 2018)**

**act3148**

[Dated 28.3.2018.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2018-2019.

Be it enacted by Parliament in the Sixty-ninth Year of the Republic of India as follows:-

## **CHAPTER I**

### ***Preliminary***

**1. Short title and commencement.** - (1) This Act may be called the Finance Act, 2018.

(2) Save as otherwise provided in this Act, sections 2 to 55 shall come into force on the 1st day of April, 2018.

## **CHAPTER II**

### ***Rates of Income-Tax***

**2. Income-tax.** - (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2018, 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 calculated 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: -

Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 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: -

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBD, 115BBDA, 115BBF, 115BBG, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax 43 of 1961. 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 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 exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax; and
  - (ii) having a total income exceeding one crore rupees, at the rate of fifteen per cent. of such income-tax;
- (b) in the case of every co-operative society or firm or local authority, at the rate of twelve per cent. of such income-tax, where the total income exceeds one crore rupees;
- (c) in the case of every domestic company, -
  - (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;
- (d) 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) 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, 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 persons mentioned in (b) 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.

(4) In cases in which tax has to be charged and paid under section 115-O or section 115QA or sub-section (2) of section 115R or section 115TA 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, 194, 194A, 194B, 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, 194C, 194DA, 194E, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194-IB, 194-IC, 194J, 194LA, 194LB, 194LBA, 194LBB, 194LBC, 194LC, 194LD, 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 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 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;
- (b) in the case of every co-operative society or 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;
- (c) 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 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 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 and subject to the collection exceeds one crore rupees;

- (b) in the case of every co-operative society or 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 and subject to the collection exceeds one crore rupees;
- (c) 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 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 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 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 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 III of the First Schedule:

Provided also that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBD, 115BBDA, 115BBF, 115BBG, 115E, 115JB or 115JC of the Income-tax Act, "advance tax" computed under 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 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) 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;
- (b) in the case of every co-operative society or firm or local authority at the rate of twelve per cent. of such "advance tax", where the total income exceeds one crore rupees;
- (c) in the case of every domestic company, -
- (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;
- (d) 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) 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" 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 (b) 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 (1) of section 115BBE of the Income-tax Act, the "advance tax" computed under 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".

(10) In cases to which Paragraph A of Part III of the First Schedule applies, 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, 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, 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 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 therein.

(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 "Education Cess on income-tax", calculated at the rate of two per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance universalised quality basic education.

(12) 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 also be increased by an additional surcharge, for the purposes of the Union, to be called the "Secondary and Higher Education Cess on income-tax", calculated at the rate of one per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance secondary and higher education.

(13) 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.

(14) 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, 2018, 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

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

- (a) in clause (22), after Explanation 2, the following Explanation shall be inserted, namely: -

*"Explanation 2A.* - In the case of an amalgamated company, the accumulated profits, whether capitalised or not, or loss, as the case may be, shall be increased by the accumulated profits, whether capitalised or not, of the amalgamating company on the date of amalgamation."*;*

(b) with effect from the 1st day of April, 2019, -

(i) in clause (24), -

(A) after sub-clause (xii), the following sub-clause shall be inserted, namely: -

"(xiia) the fair market value of inventory referred to in clause (via) of section 28;"

(B) after sub-clause (xviiia), the following sub-clause shall be inserted, namely: -

"(xviiib) any compensation or other payment referred to in clause (xi) of sub-section (2) of section 56;"

(ii) in clause (42A),-

(A) in *Explanation 1*, in clause (i), after sub-clause (b), the following sub-clause shall be inserted namely:-

"(ba) in the case of a capital asset referred to in clause (via) of section 28, the period shall be reckoned from the date of its conversion or treatment;"

(B) in *Explanation 4*, for the words, brackets and figures "the *Explanation* to clause (38) of section 10", the words, brackets, letters and figures "clause (a) of the *Explanation* to section 112A" shall be substituted.

**4. Amendment of section 9.** - In section 9 of the Income-tax Act, in sub-section (1), in clause (i), with effect from the 1st day of April, 2019,-

(I) in *Explanation 2*, for clause (a), the following clause shall be substituted, namely:-

"(a) has and habitually exercises in India, an authority to conclude contracts on behalf of the non-resident or habitually concludes contracts or habitually plays the principal role leading to conclusion of contracts by that non-resident and the contracts are-

(i) in the name of the non-resident; or

(ii) for the transfer of the ownership of, or for the granting of the right to use, property owned by that non-resident or that non-resident has the right to use; or

(iii) for the provision of services by the non-resident; or";

(II) after *Explanation 2*, the following *Explanation* shall be inserted, namely: -

*Explanation 2A.* - For the removal of doubts, it is hereby clarified that the significant economic presence of a non-resident in India shall constitute

"business connection" in India and "significant economic presence" for this purpose, shall mean -

- (a) transaction in respect of any goods, services or property carried out by a non-resident in India including provision of download of data or software in India, if the aggregate of payments arising from such transaction or transactions during the previous year exceeds such amount as may be prescribed; or
- (b) systematic and continuous soliciting of business activities or engaging in interaction with such number of users as may be prescribed, in India through digital means:

Provided that the transactions or activities shall constitute significant economic presence in India, whether or not,-

- (i) the agreement for such transactions or activities is entered in India;
- (ii) the non-resident has a residence or place of business in India; or
- (iii) the non-resident renders services in India:

Provided further that only so much of income as is attributable to the transactions or activities referred to in clause (a) or clause (b) shall be deemed to accrue or arise in India.

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

- (a) after clause (6C), the following clause shall be inserted, namely: -

"(6D) any income arising to a non-resident, not being a company, or a foreign company, by way of royalty from, or fees for technical services rendered in or outside India to, the National Technical Research Organisation;

- (b) with effect from the 1st day of April, 2019, -

- (i) in clause (12A), for the word "employee", the word "assessee" shall be substituted;

- (ii) in clause (23C), after the twelfth proviso [as inserted by section 6 of the Finance Act, 2017], the following proviso shall be inserted, namely:-

`Provided also that for the purposes of determining the amount of application under item (a) of the third proviso, the provisions of sub-clause (ia) of clause (a) of section 40 and sub-sections (3) and (3A) of section 40A, shall, *mutatis mutandis*, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession":

- (iii) in clause (38), after the third proviso, the following proviso shall be inserted, namely:-

Provided also that nothing contained in this clause shall apply to any income arising from the transfer of long-term capital asset, being an equity share in

a company or a unit of an equity oriented fund or a unit of a business trust, made on or after the 1st day of April, 2018.

(c) in clause (46), after the brackets and words "(by whatever name called)" at both the places where they occur, the words ", or a class thereof" shall be inserted;

(d) in clause (48B) [as inserted by section 6 of the Finance Act, 2017], after the word, brackets, figures and letter "clause (48A)", the words "or on termination of the said agreement or the arrangement, in accordance with the terms mentioned therein, as the case may be," shall be inserted with effect from the 1st day of April, 2019.

**6. Amendment of section 11.** - In section 11 of the Income-tax Act, in sub-section (1), after *Explanation 2* [as inserted by section 11 of the Finance Act, 2017], the following *Explanation* shall be inserted with effect from the 1st day of April, 2019, namely: -

*Explanation 3.* - For the purposes of determining the amount of application under clause (a) or clause (b), the provisions of sub-clause (ia) of clause (a) of section 40 and sub-sections (3) and (3A) of section 40A, shall, *mutatis mutandis*, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession".

**7. Amendment of section 16.** - In section 16 of the Income-tax Act, after clause (i) [as omitted by section 6 of the Finance Act, 2005], the following clause shall be inserted with effect from the 1st day of April, 2019, namely:

-

"(ia) a deduction of forty thousand rupees or the amount of the salary, whichever is less;"

**8. Amendment of section 17.** - In section 17 of the Income-tax Act, in clause (2), in the proviso occurring after sub-clause (viii), clause (v) shall be omitted with effect from the 1st day of April, 2019.

**9. Amendment of section 28.** - In section 28 of the Income-tax Act, with effect from the 1st day of April, 2019, -

(I) in clause (ii), after sub-clause (d), the following sub-clause shall be inserted, namely:-

"(e) any person, by whatever name called, at or in connection with the termination or the modification of the terms and conditions, of any contract relating to his business;"

(II) after clause (vi), the following clause shall be inserted, namely: -

"(via) the fair market value of inventory as on the date on which it is converted into, or treated as, a capital asset determined in the prescribed manner;"

**10. Amendment of section 36.** - In section 36 of the Income-tax Act, in sub-section (1), after clause (xvii), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017, namely:-

"(xviii) marked to market loss or other expected loss as computed in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145."

**11. Amendment of section 40A.** - In section 40A of the Income-tax Act, after sub-section (12) [as omitted by section 17 of the Finance Act, 1992], the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017, namely:-

"(13) No deduction or allowance shall be allowed in respect of any marked to market loss or other expected loss, except as allowable under clause (xviii) of sub-section (1) of section 36."

**12. Amendment of section 43.** - In section 43 of Income-tax Act, with effect from the 1st day of April, 2019,-

(i) in clause (1), after *Explanation 1*, the following *Explanation* shall be inserted, namely:-

*"Explanation 1A.* - Where a capital asset referred to in clause (via) of section 28 is used for the purposes of business or profession, the actual cost of such asset to the assessee shall be the fair market value which has been taken into account for the purposes of the said clause.";

(ii) in clause (5), after the proviso and before *Explanation 1*, the following proviso shall be inserted, namely:-

"Provided further that for the purposes of clause (e) of the first proviso, in respect of trading in agricultural commodity derivatives, the requirement of chargeability of commodity transaction tax under Chapter VII of the Finance Act, 2013 shall not apply."

**13. insertion of new section 43AA.** - After section 43A of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017, namely:-

**"43AA. Taxation of foreign exchange fluctuation.** - (1) Subject to the provisions of section 43A, any gain or loss arising on account of any change in foreign exchange rates shall be treated as income or loss, as the case may be, and such gain or loss shall be computed in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145.

(2) For the purposes of sub-section (1), gain or loss arising on account of the effects of change in foreign exchange rates shall be in respect of all foreign currency transactions, including those relating to-

- (i) monetary items and non-monetary items;
- (ii) translation of financial statements of foreign operations;
- (iii) forward exchange contracts;
- (iv) foreign currency translation reserves."

**14. Amendment of section 43CA.** - In section 43CA of the Income-tax Act, with effect from the 1st day of April, 2019,-

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

"Provided that where the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed one hundred and five per cent. of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration.";

(b) in sub-section (4), for the words "by any mode other than cash", the words "by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account" shall be substituted.

**15. Insertion of new section.** - After section 43CA of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017, namely:-

**"43CB. Computation of income from construction and service contracts.** - (1) The profits and gains arising from a construction contract or a contract for providing services shall be determined on the basis of percentage of completion method in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145:

Provided that profits and gains arising from a contract for providing services,-

- (i) with duration of not more than ninety days shall be determined on the basis of project completion method;
- (ii) involving indeterminate number of acts over a specific period of time shall be determined on the basis of straight line method.

(2) For the purposes of percentage of completion method, project completion method or straight line method referred to in sub-section (1)-

- (i) the contract revenue shall include retention money;
- (ii) the contract costs shall not be reduced by any incidental income in the nature of interest, dividends or capital gains."

**16. Amendment of section 44AE.** - In section 44AE of the Income-tax Act, with effect from the 1st day of April, 2019,-

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

"(2) For the purposes of sub-section (1), the profits and gains from each goods carriage,-

(i) being a heavy goods vehicle, shall be an amount equal to one thousand rupees per ton of gross vehicle weight or unladen weight, as the case may be, for every month or part of a month during which the heavy goods vehicle is owned by the assessee in the previous year or an amount claimed to have been actually earned from such vehicle, whichever is higher;

(ii) other than heavy goods vehicle, shall be an amount equal to seven thousand five hundred rupees for every month or part of a month during which the goods carriage is owned by the assessee in the previous year or an amount claimed to have been actually earned from such goods carriage, whichever is higher.";

(b) in the Explanation, for clause (a), the following clauses shall be substituted, namely: -

`(a) the expressions "goods carriage", "gross vehicle weight" and "unladen weight" shall have the respective meanings assigned to them in section 2 of the Motor Vehicles Act, 1988;

(aa) the expression "heavy goods vehicle" means any goods carriage, the gross vehicle weight of which exceeds 12000 kilograms;'.

**17. Amendment of section 47.** - In section 47 of the Income-tax Act, after clause (viiia) [as inserted by section 23 of the Finance Act, 2017], the following clause shall be inserted with effect from the 1st day of April, 2019, namely:-

(viiab) any transfer of a capital asset, being -

(a) bond or Global Depository Receipt referred to in sub-section (1) of section 115AC; or

(b) rupee denominated bond of an Indian company; or

(c) derivative,

made by a non-resident on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.

*Explanation.* - For the purposes of this clause, -



- (a) "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;
- (b) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of *Explanation 1* to clause (5) of section 43;
- (c) "derivative" shall have the meaning assigned to it in clause (ac) of section 2 of the Securities Contracts (Regulation) Act, 1956.'

**18. Amendment of section 48.** - In section 48 of the Income-tax Act, after the second proviso, the following proviso shall be inserted, namely:-

"Provided also that nothing contained in the first and second provisos shall apply to the capital gains arising from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust referred to in section 112A:".

**19. Amendment of section 49.** - In section 49 of the Income-tax Act, after sub-section (8), the following sub-section shall be inserted with effect from the 1st day of April, 2019, namely: -

"(9) Where the capital gain arises from the transfer of a capital asset referred to in clause (via) of section 28, the cost of acquisition of such asset shall be deemed to be the fair market value which has been taken into account for the purposes of the said clause."

**20. Amendment of section 50C.** - In section 50C of the Income-tax Act, in sub-section (1), after the second proviso, the following proviso shall be inserted with effect from the 1st day of April, 2019, namely:-

"Provided also that where the value adopted or assessed or assessable by the stamp valuation authority does not exceed one hundred and five per cent. of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of section 48, be deemed to be the full value of the consideration."

**21. Amendment of section 54EC.** - In section 54EC of the Income-tax Act, with effect from the 1st day of April, 2019,-

- (a) in sub-section (1), after the words "long-term capital asset", the words ", being land or building or both," shall be inserted;
- (b) in sub-section (2), before the *Explanation*, the following proviso shall be inserted, namely:-

` Provided that in case of long-term specified asset referred to in sub-clause(ii) of clause (ba) of the *Explanation* occurring after sub-section (3), this sub-section shall have effect as if for the words "three years", the words "five years" had been substituted.';

(c) in the *Explanation* occurring after sub-section (3), for clause (ba), the following clause shall be substituted, namely: -

`(ba) "long-term specified asset" for making any investment under this section, -

(i) on or after the 1st day of April, 2007 but before the 1st day of April, 2018, means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 but before the 1st day of April, 2018;

(ii) on or after the 1st day of April, 2018, means any bond, redeemable after five years and issued on or after the 1st day of April, 2018,

by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.'

**22. Amendment of section 55.** - In section 55 of the Income-tax Act, in sub-section (2), after clause (ab), the following clause shall be inserted, namely:-

'(ac) subject to the provisions of sub-clauses (i) and (ii) of clause (b), in relation to a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust referred to in section 112A, acquired before the 1st day of February, 2018, shall be higher of-

(i) the cost of acquisition of such asset; and

(ii) lower of -

(A) the fair market value of such asset; and

(B) the full value of consideration received or accruing as a result of the transfer of the capital asset.

*Explanation.* - For the purposes of this clause,-

(a) "fair market value" means, -

(i) in a case where the capital asset is listed on any recognised stock exchange as on the 31st day of January, 2018, the highest price of the capital asset quoted on such exchange on the said date:

Provided that where there is no trading in such asset on such exchange on the 31st day of January, 2018, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;

(ii) in a case where the capital asset is a unit which is not listed on a recognised stock exchange as on the 31st day of January, 2018, the net asset value of such unit as on the said date;

(iii) in a case where the capital asset is an equity share in a company which is-

(A) not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer;

(B) listed on a recognised stock exchange on the date of transfer and which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47,

an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-2018 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later;

(b) "Cost Inflation Index" shall have the meaning assigned to it in clause (v) of the *Explanation* to section 48;

(c) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of *Explanation 1* to clause (5) of section 43.'.

**23. Amendment of section 56.** - In section 56 of the Income-tax Act, in sub-section (2), -

(A) in clause (x), -

(I) in sub-clause (b), for item (B), the following item shall be substituted with effect from the 1st day of April, 2019, namely: -

"(B) for a consideration, the stamp duty value of such property as exceeds such consideration, if the amount of such excess is more than the higher of the following amounts, namely: -

(i) the amount of fifty thousand rupees; and

(ii) the amount equal to five per cent. of the consideration:";

(II) in the fourth proviso, in clause (IX), after the words, brackets and figure "clause (i) or", the words, brackets and figures "clause (iv) or clause (v) or" shall be inserted;

(B) after clause (x), the following clause shall be inserted with effect from the 1st day of April, 2019, namely:-

"(xi) any compensation or other payment, due to or received by any person, by whatever name called, in connection with the

termination of his employment or the modification of the terms and conditions relating thereto.". Amendment of section 56.

**24. Amendment of section 79.** - In section 79 of the Income-tax Act [as substituted by section 32 of the Finance Act, 2017], after the second proviso, the following proviso shall be inserted, namely: -

"Provided also that nothing contained in this section shall apply to a company where a change in the shareholding takes place in a previous year pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016, after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner."

**25. Substitution of new section for section 80AC.** - For section 80AC of the Income-tax Act, the following section shall be substituted, namely: -

**80AC. Deduction not to be allowed unless return furnished.** - Where in computing the total income of an assessee of any previous year relevant to the assessment year commencing on or after -

- (i) the 1st day of April, 2006 but before the 1st day of April, 2018, any deduction is admissible under section 80-IA or section 80-IAB or section 80-IB or section 80-IC or section 80-ID or section 80-IE;
- (ii) the 1st day of April, 2018, any deduction is admissible under any provision of this Chapter under the heading "C.-Deductions in respect of certain incomes", no such deduction shall be allowed to him unless he furnishes a return of his income for such assessment year on or before the due date specified under sub-section (1) of section 139.'.

**26. Amendment of section 80D.** - In section 80D of the Income-tax Act, with effect from the 1st day of April, 2019,-

(A) in sub-section (2),-

- (i) for the words "thirty thousand rupees" wherever they occur, the words "fifty thousand rupees" shall be substituted;
- (ii) in the first proviso occurring after clause (d), the word "very" shall be omitted;

(B) in sub-section (3),-

- (i) for the words "thirty thousand rupees" at both the places where they occur, the words "fifty thousand rupees" shall be substituted;
- (ii) the word "very" shall be omitted;

(C) in sub-section (4),-

- (i) the words "or a very senior citizen" shall be omitted;
- (ii) for the words "thirty thousand rupees", the words "fifty thousand rupees" shall be substituted;

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

`(4A) Where the amount specified in clause (a) or clause (b) of sub-section (2) or clause (a) of sub-section (3) is paid in lump sum in the previous year to effect or to keep in force an insurance on the health of any person specified therein for more than a year, then, subject to the provisions of this section, there shall be allowed for each of the relevant previous year, a deduction equal to the appropriate fraction of the amount.

*Explanation.* - For the purposes of this sub-section, -

(i) "appropriate fraction" means the fraction, the numerator of which is one and the denominator of which is the total number of relevant previous years;

(ii) "relevant previous year" means the previous year beginning with the previous year in which such amount is paid and the subsequent previous year or years during which the insurance shall have effect or be in force.';

(E) in the *Explanation* occurring after sub-section (5), clause (ii) shall be omitted.

**27. Amendment of section 80DDB.** - In section 80DDB of the Income-tax Act, with effect from the 1st day of April, 2019, -

(a) in the third proviso, for the words "sixty thousand rupees", the words "one hundred thousand rupees" shall be substituted;

(b) the fourth proviso shall be omitted;

(c) in the *Explanation*, clause (v) shall be omitted.

**28. Amendment of section 80IAC.** - In section 80-IAC of the Income-tax Act, in the *Explanation* below sub-section (4), -

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

`(i) "eligible business" means a business carried out by an eligible start up engaged in innovation, development or improvement of products or processes or services or a scalable business model with a high potential of employment generation or wealth creation;';

(b) in clause (ii), -

(i) in sub-clause (a), for the figures "2019", the figures "2021" shall be substituted;

(ii) in sub-clause (b), for the words, figures and letters "in any of the previous years beginning on or after the 1st day of April, 2016 and ending on the 31st day of March, 2021", the words, brackets and figure "in the previous year relevant to the assessment year for

which deduction under sub-section (1) is claimed" shall be substituted.

**29. Amendment of section 80JJAA.** - In section 80JJAA of the Income-tax Act, in the *Explanation* occurring after sub-section (2), in clause (ii), with effect from the 1st day of April, 2019, -

- (a) in the proviso, after the words "manufacturing of apparel", the words "or footwear or leather products" shall be inserted;
- (b) after the proviso, the following proviso shall be inserted, namely: -

"Provided further that where an employee is employed during the previous year for a period of less than two hundred and forty days or one hundred and fifty days, as the case may be, but is employed for a period of two hundred and forty days or one hundred and fifty days, as the case may be, in the immediately succeeding year, he shall be deemed to have been employed in the succeeding year and the provisions of this section shall apply accordingly;"

**30. Insertion of new section 80PA.** - After section 80P of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2019, namely:-

**80PA. Deduction in respect of certain income of Producer Companies.** - (1) Where the gross total income of an assessee, being a Producer Company having a total turnover of less than one hundred crore rupees in any previous year, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent. of the profits and gains attributable to such business for the previous year relevant to an assessment year commencing on or after the 1st day of April, 2019, but before the 1st day of April, 2025.

(2) In a case where the assessee is entitled also to deduction under any other provision of this Chapter, the deduction under this section shall be allowed with reference to the income, if any, as referred to in this section included in the gross total income as reduced by the deductions under such other provision of this Chapter.

*Explanation.* - For the purposes of this section, -

- (i) "eligible business" means -
  - (a) the marketing of agricultural produce grown by the members; or
  - (b) the purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to the members; or
  - (c) the processing of the agricultural produce of the members;

(ii) "member" shall have the meaning assigned to it in clause (d) of section 581A of the Companies Act, 1956;

(iii) "Producer Company" shall have the meaning assigned to it in clause (l) of section 581A of the Companies Act, 1956.'

**31. Amendment of section 80TTA.** - In section 80TTA of the Income-tax Act, in sub-section (1), in the opening portion, after the word "assessee", the brackets, words, figures and letters "(other than the assessee referred to in section 80TTB)" shall be inserted with effect from the 1st day of April, 2019.

**32. Insertion of new section 80TTA.** - After section 80TTA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2019, namely:-

**80TTB. Deduction in respect of interest on deposits in case of senior citizens.** - (1) Where the gross total income of an assessee, being a senior citizen, includes any income by way of interest on deposits with-

(a) a banking company to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act);

(b) a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank); or

(c) a Post Office as defined in clause (k) of section 2 of the Indian Post Office Act, 1898,

there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction-

(i) in a case where the amount of such income does not exceed in the aggregate fifty thousand rupees, the whole of such amount; and

(ii) in any other case, fifty thousand rupees.

(2) Where the income referred to in sub-section (1) is derived from any deposit held by, or on behalf of, a firm, an association of persons or a body of individuals, no deduction shall be allowed under this section in respect of such income in computing the total income of any partner of the firm or any member of the association or any individual of the body.

*Explanation.* - For the purposes of this section, "senior citizen" means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year.'

**33. Insertion of new section 112A.** - After section 112 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2019, namely:-

**112A. Tax on long term capital gains in certain cases.** - (1) Notwithstanding anything contained in section 112, the tax payable by an

assessee on his total income shall be determined in accordance with the provisions of sub-section (2), if-

- (i) the total income includes any income chargeable under the head "Capital gains";
- (ii) the capital gains arise from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust;
- (iii) securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004 has,-
  - (a) in a case where the long-term capital asset is in the nature of an equity share in a company, been paid on acquisition and transfer of such capital asset; or
  - (b) in a case where the long-term capital asset is in the nature of a unit of an equity oriented fund or a unit of a business trust, been paid on transfer of such capital asset.

(2) The tax payable by the assessee on the total income referred to in sub-section (1) shall be the aggregate of-

- (i) the amount of income-tax calculated on such long-term capital gains exceeding one lakh rupees at the rate of ten per cent.; and
- (ii) the amount of income-tax payable on the total income as reduced by the amount of long-term capital gains referred to in sub-section (1) as if the total income so reduced were the total income of the assessee:

Provided that in the case of an individual or a Hindu undivided family, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, the long-term capital gains, for the purposes of clause (i), shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax.

(3) The condition specified in clause (iii) of sub-section (1) shall not apply to a transfer undertaken on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transfer is received or receivable in foreign currency.

(4) The Central Government may, by notification in the *Official Gazette*, specify the nature of acquisition in respect of which the provisions of sub-clause (a) of clause (iii) of sub-section (1) shall not apply.

(5) Where the gross total income of an assessee includes any long-term capital gains referred to in sub-section (1), the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

(6) Where the total income of an assessee includes any long-term capital gains referred to in sub-section (1), the rebate under section 87A shall be



allowed from the income-tax on the total income as reduced by tax payable on such capital gains.

*Explanation.* - For the purposes of this section, -

(a) "equity oriented fund" means a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and,-

(i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange,-

(A) a minimum of ninety per cent. of the total proceeds of such fund is invested in the units of such other fund; and

(B) such other fund also invests a minimum of ninety per cent. of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and

(ii) in any other case, a minimum of sixty-five per cent. of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange:

Provided that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures;

(b) "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;

(c) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of *Explanation 1* to clause (5) of section 43.'

**34. Amendment of section 115AD.** - In section 115AD of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2019,-

(a) in clause (iii), the word "and" occurring at the end shall be omitted;

(b) after clause (iii), the following proviso shall be inserted, namely: -

"Provided that in case of income arising from the transfer of a long-term capital asset referred to in section 112A, income-tax at the rate of ten per cent. shall be calculated on such income exceeding one lakh rupees; and".

**35. Amendment of section 115BA.** - In section 115BA of the Income-tax Act, in sub-section (1), for the words, figures and letter "provisions of section 111A and section 112", the words "other provisions of this Chapter" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017.

**36. Amendment of section 115BBE.** - In section 115BBE of the Income-tax Act, in sub-section (2), after the word, brackets and letter "clause (a)", the words, brackets and letter "and clause (b)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017.

**37. Amendment of section 115JB.** - In section 115JB of the Income-tax Act, -

(a) in *Explanation 1*, -

(A) after clause (iig), the following clause shall be inserted, namely:

-

(iih) the aggregate amount of unabsorbed depreciation and loss brought forward in case of a company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016.

*Explanation.* - For the purposes of this clause, the expression "Adjudicating Authority" shall have the meaning assigned to it in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 and the loss shall not include depreciation; or';

(B) in clause (iii), after the words "books of account", the words, brackets, figures and letter "in case of a company other than the company referred to in clause (iih)" shall be inserted;

(b) after *Explanation 4*, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2001, namely: -

*Explanation 4A.* - For the removal of doubts, it is hereby clarified that the provisions of this section shall not be applicable and shall be deemed never to have been applicable to an assessee, being a foreign company, where its total income comprises solely of profits and gains from business referred to in section 44B or section 44BB or section 44BBA or section 44BBB and such income has been offered to tax at the rates specified in those sections."

**38. Amendment of section 115JC.** - In section 115JC of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted with effect from the 1st day of April, 2019, namely: -

(4) Notwithstanding anything contained in sub-section (1), where the person referred to therein, is a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, the provisions of sub-section (1) shall have effect as if for the words "eighteen and one-half per cent.", the words "nine per cent." had been substituted.'

**39. Amendment of section 115JE.** - In section 115JF of the Income-tax Act, with effect from the 1st day of April, 2019,-

(i) for clause (b), the following clause shall be substituted, namely: -

(b) "alternate minimum tax" means the amount of tax computed on adjusted total income, -

(i) in case of an assessee being a unit referred to in sub-section (4) of section 115JC, at a rate of nine per cent.;

(ii) in any other case, at a rate of eighteen and one-half per cent.;

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

`(ba) "convertible foreign exchange" means a foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purpose of the Foreign Exchange Management Act, 1999 and the rules made thereunder;

(bb) "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;'

(iii) after clause (d), the following clause shall be inserted, namely: -

`(e) "unit" means a unit established in an International Financial Services Centre.'.

**40. Amendment of section 115-O.** - In section 115-O of the Income-tax Act, -

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

`Provided that in respect of dividend referred to in sub-clause (e) of clause (22) of section 2, this sub-section shall have effect as if for the words "fifteen per cent.", the words "thirty per cent." had been substituted;'

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

"Provided that this sub-section shall not apply in respect of dividend referred to in sub-clause (e) of clause (22) of section 2."

**41. Omission of Explanation occurring after section 115Q.** - After section 115Q of the Income-tax Act, the *Explanation* shall be omitted.

**42. Amendment of section 115R.** - In section 115R of the Income-tax Act, in sub-section (2), -

(A) for clause (i) to clause (iii), the following clauses shall be substituted, namely:-

"(i) twenty-five per cent. on income distributed to any person being an individual or a Hindu undivided family by a money market mutual fund or a liquid fund;

(ii) thirty per cent. on income distributed to any other person by a money market mutual fund or a liquid fund;

(iii) ten per cent. on income distributed to any person by an equity oriented fund;

(iv) twenty-five per cent. on income distributed to any person being an individual or a Hindu undivided family by a fund other than a money market mutual fund or a liquid fund or an equity oriented fund; and

(v) thirty per cent. on income distributed to any other person by a fund other than a money market mutual fund or a liquid fund or an equity oriented fund:";

(B) in the second proviso, clause (b) shall be omitted.

**43. Amendment of section 115T.** - In the Explanation occurring after section 115T of the Income-tax Act, for clause (b), the following clause shall be substituted, namely: -

`(b) "equity oriented fund" means a fund referred to in clause (a) of the *Explanation* to section 112A and the Unit Scheme, 1964 made by the Unit Trust of India;`.

**44. Amendment of section 139A.** - In section 139A of the Income-tax Act,-

(A) in sub-section (1),-

(a) in clause (iv), the word "or" shall be inserted at the end;

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

-

"(v) being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to two lakh fifty thousand rupees or more in a financial year; or

(vi) who is the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of the person referred to in clause (v) or any person competent to act on behalf of the person referred to in clause (v),";

(B) in the Explanation occurring after sub-section (8), in clause (c), the words "and issued in the form of a laminated card" shall be omitted.

**45. Amendment of section 140.** - In section 140 of the Income-tax Act, in clause (c), in the second proviso, -

(A) in clause (b), after the words "principal officer thereof;" occurring at the end, the word "or" shall be inserted;

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

`(c) where in respect of a company, an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016, the return shall be

verified by the insolvency professional appointed by such Adjudicating Authority.

*Explanation.* - For the purposes of this clause the expressions "insolvency professional" and "Adjudicating Authority" shall have the respective meanings assigned to them in clause (18) of section 3 and clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016;'.  
**46. Amendment of section 143.** - In section 143 of the Income-tax Act, -

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

"Provided also that no adjustment shall be made under sub-clause (vi) in relation to a return furnished for the assessment year commencing on or after the 1st day of April, 2018;";

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

"(3A) The Central Government may make a scheme, by notification in the *Official Gazette*, for the purposes of making assessment of total income or loss of the assessee under sub-section (3) so as to impart greater efficiency, transparency and accountability by -

- (a) eliminating the interface between the Assessing Officer and the assessee in the course of proceedings to the extent technologically feasible;
- (b) optimising utilisation of the resources through economies of scale and functional specialisation;
- (c) introducing a team-based assessment with dynamic jurisdiction.

(3B) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (3A), by notification in the *Official Gazette*, direct that any of the provisions of this Act relating to assessment of total income or loss shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2020.

(3C) Every notification issued under sub-section (3A) and sub-section (3B) shall, as soon as may be after the notification is issued, be laid before each House of Parliament."

**47. Substitution of new sections 145A and 145B for section 145A.** - For section 145A of the Income-tax Act, the following sections shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017, namely:-

**145A. Method of accounting in certain cases.** - For the purpose of determining the income chargeable under the head "Profits and gains of business or profession", -

- (i) the valuation of inventory shall be made at lower of actual cost or net realisable value computed in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145;
- (ii) the valuation of purchase and sale of goods or services and of inventory shall be adjusted to include the amount of any tax, duty, cess or fee (by whatever name called) actually paid or incurred by the assessee to bring the goods or services to the place of its location and condition as on the date of valuation;
- (iii) the inventory being securities not listed on a recognised stock exchange, or listed but not quoted on a recognised stock exchange with regularity from time to time, shall be valued at actual cost initially recognised in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145;
- (iv) the inventory being securities other than those referred to in clause (iii), shall be valued at lower of actual cost or net realisable value in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145:

Provided that the inventory being securities held by a scheduled bank or public financial institution shall be valued in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145 after taking into account the extant guidelines issued by the Reserve Bank of India in this regard:

Provided further that the comparison of actual cost and net realisable value of securities shall be made category-wise.

*Explanation 1.* - For the purposes of this section, any tax, duty, cess or fee (by whatever name called) under any law for the time being in force, shall include all such payment notwithstanding any right arising as a consequence to such payment.

*Explanation 2.* - For the purposes of this section, -

- (a) "public financial institution" shall have the meaning assigned to it in clause (72) of section 2 of the Companies Act, 2013;
- (b) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of *Explanation 1* to clause (5) of section 43;
- (c) "scheduled bank" shall have the meaning assigned to it in clause (ii) of the *Explanation* to clause (vii) of sub-section (1) of section 36.

**145B. Taxability of certain income.** - (1) Notwithstanding anything to the contrary contained in section 145, the interest received by an assessee on

any compensation or on enhanced compensation, as the case may be, shall be deemed to be the income of the previous year in which it is received.

(2) Any claim for escalation of price in a contract or export incentives shall be deemed to be the income of the previous year in which reasonable certainty of its realisation is achieved.

(3) The income referred to in sub-clause (xviii) of clause (24) of section 2 shall be deemed to be the income of the previous year in which it is received, if not charged to income-tax in any earlier previous year.'

**48. Amendment of section 193.** - In section 193 of the Income-tax Act, in the proviso, in clause (iv), in the proviso, after the figures, words and brackets "8% Savings (Taxable) Bonds, 2003", the words, figures and brackets "or 7.75% Savings (Taxable) Bonds, 2018" shall be inserted.

**49. Amendment of section 194A.** - In section 194A of the Income-tax Act, in sub-section (3), in clause (i), after the second proviso, the following shall be inserted, namely:-

Provided also that in case of payee being a senior citizen, the provisions of sub-clause (a), sub-clause (b), and sub-clause (c) shall have effect as if for the words "ten thousand rupees", the words "fifty thousand rupees" had been substituted.

*Explanation.* - For the purposes of this clause, "senior citizen" means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year;'

**50. Amendment of section 245-O.** - In section 245-O of the Income-tax Act,-

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

"Provided that the Authority shall cease to act as an Authority for Advance Rulings for the purposes of Chapter V of the Customs Act, 1962 on and from the date of appointment of the Customs Authority for Advance Rulings under section 28EA of that Act.";

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

"(1A) On and from the date of appointment of the Customs Authority for Advance Rulings referred to in the proviso to sub-section (1), the Authority shall act as an Appellate Authority, for the purpose of Chapter V of the Customs Act, 1962:

Provided that the Authority shall not admit any appeal against any ruling or order passed earlier by it in the capacity of the Authority for Advance Rulings in relation to any matter under Chapter V of the Customs Act, 1962 after the date of such appointment of the Customs Authority for Advance Rulings.";

(iii) after sub-section (7), the following proviso shall be inserted, namely:

-

"Provided that where the Authority is dealing with an application seeking advance ruling in any matter relating to this Act, the revenue Member of the Bench shall be such Member as referred to in sub-clause (i) of clause (c) of sub-section (3).".

**51. Amendment of section 245Q.** - In section 245Q of the Income-tax Act, in sub-section (1), the words, letter and figures "or under Chapter V of the Customs Act, 1962" shall be omitted with effect from the date of appointment of the Customs Authority for Advance Rulings under section 28EA of the Customs Act, 1962.

**52. Amendment of section 253.** - In section 253 of the Income-tax Act, in sub-section (1), in clause (a), after the word, figures and letter "section 271A", the word, figures and letter ", section 271J" shall be inserted.

**53. Amendment of section 271FA.** - In section 271FA of the Income-tax Act,-

- (a) for the words "one hundred rupees", the words "five hundred rupees" shall be substituted;
- (b) for the words "five hundred rupees", the words "one thousand rupees" shall be substituted.

**54. Amendment of section 276CC.** - In section 276CC of the Income-tax Act, in the proviso, in clause (ii), in sub-clause (b), for the words "tax payable by him", the words "tax payable by such person, not being a company," shall be substituted.

**55. Amendment of section 286.** - In section 286 of the Income-tax Act, -

- (a) in sub-section (2), for the words, brackets and figures "on or before the due date specified under sub-section (1) of section 139, for furnishing the return of income for the relevant accounting year", the words "within a period of twelve months from the end of the said reporting accounting year" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017;
- (b) in sub-section (3), after the word, brackets and figure "sub-section (2)", the words, brackets and figure "and sub-section (4)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017;
- (c) in sub-section (4), -
  - (i) after the words "reporting accounting year", the words "within the period as may be prescribed" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017;
  - (ii) clause (a) shall be relettered as clause (aa) thereof and before clause (aa) as so relettered, the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2017, namely:-



"(a) where the parent entity is not obligated to file the report of the nature referred to in sub-section (2);";

(d) in sub-section (5), -

(i) in the opening portion, for the words "in the said sub-section", the words "by that country or territory" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017;

(ii) in clause (e), for the word "entities", the word "entity" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017;

(e) in sub-section (9), -

(A) for clause (b), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017, namely: -

(b) "agreement" means a combination of all of the following agreements, namely: -

(i) an agreement entered into under sub-section (1) of section 90 or sub-section (1) of section 90A; and

(ii) an agreement for exchange of the report referred to in sub-section (2) and notified by the Central Government;'

(B) in clause (d), in sub-clause (iii), for the words, brackets and figures "clause (i) or clause (ii)", the words, brackets and figures "sub-clause (i) or sub-clause (ii)" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017;

(C) in clause (h), in the long line, for the words, brackets and figures "clause (i) or clause (ii)", the words, brackets and figures "sub-clause (i) or sub-clause (ii)" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017;

(D) in clause (j), for the word, brackets and figure "sub-section (2)", the words, brackets and figures "sub-sections (2) and (4)" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2017.

## **CHAPTER IV**

### ***Indirect Taxes***

#### ***Customs***

**56. Substitution of references to certain expressions by certain other expressions.** - Throughout the Customs Act, 1962 (hereinafter referred to as the Customs Act), for the words "import manifest" and "export manifest", wherever they occur, the words "arrival manifest or import manifest" and "departure manifest or export manifest" shall, respectively, be substituted, and such other consequential amendments as the rules of grammar may require shall also be made.

**57. Amendment of section 1.** - In the Customs Act, in section 1, in sub-section (2), after the word "India", the words "and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person" shall be inserted.

**58. Amendment of section 2.** - In the Customs Act, in section 2,-

(i) for clause (2), the following clause shall be substituted, namely:-

(2) "assessment" means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to -

- (a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;
- (b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;
- (c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force;
- (d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;
- (e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods;
- (f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods,

and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil;'

(ii) in clause (6), for the words "Central Board of Excise and Customs", the words "Central Board of Indirect Taxes and Customs" shall be substituted;

(iii) in clause (28), for the words and figure "contiguous zone of India under section 5", the words and figure "Exclusive Economic Zone under section 7" shall be substituted;

(iv) after clause (30A), the following clause shall be inserted, namely: -

`(30AA) "notification" means notification published in the *Official Gazette* and the expression "notify" with its cognate meaning and grammatical variation shall be construed accordingly;'

**59. Amendment of section 11.** - In the Customs Act, in section 11, after sub-section (2), the following sub-section shall be inserted with effect from such date as the Central Government may, by notification in the *Official Gazette*, appoint, namely:-

"(3) Any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit."

**60. Amendment of section 17.** - In the Customs Act, in section 17,-

(i) in sub-section (2),-

(a) for the words "the self-assessment of such goods", the words, figures and brackets "the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (1)" shall be substituted;

(b) the following proviso shall be inserted, namely: -

"Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.";

(ii) in sub-section (3), for the words "verification of self-assessment", the words "the purposes of verification" shall be substituted;

(iii) in sub-section (5), the words "regarding valuation of goods, classification, exemption or concessions of duty availed consequent to any notification issued therefor under this Act" shall be omitted;

(iv) sub-section (6) shall be omitted.

**61. Amendment of section 18.** - In the Customs Act, in section 18, -

(i) in sub-section (1), in the opening portion, after the word and figures "section 46", the words and figures "and section 50" shall be inserted;

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

"(1A) Where, pursuant to the provisional assessment under sub-section (1), if any document or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment within such time and in such manner, as may be prescribed.";

(iii) in sub-section (3), for the figures and letters "28AB", the figures and letters "28AA" shall be substituted and shall be deemed to have been substituted retrospectively with effect from the 8th day of April, 2011.

**62. Insertion of new sections 25A and 25B.** - In the Customs Act, after section 25, the following sections shall be inserted, namely:-

**25A. Inward processing of goods.** - Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, exempt such of the goods which are imported for the purposes of repair, further processing or manufacture, as may be specified therein, from the whole or any part of duty of customs leviable thereon, subject to the following conditions, namely:-

- (a) the goods shall be re-exported after such repair, further processing or manufacture, as the case may be, within a period of one year from the date on which the order for clearance of the imported goods is made;
- (b) the imported goods are identifiable in the export goods; and
- (c) such other conditions as may be specified in that notification.

**25B. Outward processing of goods.** - Notwithstanding anything contained in section 20, where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, exempt such of the goods which are re-imported after being exported for the purposes of repair, further processing or manufacture, as may be specified therein, from the whole or any part of duty of customs leviable thereon, subject to the following conditions, namely:-

- (a) the goods shall be re-imported into India after such repair, further processing or manufacture, as the case may be, within a period of one year from the date on which the order permitting clearance for export is made;
- (b) the exported goods are identifiable in the re-imported goods; and
- (c) such other conditions as may be specified in that notification."

**63. Amendment of section 28.** - In the Customs Act, in section 28, -

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

"Provided that before issuing notice, the proper officer shall hold Pre-notice consultation with the person chargeable with duty or interest in such manner as may be prescribed;"

(ii) after sub-section (7), the following sub-section shall be inserted, namely:-

"(7A) Save as otherwise provided in clause (a) of sub-section (1) or in sub-section (4), the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed, and the provisions of this section shall apply to such supplementary notice as if it was issued under the said sub-section (1) or sub-section (4).";

(iii) in sub-section (9),-

(a) the words "where it is possible to do so", at both the places where they occur, shall be omitted;

(b) the following provisos shall be inserted, namely:-

"Provided that where the proper officer fails to so determine within the specified period, any officer senior in rank to the proper officer may, having regard to the circumstances under which the proper officer was prevented from determining the amount of duty or interest under sub-section (8), extend the period specified in clause (a) to a further period of six months and the period specified in clause (b) to a further period of one year:

Provided further that where the proper officer fails to determine within such extended period, such proceeding shall be deemed to have concluded as if no notice had been issued.";

(iv) after sub-section (9), the following sub-section shall be inserted, namely:-

"(9A) Notwithstanding anything contained in sub-section (9), where the proper officer is unable to determine the amount of duty or interest under sub-section (8) for the reason that-

(a) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or

(b) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or

(c) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or

(d) the Settlement Commission has admitted an application made by the person concerned, the proper officer shall inform the person concerned the reason for non-determination of the amount of duty or interest under sub-section (8) and in such case, the time specified in sub-section (9) shall apply not from the date of notice, but from the date when such reason ceases to exist.";

(v) after sub-section (10), the following sub-sections shall be inserted, namely:-

"(10A) Notwithstanding anything contained in this Act, where an order for refund under sub-section (2) of section 27 is modified in any appeal and the amount of refund so determined is less than the amount refunded under said sub-section, the excess amount so refunded shall be recovered along with interest thereon at the rate fixed by the Central Government under section 28AA, from the date of refund up to the date of recovery, as a sum due to the Government.

(10B) A notice issued under sub-section (4) shall be deemed to have been issued under sub-section (1), if such notice demanding duty is held not sustainable in any proceeding under this Act, including at any stage of appeal, for the reason that the charges of collusion or any wilful mis-statement or suppression of facts to evade duty has not been established against the person to whom such notice was issued and the amount of duty and the interest thereon shall be computed accordingly.";

(vi) after *Explanation 3*, the following *Explanation* shall be inserted, namely:-

*"Explanation 4.* - For the removal of doubts, it is hereby declared that in cases where notice has been issued for non-levy, not paid, short-levy or short-paid or erroneous refund after the 14th day of May, 2015, but before the date on which the Finance Bill, 2018 receives the assent of the President, they shall continue to be governed by the provisions of section 28 as it stood immediately before the date on which such assent is received."

**64. Amendment of section 28E.** - In the Customs Act, in section 28E, -

(i) clause (a) shall be omitted;

(ii) for clause (b), the following clause shall be substituted, namely: -

`(b) "advance ruling" means a written decision on any of the questions referred to in section 28H raised by the applicant in his

application in respect of any goods prior to its importation or exportation;';

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

` (ba) "Appellate Authority" means the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961;';

(iv) for clause (c), the following clause shall be substituted, namely: -

` (c) "applicant" means any person, -

(i) holding a valid Importer-exporter Code Number granted under section 7 of the Foreign Trade (Development and Regulation) Act, 1992; or

(ii) exporting any goods to India; or

(iii) with a justifiable cause to the satisfaction of the Authority,

who makes an application for advance ruling under section 28H;';

(v) for clause (e), the following clause shall be substituted, namely:-

` (e) "Authority" means the Customs Authority for Advance Rulings appointed under section 28EA;';

(vi) in clause (f), for the word "Authority", the words "Appellate Authority" shall be substituted;

(vii) in clause (g), for the word "Authority", the words "Appellate Authority" shall be substituted.

**65. Insertion of new section 28EA.** - In the Customs Act, after section 28E, the following section shall be inserted, namely:-

**28EA. Customs Authority for Advance Rulings.** - (1) The Board may, for the purposes of giving advance rulings under this Act, by notification, appoint an officer of the rank of Principal Commissioner of Customs or Commissioner of Customs to function as a Customs Authority for Advance Rulings:

Provided that till the date of appointment of the Customs Authority for Advance Rulings, the existing Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 shall continue to be the Authority for giving advance rulings for the purposes of this Act.

(2) The offices of the Authority may be established in New Delhi and at such other places, as the Board may deem fit.

(3) Subject to the provisions of this Act, the Authority shall exercise the powers and authority conferred on it by or under this Act."

**66. Amendment of section 28F.** - In the Customs Act, in section 28F, -

(i) in sub-section (1), -

(a) in the opening paragraph, for the words "the Authority for giving advance rulings for the purposes of this Act and the said

Authority", the words "the Appellate Authority for deciding appeal under this Chapter and the said Appellate Authority" shall be substituted;

- (b) in the proviso, for the word "Authority", the words "Appellate Authority" shall be substituted;
- (ii) after sub-section (2), the following sub-section shall be inserted, namely: -

"(3) On and from the date of appointment of the Customs Authority for Advance Rulings, every application and proceeding pending before the erstwhile Authority for Advance Rulings shall stand transferred to the Authority from the stage at which such application or proceeding stood as on the date of such appointment."

**67. Amendment of section 28H.** - In the Customs Act, in section 28H, -

- (i) in sub-section (2), -

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

-

"(d) applicability of notifications issued in respect of tax or duties under this Act or the Customs Tariff Act, 1975 or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act or the Customs Tariff Act;"

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

"(f) any other matter as the Central Government may, by notification, specify.";

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

`(5) The applicant may be represented by any person resident in India who is authorised in this behalf.

*Explanation.* - For the purposes of this sub-section "resident" shall have the same meaning as assigned to it in clause (42) of section 2 of the Income-tax Act, 1961.'

**68. Amendment of section 28-I.** - In the Customs Act, in section 28-I, in sub-section (6), for the words "six months", the words "three months" shall be substituted.

**69. Amendment of section 28K.** - In the Customs Act, in section 28K, in sub-section (1), -

- (i) the brackets and words "(after excluding the period beginning with the date of such advance ruling and ending with the date of order under this sub-section)" shall be omitted;



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

"Provided that in computing the period of two years referred to in clause (a) of sub-section (1) of section 28, or five years referred to in sub-section (4) thereof, for service of notice for recovery of any duty not levied, short-levied, not paid or short-paid on account of the advance ruling, the period beginning with the date of such advance ruling and ending with the date of the order under this sub-section shall be excluded."

**70. Insertion of new section 28KA.** - In the Customs Act, after section 28K, the following section shall be inserted with effect from such date as the Central Government may, by notification, appoint, namely:-

**28KA. Appeal.** - (1) Any officer authorised by the Board, by notification, or the applicant may file an appeal to the Appellate Authority against any ruling or order passed by the Authority, within sixty days from the date of the communication of such ruling or order, in such form and manner as may be prescribed:

Provided that where the Appellate Authority is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the period so specified, it may allow a further period of thirty days for filing such appeal.

(2) The provisions of sections 28-I and 28J shall, *mutatis mutandis*, apply to the appeal under this section."

**71. Amendment of section 28L.** - In the Customs Act, in section 28L, for the word "Authority" wherever it occurs, the words "Authority or Appellate Authority" shall be substituted.

**72. Substitution of new section for section 28M.** - In the Customs Act, for section 28M, the following section shall be substituted, namely:-

**28M. Procedure for Authority and Appellate Authority.** - (1) The Authority shall follow such procedure as may be prescribed.

(2) The Appellate Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers and authority under this Act."

**73. Amendment of section 30.** - In the Customs Act, in section 30, in sub-section (1),-

(i) after the words "imported goods", the words "or export goods" shall be inserted;

(ii) for the words "the prescribed form", the words "such form and manner as may be prescribed" shall be substituted.

**74. Amendment of section 41.** - In the Customs Act, in section 41, in sub-section (1),-

(i) after the words "export goods", the words "or imported goods" shall be inserted;

(ii) for the words "the prescribed form", the following shall be substituted, namely:-

"such form and manner as may be prescribed and in case, the person-in-charge fails to deliver the departure manifest or export manifest or the export report or any part thereof within such time, and the proper officer is satisfied that there is no sufficient cause for such delay, such person-in-charge shall be liable to pay penalty not exceeding fifty thousand rupees".

**75. Amendment of section 45** - In the Customs Act, in section 45, in sub-section (2), in clause (b), after the words "proper officer", the words "or in such manner as may be prescribed" shall be inserted.

**76. Amendment of section 46.** - In the Customs Act, in section 46,-

(i) in sub-section (1),-

(a) after the word "electronically", at both the places where it occurs, the words "on the customs automated system" shall be inserted;

(b) for the words "in the prescribed form", the words "in such form and manner as may be prescribed" shall be substituted;

(ii) in sub-section (3), in the first proviso, for the words "within thirty days of", the words "at any time not exceeding thirty days prior to" shall be substituted;

(iii) in sub-section (4), for the words "relating to the imported goods", the words "and such other documents relating to the imported goods as may be prescribed" shall be substituted;

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

"(4A) The importer who presents a bill of entry shall ensure the following, namely:-

(a) the accuracy and completeness of the information given therein;

(b) the authenticity and validity of any document supporting it; and

(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force."

**77. Amendment of section 47.** - In the Customs Act, in section 47, in sub-section (1), in the proviso, for the words "Provided that", the following shall be substituted, namely:-

"Provided that such order may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided further that".

**78. Amendment of section 50.** - In the Customs Act, in section 50, -

(i) in sub-section (1), -

(a) after the word "electronically", at both the places where it occurs, the words "on the customs automated system" shall be inserted;

(b) for the words "in the prescribed form", the words "in such form and manner as may be prescribed" shall be substituted;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:-

"(3) The exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely:-

(a) the accuracy and completeness of the information given therein;

(b) the authenticity and validity of any document supporting it; and

(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force."

**79. Amendment of section 51.** - In the Customs Act, in section 51, in sub-section (1), in the proviso, for the words "Provided that", the following shall be substituted, namely:-

"Provided that such order may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided further that".

**80. Amendment of section VIIA.** - In the Customs Act, after Chapter VII, the following Chapter shall be inserted with effect from such date as the Central Government may, by notification in the *Official Gazette*, appoint, namely:-

## **"CHAPTER VIIA**

### ***Payments Through Electronic Cash Ledger***

**51A. Payment of duty, interest, penalty, etc.** - (1) Every deposit made towards duty, interest, penalty, fee or any other sum payable by a person under the provisions of this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force or the rules and regulations made thereunder, using authorised mode of payment shall, subject to such

conditions and restrictions, be credited to the electronic cash ledger of such person, to be maintained in such manner, as may be prescribed.

(2) The amount available in the electronic cash ledger may be used for making any payment towards duty, interest, penalty, fees or any other sum payable under the provisions of this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force or the rules and regulations made thereunder in such manner and subject to such conditions and within such time as may be prescribed.

(3) The balance in the electronic cash ledger, after payment of duty, interest, penalty, fee or any other amount payable, may be refunded in such manner as may be prescribed.

(4) Notwithstanding anything contained in this section, if the Board is satisfied that it is necessary or expedient so to do, it may, by notification, exempt the deposits made by such class of persons or with respect to such categories of goods, as may be specified in the notification, from all or any of the provisions of this section."

**81. Amendment of section 54.** - In the Customs Act, in section 54, in sub-section (1), -

(i) for the words "the prescribed form", the words "such form and manner as may be prescribed" shall be substituted;

(ii) in the proviso, for the words "the prescribed form", the words "such form and manner as may be prescribed" shall be substituted.

**82. Amendment of section 60.** - In the Customs Act, in section 60, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that such order may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria."

**83. Amendment of section 68.** - In the Customs Act, in section 68, -

(a) in the first proviso, for the words "Provided that", the following shall be substituted, namely:-

"Provided that the order referred to in clause (c) may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided further that";

(b) in the second proviso, for the words "Provided further that", the words

"Provided also that" shall be substituted.

**84. Amendment of section 69.** - In the Customs Act, in section 69, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the order referred to in clause (c) may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria."

**85. Amendment of section 74.** - In the Customs Act, in section 74, in sub-section (1), in clause (iii), for the word and figures "section 82", the words, brackets, letter and figures "clause (a) of section 84" shall be substituted.

**86. Amendment of section 75.** - In the Customs Act, in section 75, in sub-section (1), for the word and figures "section 82", the words, brackets, letter and figures "clause (a) of section 84" shall be substituted.

**87. Amendment of chapter heading.** - In the Customs Act, in Chapter XI, in the heading, for the word "POST", the words "POST, COURIER" shall be substituted.

**88. Amendment of section 83.** - In the Customs Act, in section 83,-

(a) for the word "post", wherever it occurs, the words "post or courier" shall be substituted;

(b) for the words "postal authorities" at both the places where they occur, the words "postal authorities or the authorised courier" shall be substituted.

**89. Amendment of section 84.** - In the Customs Act, in section 84, for the word "post", wherever it occurs, the words "post or courier" shall be substituted.

**90. Insertion of new Chapter XIIA.** - In the Customs Act, after Chapter XII, the following Chapter shall be inserted, namely:-

## **CHAPTER XIIA**

### **Audit**

**99A. Audit.** - The proper officer may carry out the audit of assessment of imported goods or export goods or of an auditee under this Act either in his office or in the premises of the auditee in such manner as may be prescribed.

*Explanation.* - For the purposes of this section, "auditee" means a person who is subject to an audit under this section and includes an importer or exporter or custodian approved under section 45 or licensee of a warehouse and any other person concerned directly or indirectly in clearing, forwarding, stocking, carrying, selling or purchasing of imported goods or export goods or dutiable goods.'

**91. Insertion of new section 109.** - In the Customs Act, after section 109, the following section shall be inserted, namely:-

**109A. Power to undertake controlled delivery.** - Notwithstanding anything contained in this Act, the proper officer or any other officer

authorised by him in this behalf, may undertake controlled delivery of any consignment of such goods and in such manner as may be prescribed, to-

(a) any destination in India; or

(b) a foreign country, in consultation with the competent authority of such country to which such consignment is destined.

*Explanation.* - For the purposes of this section "controlled delivery" means the procedure of allowing consignment of such goods to pass out of, or into, the territory of India with the knowledge and under the supervision of proper officer for identifying the persons involved in the commission of an offence or contravention under this Act.'

**92. Amendment of section 110.** - In the Customs Act, in section 110, in sub-section (2), for the proviso, the following provisos shall be substituted, namely:-

"Provided that the Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend such period to a further period not exceeding six months and inform the person from whom such goods were seized before the expiry of the period so specified:

Provided further that where any order for provisional release of the seized goods has been passed under section 110A, the specified period of six months shall not apply."

**93. Amendment of section 122.** - In the Customs Act, in section 122, for clauses (b) and (c), the following clause shall be substituted, namely:-

"(b) up to such limit, by such officers, as the Board may, by notification, specify."

**94. Amendment of section 124.** - In the Customs Act, in section 124, after the proviso, the following proviso shall be inserted, namely:-

"Provided further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed."

**95. Amendment of section 125.** - In the Customs Act, in section 125, -

(i) in sub-section (1), in the proviso, for the words "Provided that", the following shall be substituted, namely:-

"Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

Provided further that";

(ii) after sub-section (2), the following shall be inserted, namely:-

"(3) Where the fine imposed under sub-section (1) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

*Explanation.* - For removal of doubts, it is hereby declared that in cases where an order under sub-section (1) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received."

**96. Amendment of section 128A.** - In the Customs Act, in section 128A, in sub-section (3), for the words "just and proper, confirming, modifying or annulling the decision or order appealed against", the following shall be substituted, namely:-

"just and proper,-

- (a) confirming, modifying or annulling the decision or order appealed against; or
- (b) referring the matter back to the adjudicating authority with directions for fresh adjudication or decision, as the case may be, in the following cases, namely:-
  - (i) where an order or decision has been passed without following the principles of natural justice; or
  - (ii) where no order or decision has been passed after re-assessment under section 17; or
  - (iii) where an order of refund under section 27 has been issued by crediting the amount to Fund without recording any finding on the evidence produced by the applicant."

**97. Insertion of new section 143AA.** - In the Customs Act, after section 143, the following section shall be inserted, namely:-

**143AA. Power to simplify or provide different procedure, etc., to facilitate trade.** - Notwithstanding anything contained in any other provision of this Act, the Board may, for the purposes of facilitation of trade, take such measures or prescribe separate procedure or documentation for a class of importers or exporters or for categories of goods or on the basis of the modes of transport of goods, in order to,-

- (a) maintain transparency in the import and export documentation; or
  - (b) expedite clearance or release of goods entered for import or export;
- or

- (c) reduce the transaction cost of clearance of importing or exporting goods; or
- (d) maintain balance between customs control and facilitation of legitimate trade."

**98. Insertion of new section 151B.** - In the Customs Act, after section 151A, the following section shall be inserted, namely:-

**151B. Reciprocal arrangement for exchange of information facilitating trade.** - (1) The Central Government may enter into an agreement or any other arrangement with the Government of any country outside India or with such competent authorities of that country, as it deems fit, for facilitation of trade, enforcing the provisions of this Act and exchange of information for trade facilitation, effective risk analysis, verification of compliance and prevention, combating and investigation of offences under the provisions of this Act or under the corresponding laws in force in that country.

(2) The Central Government may, by notification, direct that the provisions of this section shall apply to the contracting State with which reciprocal agreement or arrangements have been made, subject to such conditions, exceptions or qualifications as may be specified in that notification.

(3) Subject to the provisions of sub-section (2), the information received under sub-section (1) may also be used as evidence in investigations and proceedings under this Act.

(4) Where the Central Government has entered into a multilateral agreement for exchange of information or documents for the purpose of verification of compliance in identified cases, the Board shall specify the procedure for such exchange, the conditions subject to which such exchange shall be made and designation of the person through whom such information shall be exchanged.

(5) Notwithstanding anything contained in sub-section (1) or sub-section (2) or sub-section (3), anything done or any action taken or purported to have been done or taken, in pursuance to any agreement entered into or any other arrangement made by the Central Government prior to the date on which the Finance Bill, 2018 receives the assent of the President, shall be deemed to have been done or taken under the provisions of this section.

*Explanation.* - For the purposes of this section, the expressions, -

- (i) "contracting State" means any country outside India in respect of which agreement or arrangements have been made by the Central Government with the Government or authority of such country through an agreement or otherwise;
- (ii) "corresponding law" means any law in force in the contracting State corresponding to any of the provisions of this Act or dealing with offences in that country corresponding to any of the offences under this Act.'



**99. Substitution of new section for section 153.** - In the Customs Act, for section 153, the following section shall be substituted, namely:-

**"153. Modes for service of notice, order, etc.** - (1) An order, decision, summons, notice or any other communication under this Act or the rules made thereunder may be served in any of the following modes, namely:-

- (a) by giving or tendering it directly to the addressee or importer or exporter or his customs broker or his authorised representative including employee, advocate or any other person or to any adult member of his family residing with him;
- (b) by a registered post or speed post or courier with acknowledgement due, delivered to the person for whom it is issued or to his authorised representative, if any, at his last known place of business or residence;
- (c) by sending it to the e-mail address as provided by the person to whom it is issued, or to the e-mail address available in any official correspondence of such person;
- (d) by publishing it in a newspaper widely circulated in the locality in which the person to whom it is issued is last known to have resided or carried on business; or
- (e) by affixing it in some conspicuous place at the last known place of business or residence of the person to whom it is issued and if such mode is not practicable for any reason, then, by affixing a copy thereof on the notice board of the office or uploading on the official website, if any.

(2) Every order, decision, summons, notice or any communication shall be deemed to have been served on the date on which it is tendered or published or a copy thereof is affixed or uploaded in the manner provided in sub-section (1).

(3) When such order, decision, summons, notice or any communication is sent by registered post or speed post, it shall be deemed to have been received by the addressee at the expiry of the period normally taken by such post in transit unless the contrary is proved."

**100. Amendment of section 157.** - In the Customs Act, in section 157, in sub-section (2), -

- (i) in clause (a), after the word "form", the words "and manner to deliver or present" shall be inserted;
- (ii) for clause (d), the following clauses shall be substituted, namely: -
  - "(d) the time and manner of finalisation of provisional assessment;
- (e) the manner of conducting pre-notice consultation;
- (f) the circumstances under which, and the manner in which, supplementary notice may be issued;

- (g) the form and manner in which an application for advance ruling or appeal shall be made, and the procedure for the Authority, under Chapter VB;
- (h) the manner of clearance or removal of imported or export goods;
- (i) the documents to be furnished in relation to imported goods;
- (j) the conditions, restrictions and the manner of making deposits in electronic cash ledger, the utilisation and refund therefrom and the manner of maintaining such ledger;
- (k) the manner of conducting audit;
- (l) the goods for controlled delivery and the manner thereof;
- (m) the measures and separate procedure or documentation for a class of importers or exporters or categories of goods or on the basis of the modes of transport of goods."

**101. Amendment of notification issued under sub-section (1) of section 25 of Customs Act and subsection (12) of section 3 of Customs Tariff Act, retrospectively.** -

(1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 850 (E), dated the 8th July, 2017, amending the notification number G.S.R. 785 (E), dated the 30th June, 2017 which was issued in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 and subsection (12) of section 3 of the Customs Tariff Act, 1975, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017.

(2) Refund shall be made of all such integrated tax which has been collected, but which would not have been so collected, had the amendment made vide the notification referred to in sub-section (1) been in force at all material times:

Provided that an application for claim of integrated tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

### **Customs Tariff**

**102. Amendment of Customs Tariff Act, 1975.** - In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), in section 3,-

- (i) in sub-section (7), after the word, brackets and figure "sub-section (8)", the words, brackets, figure and letter "or sub-section (8A), as the case may be" shall be inserted;
- (ii) after sub-section (8), the following sub-section shall be inserted, namely:-

(8A) Where the goods deposited in a warehouse under the provisions of the Customs Act, 1962 are sold to any person before clearance for home consumption or export under the said Act, the value of such goods for the purpose of calculating the integrated tax under sub-section (7) shall be,-

(a) where the whole of the goods are sold, the value determined under sub-section (8) or the transaction value of such goods, whichever is higher; or

(b) where any part of the goods is sold, the proportionate value of such goods as determined under sub-section (8) or the transaction value of such goods, whichever is higher:

Provided that where the whole of the warehoused goods or any part thereof are sold more than once before such clearance for home consumption or export, the transaction value of the last such transaction shall be the transaction value for the purposes of clause (a) or clause (b):

Provided further that in respect of warehoused goods which remain unsold, the value or the proportionate value, as the case may be, of such goods shall be determined in accordance with the provisions of sub-section (8).

*Explanation.* - For the purposes of this sub-section, the expression "transaction value", in relation to warehoused goods, means the amount paid or payable as consideration for the sale of such goods.;

(iii) in sub-section (9), after the word, brackets and figures "sub-section (10)", the words, brackets, figures and letter "or sub-section (10A), as the case may be" shall be inserted;

(iv) after sub-section (10), the following sub-section shall be inserted, namely:-

(10A) Where the goods deposited in a warehouse under the provisions of the Customs Act, 1962 are sold to any person before clearance for home consumption or export under the said Act, the value of such goods for the purpose of calculating the goods and services tax compensation cess under sub-section (9) shall be,-

(a) where the whole of the goods are sold, the value determined under sub-section (10) or the transaction value of such goods, whichever is higher; or

(b) where any part of the goods is sold, the proportionate value of such goods as determined under sub-section (10) or the transaction value of such goods, whichever is higher:

Provided that where the whole of the warehoused goods or any part thereof are sold more than once before such clearance for home consumption or export, the transaction value of the

last of such transaction shall be the transaction value for the purposes of clause (a) or clause (b):

Provided further that in respect of warehoused goods which remain unsold, the value or the proportionate value, as the case may be, of such goods shall be determined in accordance with the provisions of sub-section (10).

*Explanation.* - For the purposes of this sub-section, the expression "transaction value", in relation to warehoused goods, means the amount paid or payable as consideration for the sale of such goods.'

**103. Amendment of First Schedule.** - In the Customs Tariff Act, the First Schedule, -

(a) shall be amended in the manner specified in the Second Schedule;

(b) shall also be amended in the manner specified in the Third Schedule.

**104. Amendment of Second Schedule.** - In the Customs Tariff Act,-

(a) in the Second Schedule, after Note 3, the following Note shall be inserted, namely: -

"4. In respect of all other goods which are not covered under column (2) of this Schedule, the rate of duty shall be `Nil'.";

(b) the Second Schedule shall be amended in the manner specified in the Fourth Schedule.

### **Service tax**

**105. Special provision for exemption from service tax in certain cases relating to life insurance services provided by Naval Group Insurance Fund to personnel of Coast Guard, retrospectively.** - (1) Notwithstanding anything contained in section 66, as it stood prior to the 1st day of July, 2012, or in section 66B, as it stood prior to the 1st day of July, 2017, of Chapter V of the Finance Act, 1994, as it stood prior to its omission vide section 173 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Chapter), no service tax shall be levied or collected in respect of taxable services provided or agreed to be provided by the Naval Group Insurance Fund by way of life insurance to personnel of Coast Guard under the Group Insurance Schemes of the Central Government, during the period commencing from the 10th day of September, 2004 and ending with the 30th day of June, 2017 (both days inclusive).

(2) Refund shall be made of all such service tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times:

Provided that an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

(3) Notwithstanding the omission of the said Chapter, the provisions of the said Chapter shall apply for refund under this section retrospectively as if the said Chapter had been in force at all material times.

**106. Special provision for exemption from service tax in certain cases relation to services provided or agreed to be provided by Goods and services Tax network, retrospectively.**

- (1) Notwithstanding anything contained in section 66B of Chapter V of the Finance Act, 1994, as it stood prior to its omission vide section 173 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Chapter), no service tax shall be levied or collected in respect of taxable services provided or agreed to be provided by the Goods and Services Tax Network to the Central Government or the State Government or the Union territory Administration, during the period commencing from the 28th day of March, 2013 and ending with the 30th day of June, 2017 (both days inclusive).

(2) Refund shall be made of all such service tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times:

Provided that an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

(3) Notwithstanding the omission of the said Chapter, the provisions of the said Chapter shall apply for refund under this section retrospectively as if the said Chapter had been in force at all material times.

**107. Special provision for retrospective exemption from service tax on Government's share of profit petroleum.**

- (1) Notwithstanding anything contained in section 66B of Chapter V of the Finance Act, 1994, as it stood prior to its omission vide section 173 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Chapter), no service tax, leviable on the consideration paid to the Government in the form of Government's share of profit petroleum, as defined in the contract entered into by the Government in this behalf, shall be levied or collected in respect of taxable services provided or agreed to be provided by the Government by way of grant of license or lease to explore or mine petroleum crude or natural gas or both, during the period commencing from the 1st day of April, 2016 and ending with the 30th day of June, 2017 (both days inclusive).

(2) Refund shall be made of all such service tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times:

Provided that an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

(3) Notwithstanding the omission of the said Chapter, the provisions of the said Chapter shall apply for refund under this section retrospectively as if the said Chapter had been in force at all material times.

## **CHAPTER V**

### ***Repeal and Savings of Certain Enactments***

**108. Repeal and savings of certain enactments.** - (1) The enactments specified in the third column of the Fifth Schedule are hereby repealed to the extent specified in the fourth column thereof.

- (2) Notwithstanding the repeal under sub-section (1), such repeal shall not -
- (a) affect any other law in which the repealed enactment has been applied, incorporated or referred to;
  - (b) affect the validity, invalidity, effect or consequences of anything already done or suffered or any right, title, obligation or liability already acquired, accrued or incurred or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing under the repealed enactment;
  - (c) affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in or from any enactment hereby repealed;
  - (d) revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

(3) The mention of particular matters in sub-section (1) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals.

**109. Collection and payment of arrears of duties.** - Notwithstanding the repeal of the enactments specified in the Fifth Schedule, the proceeds of duties levied under the said enactments immediately preceding the date on which the Finance Bill, 2018 receives the assent of the President, shall,-

- (i) if collected by the collecting agencies but not paid into the Reserve Bank of India; or

- (ii) if not collected by the collecting agencies, be paid, or collected and paid, as the case may be, into the Reserve Bank of India for being credited to the Consolidated Fund of India.

## CHAPTER VI

### *Social Welfare Surcharge*

**110. Social Welfare Surcharge on imported goods.** - (1) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, a duty of Customs, to be called a Social Welfare Surcharge, on the goods specified in the First Schedule to the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), being the goods imported into India, to fulfil the commitment of the Government to provide and finance education, health and social security.

(2) The Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Social Welfare Surcharge levied under this Chapter for the purposes specified in sub-section (1), as it may consider necessary.

(3) The Social Welfare Surcharge levied under sub-section (1), shall be calculated at the rate of ten per cent. on the aggregate of duties, taxes and cesses which are levied and collected by the Central Government in the Ministry of Finance (Department of Revenue) under section 12 of the Customs Act, 1962 and any sum chargeable on the goods specified in sub-section (1) under any other law for the time being in force, as an addition to, and in the same manner as, a duty of customs, but not including-

- (a) the safeguard duty referred to in sections 8B and 8C of the Customs Tariff Act;
- (b) the countervailing duty referred to in section 9 of the Customs Tariff Act;
- (c) the anti-dumping duty referred to in section 9A of the Customs Tariff Act;
- (d) the Social Welfare Surcharge on imported goods levied under sub-section (1).

(4) The Social Welfare Surcharge on imported goods shall be in addition to any other duties of customs or tax or cess chargeable on such goods, under the Customs Act, 1962 or any other law for the time being in force.

(5) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Social Welfare Surcharge on imported goods as they apply in relation to the levy

and collection of duties of customs on such goods under the Customs Act, 1962 or the rules or the regulations, as the case may be.

## **CHAPTER VII**

### ***Road and Infrastructure Cess***

**111. Road and Infrastructure Cess on imported goods.** - (1) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, an additional duty of customs, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule (hereinafter referred to as scheduled goods), being the goods imported into India at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

(2) The additional duty of the customs referred to in sub-section (1) shall be in addition to any other duties of customs chargeable on scheduled goods under the Customs Act, 1962 or any other law for the time being in force.

(3) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the additional duty of customs leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of the duties of customs on scheduled goods under the said Act or the rules and regulations, as the case may be.

**112. Road and Infrastructure Cess on excisable goods.** - (1) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, an additional duty of excise, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule (hereinafter referred to as scheduled goods), being the goods manufactured or produced, at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

(2) The cess leviable under sub-section (1), chargeable on the scheduled goods shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, 1944 or any other law for the time being in force.

(3) The provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the cess leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of the duties of excise on scheduled goods under the said Act or the rules, as the case may be.

## **CHAPTER VIII**



## Miscellaneous

### Part I

#### Amendments to the government Savings Banks act, 1873

**113. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint.

**114. Substitution of long title to Act 5 of 1873.** - In the Government Savings Banks Act, 1873 (hereafter in this Part referred to as the principal Act), for the long title, the following shall be substituted, namely:-

"An Act to regulate and channelise the savings from general public into Government Savings Schemes."

**115. Amendment of short title.** - In the principal Act, in section 1, in the short title, for the word "Banks", the word "Promotion" shall be substituted.

**116. Substitution of words "Authorised officer" for the word "Secretary" throughout Act.** - In the principal Act, for the word "Secretary", wherever it occurs, the words "Authorised Officer" shall be substituted.

**117. Omission of section 2.** - Section 2 of the principal Act shall be omitted.

**118. Substitution of new sections 3, 3A and 3B for section 3.** - For section 3 of the principal Act, the following sections shall be substituted, namely:-

**3. Definitions.** - In this Act, unless the context otherwise requires, -

(a) "*account*" means an account opened under any of the Savings Schemes;

(b) "*administrator*" means an administrator as defined in clause (a) of section 2 of the Indian Succession Act, 1925;

(c) "*Authorised Officer*" means -

(i) in the case of a Post Office Savings Bank, an officer authorised by the Director General Posts; and

(ii) in the case of State Bank of India or a banking company or any other company or institution, an officer so authorised by State Bank of India or that banking company or that other company or that institution, as the case may be;

(d) "*banking company*" means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949;

(e) "*depositor*" means an individual by whom, or on whose behalf money has been deposited in a Government Savings Bank and "*deposit*" means the money so deposited;

- (f) "*executor*" means an executor as defined in clause (c) of section 2 of the Indian Succession Act, 1925;
- (g) "*Government Savings Bank*" means -
- (i) a Post Office Savings Bank; or
  - (ii) State Bank of India or a banking company, or any other company or institution, as the Central Government may, by notification in the *Official Gazette*, specify for the purposes of this Act;
- (h) "*guardian*", in relation to a minor or a person of unsound mind means-
- (i) either of the parents;
  - (ii) where neither parent is alive or where neither or the only living parent is incapable of acting as such, a person entitled under the law for the time being in force to have the care of the property of a minor or a person of unsound mind, as the case may be;
  - (iii) legal guardian appointed by a court;
- (i) "*minor*" means a person who has not attained the age of majority under the Indian Majority Act, 1875;
- (j) "*prescribed*" means prescribed by rules made under this Act;
- (k) "*Savings Schemes*" means the Government Savings Schemes, including Savings Certificates and Public Provident Fund Scheme, listed in the Schedule;
- (l) "*Schedule*" means the Schedule annexed to this Act.

**3A. Framing of Savings Schemes.** - (1) The Central Government may, by notification in the *Official Gazette*, frame new Savings Schemes or amend or discontinue existing Savings Schemes to promote household savings in the country.

(2) The Central Government may, by notification in the *Official Gazette*, include or omit or amend Savings Schemes in the Schedule.

(3) The notification referred to in sub-section (1) may include any or all of the following provisions, depending on the design of such Scheme, namely:-

- (a) the persons who shall be eligible to make deposit in a Savings Scheme;
- (b) the terms and conditions subject to which deposit may be made;
- (c) the manner of calculation, frequency of payment and rate of interest payable on the deposit;
- (d) the maximum and minimum limits of deposit;
- (e) premature closure, withdrawal of deposit, grant of loans against deposit and transfer of deposit;

(f) any other provision depending on the purpose and design of the Savings Scheme.

**3B. Deposit by minor.** - (1) A minor who has attained the age of ten years may open and operate an account in the Government Savings Bank, if so permitted under a Savings Scheme.

(2) Subject to the provisions of sub-section (1), the guardian of a minor may open and operate an account on behalf of the minor, till he becomes a major.'

**119. Amendment of section 4.** - In section 4 of the principal Act, -

(a) for sub-section (1), the following sub-section shall be substituted, namely: -

"(1) The depositors shall designate one or more individuals, as nominee or nominees, who shall be entitled, in the event of the death of the depositor of a single account, or all the depositors of a joint account, as the case may be, to receive the sum due, as an owner or a trustee, and to the extent, as may be specified by the depositor at the time of making nomination:

Provided that if the depositor is a minor or a person of unsound mind, the nominee shall be designated by the guardian.";

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

"(4) The transfer of deposit, if permitted under a Savings Scheme, shall automatically cancel a nomination previously made.".

**120. Amendment of section 4A.** - In section 4A of the principal Act, -

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

"(3A) Where the deposit belongs to a minor or to a person of unsound mind who dies and there is no nominee immediately before the date of commencement of Part I of Chapter VIII of the Finance Act, 2018, the deposit shall be paid to the guardian.";

(b) in sub-section (4), -

(i) in clause (a), for the words "deceased; and", the words "deceased in accordance with such procedure as may be prescribed." shall be substituted;

(ii) clause (b) shall be omitted;

(c) sub-section (5) shall be omitted.

**121. Amendment of section 5.** - In section 5 of the principal Act,-

(i) for the words "But nothing", the word "Nothing" shall be substituted;

(ii) for the words "And any creditor", the words "Every creditor" shall be substituted;

(iii) for the words "if the latter had obtained", the words "if that person had obtained" shall be substituted.

**122. Amendment of section 6.** - In section 6 of the principal Act, for the words, brackets, figures and letter "any such Bank or any officer empowered under sub-section (4) of section 4A", the words "a Government Savings Bank" shall be substituted.

**123. Amendment of section 7.** - In section 7 of the principal Act, for the words, brackets, figures and letter "any such Bank or any officer empowered under sub-section (4) of section 4A", the words "a Government Savings Bank" shall be substituted.

**124. Insertion of new section 7A.** - After section 7 of the principal Act, the following section shall be inserted, namely:-

**"7A. Power to call for information.** - The Central Government through any designated authority, may call for such information, documents and evidence as it may deem necessary, in relation to any account, for carrying out the purposes of this Act."

**125. Amendment of section 8.** - In section 8 of the principal Act, for the words "three thousand rupees", the words "the prescribed limit" shall be substituted.

**126. Amendment of section 10.** - In section 10 of the principal Act,-

(i) for the words "or on behalf of, any minor", the words "or on behalf of, a minor" shall be substituted;

(ii) for the words "for his use", the words "for the use of such minor" shall be substituted;

(iii) for the words "receipt of any minor", the words "receipt of the minor" shall be substituted.

**127. Amendment of section 12.** - In section 12 of the principal Act,-

(i) for the word "Bank", the words "Government Savings Bank" shall be substituted;

(ii) for the words "any proper person", the word "guardian" shall be substituted;

(iii) for the words "such person", the words "such guardian" shall be substituted;

(iv) for the words "nothing in this section authorises payments to any person other than", the words "payments shall be made to" shall be substituted.

**128. Insertion of new section 12A.** - After section 12 of the principal Act, the following section shall be inserted, namely:-

**12A. Operation of account by differently abled persons.** - Any depositor who suffers from physical infirmity, including blindness may operate and make a deposit through any literate individual whom he authorises."

**129. Omission of heading.** - After section 12A of the principal Act as so inserted, the heading shall be omitted.

**130. Omission of section 13.** - Section 13 of the principal Act shall be omitted.

**131. Amendment of section 14.** - In section 14 of the principal Act, for the word "Government", the words "Central Government" shall be substituted.

**132. Insertion of new section 14A.** - After section 14 of the principal Act, the following section shall be inserted, namely:-

**"14A. Protection against attachment.** - The amount standing to the credit of any depositor in the Public Provident Fund Scheme shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the depositor."

**133. Amendment of section 15.** - In section 15 of the principal Act, in sub-section (2), -

(i) clause (a) shall be omitted;

(ii) for clause (b), the following clause shall be substituted, namely: -

``(b) the conditions as to interest or discount relating to deposits generally, or any class of deposits in particular;"

(iii) for clause (g), the following clause shall be substituted, namely:-

"(g) the fees that may be levied for discharge of any services under this Act;"

(iv) for clause (i), the following clauses shall be substituted, namely: -

"(i) the limit and procedure under clause (a) of sub-section (4) of section 4A;

(j) the mode of making deposits, such as physical, electronic or through use of any other tools of communication and information technology;

(k) benchmark for interest rates on deposits with a view to ensure financial sustainability of Savings Schemes;

(l) amount to be excluded in computing the court fee chargeable under the Court-fees Act, 1870 for the purpose of section 8 of the Act;

(m) mechanism for redressal of grievances and settlement of disputes;

(n) any other matter which is required to be or may be, prescribed."

**134. Insertion of new section and schedule.** - After section 15 of the principal Act, the following shall be inserted, namely: -

**"16. Repeal and savings.** - (1) The Government Savings Certificates Act, 1959 and the Public Provident Fund Act, 1968 are hereby repealed.

(2) Notwithstanding such repeal and without prejudice to the provisions contained in the General Clauses Act, 1897, with respect to repeals-

(a) anything done or any action taken or purported to have been done or taken, including any rule, notification, order or notice made or issued or any direction given under the repealed enactments shall be deemed to have been done or taken under the corresponding provisions of this Act;

(b) subject to the provisions of clause (a), any instrument executed or certificate issued, or anything done under or in pursuance of any repealed enactment shall, if is in force at the commencement of Part I of Chapter VIII of the Finance Act, 2018, continue to be in force in so far as it could have been executed, or issued or done under or in pursuance of such Part, shall have effect as if the same has been executed, issued or done under or in pursuance of the provisions contained in the aforesaid Part;

(c) all deposits made or accounts or certificates held under the repealed enactments shall be deemed to be deposits or holdings in the Savings Scheme made under the corresponding provisions of this Act; and

(d) any proceeding under the repealed enactments pending immediately before the commencement of Part I of Chapter VIII of the Finance Act, 2018 before any court shall, subject to the provisions of this Act, continue to be heard and disposed of by the said court.

(3) The repeal shall not pre-judicially affect the interest of depositors who, before the commencement of Part I of Chapter VIII of the Finance Act, 2018, made deposits or were issued certificates or made contribution to any scheme under the repealed enactments.

### **The Schedule**

[See section 3A]

This Act applies to the following Government Savings Schemes:

#### **Part A**

##### **Existing Savings Schemes**

1. Post Office Savings Account
2. National Savings Monthly Income (Account)
3. National Savings Recurring Deposit
4. Sukanya Samridhhi Account
5. National Savings Time Deposit (1 year, 2 years, 3 years and 5 years)
6. Senior Citizens' Savings Scheme
7. Savings Certificates:-

(a) Kisan Vikas Patra (discontinued from 1st December, 2011 and restarted from 23rd September, 2014);

(b) National Savings Certificates (VIII Issue).

8. Public Provident Fund Scheme

**Part B**

**Discontinued Savings Schemes**

1. National Savings Scheme, 1987
2. National Savings Scheme, 1992
3. Block Deposit Account
4. Defence Savings Account
5. Gift Coupons
6. Cumulative Time Deposit Accounts:-
  - (a) 5-year account
  - (b) 10-year account
  - (c) 15-year account
7. 5-year Prize Bonds
8. 5-year Premium Prize Bonds
9. 5-year Compulsory Deposit Account Scheme, 1963
10. 5-year Fixed Deposit Account
11. 5-Year Cash Certificates
12. 10-Year Defence Savings Certificates
13. 12-Year National Savings Certificates
14. 7-Year National Savings Certificates
15. 5-Year National Savings Certificates
16. 10-Year Treasury Savings Deposits Certificates
17. 15-Year Annuity Certificates (I series)
18. 10-Year National Plan Savings Certificates
19. 10-Year Treasury Savings Deposits Certificates
20. 12-Year National Plan Savings Certificates
21. 15-Year Annuity Certificates (II series)
22. 10-Year Defence Deposit Certificates
23. 12-Year National Defence Certificates
24. 10-Year National Savings Certificates (I-Issue)
25. 7-Year National Savings Certificates (II-Issue)
26. 7-Year National Savings Certificates (III-Issue)
27. 7-Year National Savings Certificates (IV-Issue)
28. 7-Year National Savings Certificates (V-Issue)
29. 12-Year National Savings Annuity Certificates
30. 5-Year National Development Bonds
31. 6-Year National Savings Certificates (VI-Issue)
32. 6-Year National Savings Certificates (VII-Issue)
33. 10-Year Social Security Certificates
34. Indira Vikas Patras
35. 10-Year National Savings Certificates (IX-Issue).".

## **Part II**

### ***Amendment to the Reserve Bank of India Act, 1934***

**135. Amendment of section 17 of Act 2 of 1934.** - In the Reserve Bank of India Act, 1934, in section 17, after clause (1), the following clause shall be inserted, namely:-

"(1A) The accepting of money as deposits, repayable with interest, from banks or any other person under the Standing Deposit Facility Scheme, as approved by the Central Board, from time to time, for the purposes of liquidity management;"

## **Part III**

### ***Amendments to the President's Emoluments and Pension Act, 1951***

**136. Commencement of this Part.** - Save as otherwise provided, the provisions of this Part shall come into force on the 1st day of April, 2018.

**137. Amendment of section 1A.** - In section 1A of the President's Emoluments and Pension Act, 1951 (hereafter referred to as the principal Act in this Part), for the words "one lakh fifty thousand rupees", the words "five lakh rupees" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 2016.

**138. Amendment of section 2.** - In section 2 of the principal Act, in sub-section (2), in clause (b), for the words "sixty thousand rupees", the words "one lakh rupees" shall be substituted.

**139. Amendment of section 3A** - In section 3A of the principal Act, in clause (b), in sub-clause (ii), for the words "twelve thousand rupees", the words "twenty thousand rupees" shall be substituted.

## **Part IV**

### ***Amendment to the Salaries and Allowances of officers of Parliament Act, 1953***

**140. Amendment of section 3 of Act 20 of 1953.** - In the Salaries and Allowances of Officers of Parliament Act, 1953, in section 3, in sub-section (1), for the words "one lakh twenty-five thousand rupees", the words "four lakh rupees" shall be substituted and shall be deemed to have been substituted with effect from 1st January, 2016.

## **Part V**

### ***Amendments to the Salary, Allowances and Pension of members of Parliament act, 1954***

**141. Commencement of this Part.** - Save as otherwise provided, the provisions of this Part shall come into force from the 1st day of April, 2018.



**142. Amendment of section 3.** - In the Salary, Allowances and Pension of Members of Parliament Act, 1954 (hereafter referred to as the principal Act in this Part), section 3 shall be numbered as sub-section (1) thereof,-

- (i) in sub-section (1) as so renumbered, for the words "fifty thousand rupees", the words "one lakh rupees" shall be substituted;
- (ii) after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:-

"(2) The salary and daily allowance of members shall be increased after every five years commencing from 1st April, 2023 on the basis of Cost Inflation Index provided under clause (v) of Explanation to section 48 of the Income-tax Act, 1961."

**143. Amendment of section 4.** - In the principal Act, in section 4, in sub-section (1), -

- (i) clause (a) shall be omitted;
- (ii) in clause (b), the words "and one-fourth of the" shall be omitted;
- (iii) in clause (c), in sub-clause (i), the words "and three-fifth of the" shall be omitted.

**144. Amendment of section 8A.** - In the principal Act, in section 8A, in sub-section (1), -

- (a) for the words "twenty thousand rupees", the words "twenty-five thousand rupees" shall be substituted;
- (b) in the proviso, for the words "fifteen hundred rupees", the words "two thousand rupees" shall be substituted;
- (c) after the proviso, the following sub-section shall be inserted, namely:

-

"(1A) The pension and additional pension to every person shall be increased after every five years commencing from 1st April, 2023 on the basis of Cost Inflation Index provided under clause (v) of *Explanation* to section 48 of the Income-tax Act, 1961."

**145. Amendment of section 8AC.** - In the principal Act, in section 8AC, in sub-section (2), the words, brackets and figures "before the commencement of the Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2006" shall be omitted and shall be deemed to have been omitted with effect from the 15th day of September, 2006.

## **Part VI**

### **Amendments to the Securities Contracts (Regulation) Act, 1956**

**146. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint.

**147. Amendment of section 12A.** - In the Securities Contracts (Regulation) Act, 1956 (hereafter in this Part referred to as the principal Act), section 12A shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:-

"(2) Without prejudice to the provisions of sub-section (1) and section 23-I, the Securities and Exchange Board of India may, by an order, for reasons to be recorded in writing, levy penalty under sections 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23GA and 23H after holding an inquiry in the prescribed manner."

**148. Amendment of section 23.** - In section 23 of the principal Act, in sub-section (1), in the long line, after the words "Adjudicating officer", the words "or the Securities and Exchange Board of India" shall be inserted.

**149. Amendment of section 23A.** - In section 23A of the principal Act, in sub-clause (a), after the words "bye-laws of the recognised stock exchange", the words "or who furnishes false, incorrect or incomplete information, document, books, return or report" shall be inserted.

**150. Amendment of section 23E.** - In section 23E of the principal Act, after the words "mutual fund", the words "or real estate investment trust or infrastructure investment trust or alternative investment fund", shall be inserted.

**151. Amendment of section 23G.** - In section 23G of the principal Act, after the words "periodical returns", the words "or furnishes false, incorrect or incomplete periodical returns" shall be inserted.

**152. Insertion of new section 23GA** - After section 23G of the principal Act, the following section shall be inserted, namely: -

**"23GA. Penalty for failure to conduct business in accordance with rules, etc.** - Where a stock exchange or a clearing corporation fails to conduct its business with its members or any issuer or its agent or any person associated with the securities markets in accordance with the rules or regulations made by the Securities and Exchange Board of India and the directions issued by it under this Act, the stock exchange or the clearing corporations, as the case may be, shall be liable to penalty which shall not be less than five crore rupees but which may extend to twenty-five crore rupees or three times the amount of gains made out of such failure, whichever is higher."

**153. Amendment of section 23-I** - In section 23-I of the principal Act, in sub-section (1), for the word "shall", the word "may" shall be substituted.

**154. Amendment of section 23J.** - In section 23J of the principal Act, -

(i) for the marginal heading, the following marginal heading shall be substituted, namely:- "Factors to be taken into account while adjudging quantum of penalty.";

(ii) for the word, figures and letter "section 23-I" the words, figures and letters "section 12A or section 23-I" shall be substituted.

(iii) for the words "the adjudicating officer", the words "the Securities and Exchange Board of India or the adjudicating officer" shall be substituted.

**155. Amendment of section 23JA.** - In section 23JA of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:-

"(5) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India."

**156. Amendment of section 23JB.** - In section 23JB of the principal Act, in sub-section (1), for the words "by the adjudicating officer", the words "under this Act" shall be substituted.

**157. Insertion of new section 23JC.** - After section 23JB of the principal Act, the following section shall be inserted, namely:-

**23JC. Continuance of proceedings.** - (1) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(2) For the purposes of sub-section (1), -

(a) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

(b) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(3) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(4) The liability of a legal representative under this section shall, be limited to the extent to which the estate of the deceased is capable of meeting the liability.

*Explanation.* - For the purposes of this section ``Legal representative" means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.'

**158. Amendment of section 23M.** - In section 23M of the principal Act, -

- (i) after the words "adjudicating officer" at both the places where they occur, the words "or the Securities and Exchange Board of India" shall be inserted;
- (ii) in sub-section (2), for the words, "any of his direction or orders" the words "the direction or order" shall be substituted.

**159. Amendment of section 24.** - In section 24 of the principal Act, -

- (i) for the marginal heading, the following marginal heading shall be substituted: -  
"Contravention by companies;"
- (ii) in sub-section (1), for the words "an offence", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;
- (iii) in sub-section (2), for the words ``an offence under this Act", the words ``a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;
- (iv) for the word "offence", wherever it occurs, the word "contravention" shall be substituted.

## **Part VII**

### **Amendment to the Central boards of Revenue Act, 1963**

**160. Amendment of Act 54 of 1963.** - In the Central Boards of Revenue Act, 1963, with effect from the date on which the Finance Bill, 2018 receives the assent of the President,-

- (a) "the Central Board of Excise and Customs" shall be renamed as "the Central Board of Indirect Taxes and Customs";
- (b) throughout the Act, for the words "Excise and Customs", wherever they occur, the words "Indirect Taxes and Customs" shall be substituted, and such other consequential amendments as the rules of grammar may require shall also be made.

## **Part VIII**

## ***Amendment to the governors (Emoluments, Allowances and Privileges) Act, 1982***

**161. Amendment of section 3 of Act 43 of 1982.** - In section 3 of the Governors (Emoluments, Allowances and Privileges) Act, 1982, for the words "one lakh ten thousand" the words "three lakh fifty thousand" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 2016.

### ***Part IX***

## ***Amendments to the national housing Bank act, 1987***

**162. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**163. Amendment of Section 3.** - In the National Housing Bank Act, 1987 (hereafter in this Part referred to as the principal Act), in section 3,-

(a) in sub-section (3), for the words "Bombay or at such other place as the Reserve Bank", the words "New Delhi or at such other place as the Central Government" shall be substituted;

(b) in sub-section (4), for the words "the Reserve Bank", the words "the Central Government" shall be substituted.

**164. Amendment of Section 4.** - In section 4 of the principal Act, -

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

"Provided that the Central Government may, by notification, increase the authorised capital up to two thousand crore rupees or such other amount as may be determined by it from time to time.";

(b) in sub-section (2), the words "the Reserve Bank," occurring at both the places shall be omitted;

(c) after sub-section (2), the following sub-section shall be inserted, namely:-

"(3) The subscribed capital of one thousand four hundred and fifty crore rupees of the National Housing Bank, which has been subscribed to by the Reserve Bank, shall stand transferred to, and vested in the Central Government upon payment of the face value of the subscribed capital, to the Reserve Bank from such date as may be notified by the Central Government."

**165. Amendment of section 5.** - In section 5 of the principal Act, in sub-section (5), the words ", in consultation with the Reserve Bank, or the Reserve Bank," shall be omitted.

**166. Amendment of section 6.** - In section 6 of the principal Act, -

(a) in sub-section (1), -

(i) in clause (ca), the words "the Reserve Bank," shall be omitted;

(ii) in clause (d), for the words "two directors", the words "one director" shall be substituted;

(b) in sub-section (2), for the words "in consultation with the Reserve Bank and directors", the words "the director" shall be substituted.

**167. Amendment of section 7.** - In section 7 of the principal Act, in sub-sections (1), (3) and (4), the words ", in consultation with the Reserve Bank," shall be omitted.

**168. Amendment of section 16.** - In section 16 of the principal Act, in sub-section (1), for the words and figures "the Foreign Exchange Regulation Act, 1973", the words and figures "the Foreign Exchange Management Act, 1999" shall be substituted.

**169. Amendment of section 29A.** - In section 29A of the principal Act, in the Explanation, in clause (II), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted.

**170. Amendment of section 33.** - In section 33 of the principal Act, in sub-section (2), for the words, brackets and figures "sub-section (2) of section 227 of the Companies Act, 1956", the words, brackets and figures "sub-section (2) of section 143 of the Companies Act, 2013" shall be substituted.

**171. Amendment of section 33B.** - In section 33B of the principal Act, in sub-sections (1) and (4), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted.

**172. Amendment of section 37.** - In section 37 of the principal Act, in sub-sections (1) and (2), for the words "the Reserve Bank" at both the places where they occur, the words "the Central Government" shall be substituted.

**173. Amendment of section 39.** - In section 39 of the principal Act, in clause (ii), for the words "the Reserve Bank", the words "the Central Government" shall be substituted.

**174. Amendment of section 40.** - In section 40 of the principal Act, in sub-section (1), for the words, brackets and figures "sub-section (1) of section 226 of the Companies Act, 1956", the words, brackets and figures "sub-section (1) of section 141 of the Companies Act, 2013" shall be substituted.

**175. Amendment of section 43.** - In section 43 of the principal Act, in sub-section (5), the words, figures and letters ", without prejudice to the provisions of section 54AA of the Reserve Bank of India Act, 1934," shall be omitted.

**176. Amendment of section 45A.** - In section 45A of the principal Act, in sub-section (1), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted.

**177. Amendment of section 55.** - In section 55 of the principal Act, -

- (i) in sub-section (1), the words "the Reserve Bank and in consultation with" shall be omitted;
- (ii) in sub-section (3), the words "by the Reserve Bank," shall be omitted.

**Part X**

**Amendments to the Securities and Exchange Board of India Act, 1992**

**178. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**179. Amendment of section 11.** - In the Securities And Exchange Board of India Act, 1992 (hereafter in this Part referred to as the principal Act), in section 11,-

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

"(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.";

- (ii) in sub-section (5), after the words and figures "the Depositories Act, 1996", the words, figures, letters and brackets shall be inserted, namely:-

"or under a settlement made under section 15JB or section 23JA of the Securities Contracts (Regulation) Act, 1956 or section 19-IA of the Depositories Act, 1996,".

**180. Amendment of section 11B.** - In section 11B, of the principal Act, -

- (a) in the marginal heading, after the word ``directions'', the words ``and levy penalty'' shall be inserted;
- (b) section 11B shall be numbered as sub-section (1) thereof and after subsection (1) as so renumbered, the following sub-section shall be inserted, namely:-

"(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.".

- 181. Amendment of section 15A.** - In the principal Act, in section 15A, -
- (i) in clause (a), after the words "fails to furnish the same", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted;
  - (ii) in clause (b), after the words "furnish the same within the time specified therefor in the regulations", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted.

**182. insertion of new sections 15EA.** - In the principal Act, after section 15E, the following sections shall be inserted, namely:-

**"15EA. Penalty for default in case of alternative investment funds, infrastructure investment trusts and real estate investment trusts.** - Where any person fails to comply with the regulations made by the Board in respect of alternative investment funds, infrastructure investment trusts and real estate investment trusts or fails to comply with the directions issued by the Board, such person shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees or three times the amount of gains made out of such failure, whichever is higher.

**15EB. Penalty for default in case of investment adviser and research analyst.** - Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees."

**183. Amendment of section 15F.** - In the principal Act, in section 15F, in clause (b), for the words "he sponsors or carries on any such collective investment scheme including mutual funds", the words "such failure continues" shall be substituted.

**184. Amendment of section 15-I.** - In the principal Act, in section 15-I, in sub-section (1), -

- (i) after the figures and letter "15E,", the figures and letters "15EA, 15EB," shall be inserted;
- (ii) for the word "shall" the word "may" shall be substituted.

**185. Amendment of section 15J.** - In the principal Act, in section 15J, -

- (a) for the marginal heading, the following marginal heading shall be substituted, namely:-

"Factors to be taken into account while adjudging quantum of penalty.";



- (b) after the words, figures and letter "section 15-I, the adjudicating officer", the figures, letters and words "15-I or section 11 or section 11B, the Board or the adjudicating officer" shall be substituted;
- (c) in the Explanation, the words "of an adjudicating officer" shall be omitted.

**186. Amendment of section 15JB.** - In the principal Act, in section 15JB, after sub-section (4), the following subsection shall be inserted, namely:-

"(5) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India."

**187. Amendment of section 24.** - In the principal Act, in section 24, -

- (i) after the words "adjudicating officer" at both the places where they occur, the words "or the Board" shall be inserted;
- (ii) in sub-section (2), the words "of his" shall be omitted.

**188. Amendment of section 27.** - In the principal Act, in section 27, -

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

"Contravention by companies.";
- (ii) in sub-section (1), for the words "an offence under this Act," the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;
- (iii) for the word "offence", wherever it occurs, the word "contravention" shall be substituted.

**189. Amendment of section 28A.** - In the principal Act, in section 28A, in sub-section (1), for the words "by the adjudicating officer", the words "under this Act" shall be substituted.

**190. Insertion of new section 28B.** - In the principal Act, after section 28A, the following section shall be inserted, namely:-

**28B. Continuance of proceedings.** - (1) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(2) For the purposes of sub-section (1), -

- (a) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death, shall be deemed to have been initiated against the legal representative, and

may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

- (b) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(3) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(4) The liability of a legal representative under this section shall be limited to the extent to which the estate of the deceased is capable of meeting the liability.

*Explanation.* - For the purposes of this section "legal representative" means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.'

## **Part XI**

### **Amendments to the Depositories Act, 1996**

**191. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint.

**192. Amendment of section 19.** - Section 19 of the Depositories Act, 1996 (hereafter in this Part referred to as the principal Act) shall be numbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:-

"(2) Without prejudice to the provisions contained in sub-section (1) and section 19H, the Board may, by order, for reasons to be recorded in writing, levy penalty under sections 19A, 19B, 19C, 19D, 19E, 19F, 19FA and 19G after holding an inquiry in the prescribed manner."

**193. Amendment of section 19A.** - In section 19A of the principal Act, -

- (i) in clause (a), after the words "specified therefor", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted;

- (ii) in clause (b), after the words "specified therefor, he", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted.

**194. Insertion of new section 19FA.** - After section 19F of the principal Act, the following section shall be inserted, namely:-

**19FA. Penalty for failure to conduct business in a fair manner.** - Where a depository fails to conduct its business with its participants or any issuer or its agent or any person associated with the securities markets in a fair manner in accordance with the rules, regulations made by the Board or directions issued by the Board under this Act, it shall be liable to penalty which shall not be less than five crore rupees but which may extend to twenty-five crore rupees or three times the amount of gains made out of such failure, whichever is higher."

**195. Amendment of section 19H.** - In section 19H of the principal Act, in sub-section (1), for the figures, letters and words "19F and 19G, the Board shall", the figures, letters and words "19F, 19FA and 19G, the Board may" shall be substituted.

**196. Amendment of section 19-I.** - In section 19-I of the principal Act, -

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

"Factors to be taken into account while adjudging quantum of penalty".

- (ii) for the words, figures and letter "section 19H, the adjudicating officer", the words, figures and letter "section 19 or section 19H, the Board or the adjudicating officer" shall be substituted;

- (iii) in the Explanation, the words "of an adjudicating officer" shall be omitted.

**197. Amendment of section 19-IA.** - In section 19-IA of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:-

"(5) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India."

**198. Amendment of section 19-IB.** - In section 19-IB of the principal Act, in sub-section (1), for the words "by the adjudicating officer", the words "under this Act" shall be substituted.

**199. Insertion of new section 19-IC.** - After section 19-IB of the principal Act, the following section shall be inserted, namely:-

**19-IC. Continuance of proceedings.** - (1) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(2) For the purposes of sub-section (1), -

(a) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

(b) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(3) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(4) The liability of a legal representative under this section shall be limited to the extent to which the estate of the deceased is capable of meeting the liability.

*Explanation.* - For the purposes of this section "legal representative" means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.'

**200. Amendment of chapter V.** - In Chapter V of the principal Act, for the heading, the following heading shall be substituted, namely:-

"Miscellaneous".

**201. Amendment of section 20.** - In section 20 of the principal Act, -

(i) in sub-section (1), after the words "adjudicating officer", the words "or the Board" shall be inserted;

(ii) in sub-section (2), for the words "adjudicating officer or fails to comply with any of his", the words "adjudicating officer or the Board or fails to comply with any" shall be substituted.

**202. Amendment of section 21.** - In section 21 of the principal Act, -

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

"Contravention by companies.";

(ii) in sub-section (1), -

(a) for the words "an offence under this Act", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;

(b) for the word "offence", wherever it occurs, the word "contravention" shall be substituted;

(iii) in sub-section (2), -

(a) for the words "an offence under this Act", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder " shall be substituted;

(b) for the word "offence" occurring at both the places, the word "contravention" shall be substituted.

**203. omission of heading.** - In the principal Act, the words and letters "CHAPTER VI MISCELLANEOUS" occurring before section 22 shall be omitted.

### ***Part XII***

#### ***Amendment to the Vice-President's Pension Act, 1997***

**204. Amendment of section 2 of Act 30 of 1997.** - In section 2 of the Vice-President's Pension Act, 1997, in sub-section (2), in clause (c), for the words "sixty thousand rupees", the words "ninety thousand rupees" shall be substituted with effect from the 1st day of April, 2018.

### ***Part XIII***

#### ***Amendment to the Central Road Fund Act, 2000***

**205. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**206. Amendment of Act 54 of 2000.** - In the Central Road Fund Act, 2000, -

(a) in the long title, for the words and figures "the existing Central Road Fund governed by the Resolution of Parliament passed in 1988 for development and maintenance of National Highways and improvement of safety at railway crossing, and for these purposes levy and collect by way of cess, a duty of excise and a duty of customs on motor spirit commonly known as petrol, high speed diesel oil", the words "the Central Road and Infrastructure Fund for development and maintenance of National Highways, railway projects, improvement of

safety in railways, State and rural roads and other infrastructure, and for these purposes to levy and collect by way of cess, a duty of excise and a duty of customs on motor spirit commonly known as petrol and high speed diesel oil" shall be substituted;

(b) in section 1, in sub-section (1), for the words "Central Road", the words "Central Road and Infrastructure" shall be substituted;

(c) in section 2, -

(i) in clause (c), for the words "Road Fund", the words "Road and Infrastructure Fund" shall be substituted;

(ii) clause (e) shall be omitted;

(d) in Chapter II, -

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

"Central Road and Infrastructure Fund";

(ii) in section 3, -

(A) for the word ``Schedule'', wherever it occurs, the word and figure ``Schedule I'' shall be substituted;

(B) in sub-section (1), in the long line, the words, brackets and figure ``not exceeding the rate set forth in the corresponding entry in column (3) of the Schedule'' shall be omitted;

(C) the first proviso shall be omitted;

(D) for the second proviso, the following proviso shall be substituted, namely: -

``Provided that the additional duty of customs and the additional duty of excise on motor spirit commonly known as petrol and on high speed diesel oil levied under sub-section (1) of section 109 and sub-section (1) of section 110, as the case may be, of the Finance Act, 2018 shall be deemed to be the cess for the purposes of this Act from the date of its levy and the proceeds thereof shall be credited to the Fund.'';

(e) in section 6, -

(i) in the marginal heading, for the words "Road Fund", the words "Road and Infrastructure Fund" shall be substituted;

(ii) in sub-section (1), for the words "Road Fund", the words "Road and Infrastructure Fund" shall be substituted;

(f) section 7 shall be renumbered as sub-section (1) thereof and in sub-section (1) as so renumbered,-

(A) for clauses (iv) and (v), the following clauses shall be substituted, namely:-

(iv) construction of roads either under or over the railways by means of bridges and erection of safety works at unmanned rail-road crossings, new lines, conversion of existing standard lines into gauge lines and electrification of rail lines; and

(v) undertaking other infrastructure projects.

*Explanation.* - For the purposes of this Act, the expression "infrastructure projects" means the category of projects and infrastructure Sub-Sectors specified in Schedule II.;

(B) after sub-section (1), as so renumbered, the following sub-sections shall be inserted, namely:-

"(2) The Central Government may, depending upon the requirement for development of infrastructure projects, and if it considers necessary or expedient to do so, by notification in the *Official Gazette*, amend Schedule II relating to any Category of projects or Infrastructure Sub-Sectors.

(3) Every notification issued under this Act by the Central Government shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.";

(g) after section 7, the following section shall be inserted, namely:-

**"7A. Apportionment of share of fund by Committee.** - The share of the Fund to be apportioned to each of infrastructure projects shall be finalised by a Committee, constituted by the Central Government by notification published in the *Official Gazette*, headed by the Finance Minister, depending on the priorities of the project.";

(h) in Chapter III, for the heading, the following heading shall be substituted, namely:-

"Management of Central Road and Infrastructure Fund";

(i) for section 9, the following section shall be substituted, namely:-

- "9. The Central Government shall have the power to administer the Fund and shall-
- (a) take such decisions regarding investment on projects of roads and other infrastructure as it considers necessary;
  - (b) take such measures as may be necessary to raise funds for the development and maintenance of roads and other infrastructure.";
- (j) in section 10, in sub-section (1), -
- (A) in clause (i), for the words "national highways", the words "roads and other infrastructure" shall be substituted;
  - (B) clause (iii) shall be omitted;
  - (C) for clauses (v) and (vi), the following clauses shall be substituted, namely:-
    - "(v) release of funds to the States for specific projects and monitoring of such projects and expenditure incurred thereon;
    - (vi) formulation of the criteria for allocation of the funds for development and maintenance of national highways and other infrastructure projects;"
  - (D) clause (viii) shall be omitted;
- (k) in section 11, for sub-section (1), the following sub-section shall be substituted, namely:-
- "(1) The share of the Fund to be spent on development and maintenance of roads shall be allocated in such manner as may be decided by the Committee referred to in section 7A.";
- (l) in section 12, in sub-section (2), -
- (i) in clause (a), for the words "the projects", the words "the type of projects" shall be substituted;
  - (ii) in clause (c), the words and figures "under section 10" shall be omitted;
- (m) in section 14, -
- (i) in the marginal heading for the words "road Fund", the words "Road and Infrastructure Fund" shall be substituted;
  - (ii) in clause (a), for the words "highways and State roads", the words "highways, State roads and other infrastructure" shall be substituted;
- (n) in the Schedule I (as so renumbered), column (3) shall be omitted;



(o) the Schedule shall be numbered as "Schedule I" and after the "Schedule I" as so renumbered, the following "Schedule" shall be inserted, namely: -

**"Schedule II**

[See section 7(1)]

Category of projects and Infrastructure Sub-Sectors

Sl. No.	Category	Infrastructure Sub-Sectors
1.	Transport	(a) Road and bridges; (b) Ports (including Capital Dredging); (c) Shipyards (including a floating or land-based facility with the essential features of waterfront, turning basin, berthing and docking facility, slipways or ship lifts, and which is self-sufficient for carrying on shipbuilding/repair/breaking activities); (d) Inland Waterways; (e) Airports; (f) Railway Track, tunnels, viaducts, bridges, terminal infrastructure including stations and adjoining commercial infrastructure; (g) Urban Public Transport (except rolling stock in case of urban road transport).
2.	Energy	(a) Electricity Generation; (b) Electricity Transmission; (c) Electricity Distribution; (d) Oil pipelines; (e) Oil / Gas / Liquefied Natural Gas (LNG) storage facility (including strategic storage of crude oil); (f) Gas pipelines (including city gas distribution network).
3.	Water and Sanitation	(a) Solid Waste Management; (b) Water supply pipelines; (c) Water treatment plants; (d) Sewage collection, treatment and disposal system; (e) Irrigation (dams, channels, embankments, etc.); (f) Storm Water Drainage System;

		(g) Slurry pipelines.
4.	Communication	(a) Telecommunication (Fixed network including optic fibre/ wire/cable networks which provide broadband/internet); (b) Telecommunication towers; (c) Telecommunications and Telecom Services.
5.	Social and Commercial Infra	(a) Education Institutions (capital stock); (b) Sports and Infrastructure (including provision of Sports Stadia and Infrastructure for Academies for Training/Research in Sports and Sports-related activities); (c) Hospitals (capital stock including Medical Colleges, Para Medical Training Institutes and Diagnostic Centres); (d) Tourism Infrastructure - (i) three-star or higher category classified hotels located outside cities with population of more than one million; (ii) ropeways and cable cars; (e) Common infrastructure for industrial parks and other parks with industrial activity such as food parks, textile parks, special economic zones, tourism facilities and agriculture markets; (f) Post-harvest storage infrastructure for agriculture and horticulture produce including cold storage; (g) Terminal markets; (h) Soil-testing laboratories; (i) Cold chain (including cold room facility for farm level precooling, for preservation or storage of agriculture and allied produce, marine products and meat); (j) Affordable Housing (including a housing project using at least 50% of the Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area of not more than 60 square meters.
		<i>Explanation.</i> - For the purposes of the item (j), the term "carpet area" shall have the meaning assigned to it in clause

	(k) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016).".
--	--

#### **Part XIV**

#### **Amendments to the Prevention of Money-Laundering Act, 2002**

**207. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint.

**208. Amendments of act 15 of 2003.** - In the Prevention of Money-laundering Act, 2002, -

(a) in section 2, in sub-section (1), in clause (u), after the words "within the country", the words "or abroad" shall be inserted;

(b) in section 5, -

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

"Provided also that for the purposes of computing the period of one hundred and eighty days, the period during which the proceedings under this section is stayed by the High Court, shall be excluded and a further period not exceeding thirty days from the date of order of vacation of such stay order shall be counted.";

(ii) in sub-section (3), for the word, brackets and figure ``sub-section

(2)", the word, brackets and figure "sub-section (3)" shall be substituted;

(c) in section 8,-

(i) in sub-section (3), in clause (a), after the words "continue during", the words "investigation for a period not exceeding ninety days or" shall be inserted;

(ii) in sub-section (8), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the Special Court may, if it thinks fit, consider the claim of the claimant for the purposes of restoration of such properties during the trial of the case in such manner as may be prescribed.";

(d) in section 19, in sub-section (3), -

(i) after the words "be taken to a", the words "Special Court or" shall be inserted;

- (ii) in the proviso, after the words "from the place of arrest to the", the words "Special Court or" shall be inserted;
- (e) in section 45, in sub-section (1), -
  - (i) for the words "punishable for a term of imprisonment of more than three years under Part A of the Schedule", the words "under this Act" shall be substituted;
  - (ii) in the proviso, after the words "sick and infirm,", the words "or is accused either on his own or along with other co-accused of money-laundering a sum of less than one crore rupees" shall be inserted;
- (f) in section 50, in sub-section (5), in the proviso, in clause (b), for the word "Director", the words "Joint Director" shall be substituted;
- (g) section 66 shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:-
  - "(2) If the Director or other authority specified under sub-section (1) is of the opinion, on the basis of information or material in his possession, that the provisions of any other law for the time being in force are contravened, then the Director or such other authority shall share the information with the concerned agency for necessary action.";
- (h) in the Schedule, in Part A, after Paragraph 28, the following Paragraph shall be inserted, namely:-

"Paragraph 29  
 Offence Under the Companies Act, 2013  
 (18 of 2013)

Section	Description of offence
447	Punishment for fraud."

**Part XV**

**Amendments to the Fiscal Responsibility and Budget Management Act, 2003**

**209. Commencement of this Part.** - The provisions of this Part shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint.

**210. Amendment of long title.** - In the Fiscal Responsibility and Budget Management Act, 2003 (hereafter in this Part referred to as the principal Act), in the long title, the words "achieving sufficient revenue surplus and" shall be omitted.

**211. Amendment of section 2.** - In section 2 of the principal Act, -

(i) for clause (aa), the following clause shall be substituted, namely:-

`(aa) "Central Government debt" at any date means-

- (i) the total outstanding liabilities of the Central Government on the security of the Consolidated Fund of India, including external debt valued at current exchange rates;
- (ii) the total outstanding liabilities in the public account of India; and
- (iii) such financial liabilities of any body corporate or other entity owned or controlled by the Central Government, which the Government is to repay or service from the annual financial statement, reduced by the cash balance available at the end of that date;'

(ii) for clause (bb), the following clauses shall be substituted, namely:-

`(bb) "general Government debt" means the sum total of the debt of the Central Government and the State Governments, excluding inter-Governmental liabilities;

(bc) "gross domestic product" means the sum of the gross value added by all resident production units plus that part of taxes, less subsidies, on products, which is not included in the valuation of output, during a financial year, reckoned at current market prices, as published by the Central Statistics Office from time to time;

(iii) after clause (c), the following clauses shall be inserted, namely:-

`(ca) ``real gross domestic product" means gross domestic product, reckoned at constant prices, as published by the Central Statistics Office from time to time;

(cb) ``real output growth" means growth in real gross domestic product;'';

(iv) clauses (e) and (f) shall be omitted.

**212. Amendment of section 3.** - In section 3 of the principal Act, -

(a) in sub-section (3), item (i) shall be omitted;

(b) in sub-section (6), in clause (b), the words "revenue balance and" shall be omitted;

(c) in sub-section (6A), item (iii) shall be omitted.

**213. Amendment of section 4.** - For section 4 of the principal Act, the following section shall be substituted, namely:-

**4. Fiscal management principles.** - (1) The Central Government shall, -

(a) take appropriate measures to limit the fiscal deficit upto three per cent. of gross domestic product by the 31st March, 2021;

(b) endeavour to ensure that -

(i) the general Government debt does not exceed sixty per cent.;

(ii) the Central Government debt does not exceed forty per cent.,

of gross domestic product by the end of financial year 2024-2025;

(c) not give additional guarantees with respect to any loan on security of the Consolidated Fund of India in excess of one-half per cent. of gross domestic product, in any financial year;

(d) endeavour to ensure that the fiscal targets specified in clauses (a) and (b) are not exceeded after stipulated target dates.

(2) The Central Government shall prescribe the annual targets for reduction of fiscal deficit for the period beginning from the date of commencement of Part XV of Chapter VIII of the Finance Act, 2018 and ending on the 31st March, 2021:

Provided that exceeding annual fiscal deficit target due to ground or grounds of national security, act of war, national calamity, collapse of agriculture severely affecting farm output and incomes, structural reforms in the economy with unanticipated fiscal implications, decline in real output growth of a quarter by at least three per cent. points below its average of the previous four quarters, may be allowed for the purposes of this section.

(3) Any deviation from fiscal deficit target under sub-section (2) shall not exceed one-half per cent. of the gross domestic product in a year.

(4) The Central Government shall, in case of increase in real output growth of a quarter by at least three per cent. points above its average of the previous four quarters, reduce the fiscal deficit by at least one-quarter per cent. of the gross domestic product in a year.

(5) Where the fiscal deficit is allowed to vary from the target prescribed under the proviso to sub-section (2) or deviation is initiated under sub-section (4), a statement explaining the reasons thereof and the path of return to annual prescribed targets under this section shall be laid, as soon as may be, before both the Houses of Parliament."

**214. Amendment of section 5.** - In section 5 of the principal Act, -

(a) for sub-section (3), the following sub-section shall be substituted, namely: -

"(3) Notwithstanding anything contained in sub-section (1), the Reserve Bank may subscribe to the primary issues of Central Government Securities due to ground or grounds specified in the proviso to sub-section (2) of section 4.";

(b) in sub-section (4), after the words "secondary market", the words "or converts Central Government Securities held by it with other Securities of the Central Government as mutually agreed between the Reserve Bank and the Central Government" shall be inserted.

- 215. Amendment of section 7.** - In section 7 of the principal Act, -
- (a) in sub-section (1), for the words "every quarter", the words "on half-yearly basis" shall be substituted;
  - (b) after sub-section (1), the following sub-section shall be inserted, namely:-
    - "(1A) The Central Government shall prepare a monthly statement of its accounts.";
  - (c) in sub-section (2), for the words "pre-specified levels mentioned in the Fiscal Policy Strategy Statement and the rules made under this Act", the words "prescribed levels" shall be substituted.

- 216. Amendment of section 8.** - In section 8 of the principal Act, in sub-section (2), -
- (i) clause (ca) shall be omitted;
  - (ii) after clause (d), the following clause shall be inserted, namely: -
    - "(da) the level of short fall in revenue or excess of expenditure under sub-section (2) of section 7;".

#### ***Part XVI***

#### ***Amendment to the Finance (No.2) Act, 2004***

- 217. Amendment of Act 23 of 2004.** - In section 97 of the Finance (No.2) Act, 2004, for clause (5), with effect from the 1st day of April, 2018, the following clause shall be substituted, namely:-
- (5) "equity oriented fund" means a fund referred to in clause (a) of Explanation to section 112A of Income-tax Act, 1961.'.

#### ***Part XVII***

#### ***Amendments to the Finance Act, 2013***

- 218. Amendment of act 17 of 2013.** - In the Finance Act, 2013, -
- (a) in section 116, in clause (7), after the words "sale of commodity derivatives", the words "or option on commodity derivatives" shall be inserted with effect from the 1st day of April, 2018;
  - (b) for sections 117 and 118, the following sections shall be substituted with effect from the 1st day of April, 2018, namely:-

**117. Charge of commodities transaction tax.** - On and from the 1st day of April, 2018, there shall be charged a commodities transaction tax in respect of taxable commodities transaction specified in column (2) of the Table below, at the rate specified in the corresponding entry in column (3) of the said Table, on the value of such transaction and such tax shall be

payable by the purchaser or the seller, as the case may be, as specified in the corresponding entry in column (4) of the said Table:  
en-US" DIR="LTR">

<b>Sl.No.</b>	<b>Taxable commodities transaction</b>	<b>Rate</b>	<b>Payable by</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1.	Sale of a commodity derivative;	0.01 per cent.	seller
2.	Sale of an option on commodity derivative;	0.05 per cent.	seller
3.	Sale of an option on commodity derivative, where option is exercised.	0.0001 per cent.	purchaser

**118. Value of taxable commodities transaction.** - The value of taxable commodities transaction referred to in section 117, -

- (a) in the case of a taxable commodities transaction relating to a commodity derivative, shall be the price at which the commodity derivative is traded;
- (b) in the case of a taxable commodities transaction relating to an option on commodity derivative, shall be-
  - (i) the option premium, in respect of transaction at serial number 2 of the Table in section 117;
  - (ii) the settlement price, in respect of transaction at serial number 3 of the Table in section 117.";
- (c) in section 128, after the word "sections", the figures "119," shall be inserted with effect from the 1st day of April, 2018.

### **Part XVIII**

### **Amendments to the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015**

**219. Amendment of Act 22 of 2015.** - In the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, with effect from the 1st day of April, 2018,-

- (a) in section 46, in sub-section (4), -
  - (i) in the opening portion, after the words "Joint Commissioner," the words "or the Joint Director" shall be inserted;
  - (ii) in clause (b), after the words "Deputy Commissioner", the words "or Assistant Director or Deputy Director" shall be inserted;
- (b) in section 55, -



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

"Prosecution to be at instance of Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General or Principal Commissioner or Commissioner.";

(ii) in sub-section (2), after the words "the Chief Commissioner", the words "or the Principal Director General or the Director General" shall be inserted.

## **Part XIX**

### **Amendment to the Finance Act, 2016**

**220. Amendment of Act 28 of 2016.** - In the Finance Act, 2016, in section 236, in the opening paragraph, for the words, figures and letters "the 26th September, 2010", the words, figures and letters "the 5th August, 1976" shall be substituted.

## **Part XX**

### **Amendment to the Central Goods and Services Tax Act, 2017**

**221. Amendment of section 2 of Act 12 of 2017.** - In the Central Goods and Services Tax Act, 2017, in section 2, in clause (16), for the words "Central Board of Excise and Customs", the words "Central Board of Indirect Taxes and Customs" shall be substituted.

## **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 Nil;  
does not exceed Rs. 2,50,000

(2) where the total income 5 per cent. of the amount by  
exceeds Rs. 2,50,000 but does which the total income  
not exceed Rs. 5,00,000 exceeds Rs. 2,50,000;

(3) where the total income Rs.12,500 plus 20 per cent. of

exceeds Rs. 5,00,000 but does the amount by which the total not exceed Rs. 10,00,000 income exceeds Rs. 5,00,000;  
(4) where the total income Rs. 1,12,500 plus 30 per cent. exceeds Rs. 10,00,000 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 *Nil*;  
does not exceed Rs. 3,00,000

(2) where the total income 5 per cent. of the amount by exceeds Rs. 3,00,000 but does which the total income not exceed Rs. 5,00,000 exceeds Rs. 3,00,000;

(3) where the total income Rs.10,000 plus 20 per cent. of exceeds Rs. 5,00,000 but does the amount by which the total not exceed Rs. 10,00,000 income exceeds Rs. 5,00,000;

(4) where the total income Rs. 1,10,000 plus 30 per cent. exceeds Rs. 10,00,000 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 *Nil*;  
does not exceed Rs. 5,00,000

(2) where the total income 20 per cent. of the amount by exceeds Rs. 5,00,000 but does which the total income not exceed Rs. 10,00,000 exceeds Rs. 5,00,000;

(3) where the total income Rs. 1,00,000 plus 30 per cent. exceeds Rs. 10,00,000 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 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 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 exceeding one crore rupees, at the rate of fifteen per cent. of such income-tax:

Provided 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, 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.

#### *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 of the Income-tax Act, shall, in the case of every co-operative society, 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 co-operative society 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 C*

In the case of every firm, -

##### *Rate of income-tax*

On the whole of the total 30 per cent.  
income

*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 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 30 per cent.  
income

*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 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 25 per cent. of the gross receipt in the previous year total income; 2015-2016 does not exceed fifty 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 40 per cent. income

#### *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 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, 194, 194A, 194B, 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:-

	<b>Rate of income-tax</b>
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, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on income by way of insurance commission	5 per cent.;
(v) 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 there under;	
(C) any security of the Central or State Government;	

(vi) 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	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	10 per cent.;

time being in force, of the Government of India, the 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	30 per cent.;
(K) on income by way of winnings from horse races	30 per cent.;
(L) 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	10 per cent.;
(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	10 per cent.;



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	
(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	30 per cent.;
(F) on income by way of winnings from horse races	30 per cent.;
(G) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(H) 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.;
(I) on income by way of long-term capital gains referred to in section 112A	10 per cent.;
(J) 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.;
(K) 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, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse	30 per cent.;

aces	
(iv) 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	30 per cent.;
(ii) on income by way of winnings from horse races	30 per cent.;
(iii) 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.;
(iv) 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.;
(v) 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 accordance with that policy -	
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of	50 per cent.;

April, 1976	
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vi) on income by way of fees for technical services payable by the 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.;
(vii) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(viii) 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.;
(ix) on income by way of long-term capital gains referred to in section 112A	10 per cent.;
(x) 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.;
(xi) 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 respective 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 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; and
- (b) in the case of every co-operative society or 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 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 Income-tax 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 115BB or section 115BBA or section 115BBC or section

115BBD or section 115BBDA or section 115BBE or section 115BBF or section 115BBG 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 *Nil*;  
does not exceed Rs. 2,50,000
- (2) where the total income 5 per cent. of the amount by  
exceeds Rs. 2,50,000 but does which the total income  
not exceed Rs. 5,00,000 exceeds Rs. 2,50,000;
- (3) where the total income Rs. 12,500 *plus* 20 per cent.  
exceeds Rs. 5,00,000 but does of the amount by which the  
not exceed Rs. 10,00,000 total income exceeds Rs.  
5,00,000;
- (4) where the total income Rs. 1,12,500 *plus* 30 per cent.  
exceeds Rs. 10,00,000 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 *Nil*;  
does not exceed Rs. 3,00,000
- (2) where the total income 5 per cent. of the amount by  
exceeds Rs. 3,00,000 but does which the total income  
not exceed Rs. 5,00,000 exceeds Rs. 3,00,000;
- (3) where the total income Rs. 10,000 *plus* 20 per cent.  
exceeds Rs. 5,00,000 but does of the amount by which the  
not exceed Rs. 10,00,000 total income exceeds Rs.  
5,00,000;
- (4) where the total income Rs. 1,10,000 *plus* 30 per cent.  
exceeds Rs. 10,00,000 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 Nil;  
does not exceed Rs. 5,00,000
- (2) where the total income 20 per cent. of the amount by  
exceeds Rs. 5,00,000 but does which the total income  
not exceed Rs. 10,00,000 exceeds Rs. 5,00,000;
- (3) where the total income Rs. 1,00,000 plus 30 per cent.  
exceeds Rs. 10,00,000 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 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 exceeding one crore rupees, at the rate of fifteen per cent. of such income-tax:

Provided 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, 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.

*Paragraph B*

*Rates of income-tax*

- (1) where the total income does 10 per cent. of the total income;  
not exceed Rs. 10,000
- (2) where the total income Rs. 1,000 plus 20 per cent. of the



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 25 per cent. of the gross receipt in the previous year total income; 2016-2017 does not exceed two hundred and fifty crore rupees;

(ii) other than that referred to in 30 per cent. of the item (i) 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 the 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 50 per cent.; either case, been approved by the Central Government

(ii) on the balance, if any, of the total 40 per cent. income

*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 subsections (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, 2018, 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, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017, 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, 2010, 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, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017,
- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, 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, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017,
- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, 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, 2013 or the 1st day of April, 2014

or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017,

- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, 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, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017,
- (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, 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, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017,
- (vi) 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,
- (vii) 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,
- (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017,

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, 2018.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2019, 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, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or 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, 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, 2011, 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, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or 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,

- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, 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, 2013 or the 1st day of April, 2014 or 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,
- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, 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, 2014 or 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,
- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, 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, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,
- (v) 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,
- (vi) 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,
- (vii) 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,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018,

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, 2019.

(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 Finance Act, 2010 (14 of 2010) or the First Schedule to the Finance Act, 2011 (8 of 2011) or the First Schedule to the Finance Act, 2012 (23 of 2012) or the First Schedule to the Finance Act, 2013 (17 of 2013) or the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) or 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) 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 103 (a)]

In the First Schedule to the Customs Tariff Act, -

(1) in Chapter 20, for the entry in column (4) occurring against all the tariff items of heading 2009 (except tariff items 2009 11 00, 2009 12 00 and 2009 19 00), the entry "50%" shall be substituted;

(2) in Chapter 33, for the entry in column (4) occurring against all the tariff items of headings 3303, 3304, 3305, 3306 and 3307, the entry "20%" shall be substituted;

(3) in Chapter 34, for the entry in column (4) occurring against all the tariff items of heading 3406, the entry "25%" shall be substituted;

(4) in Chapter 39, for the entry in column (4) occurring against tariff items 3919 90 90, 3920 99 99, 3926 90 91 and 3926 90 99, the entry "15%" shall be substituted;

(5) in Chapter 40, for the entry in column (4) occurring against tariff item 4011 20 10, the entry "15%" shall be substituted;

(6) in Chapter 48, for the entry in column (4) occurring against tariff item 4823 90 90, the entry "20%" shall be substituted;

(7) in Chapter 56, for the entry in column (4) occurring against all the tariff items of headings 5608 and 5609, the entry "25%" shall be substituted;

(8) in Chapter 64, -

(i) for the entry in column (4) occurring against all the tariff items of headings 6401, 6402, 6403, 6404 and 6405, the entry "20%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 6406, the entry "15%" shall be substituted;

(9) in Chapter 71, for the entry in column (4) occurring against all the tariff items of heading 7117, the entry "20%" shall be substituted;

(10) in Chapter 84, -

(i) for the entry in column (4) occurring against all the tariff items of headings 8407, 8408 and 8409, the entry "15%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 8483 10 91 and 8483 10 92, the entry "15%" shall be substituted;

(11) in Chapter 85, -

(i) for the entry in column (4) occurring against all the tariff items of sub-heading 8504 40 (except tariff item 8504 40 21), the entry "15%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 8506 (except tariff item 8506 90 00), the entry "15%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 8507 10 00, 8507 20 00, 8507 30 00, 8507 40 00 and 8507 5000, the entry "15%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 8507 60 00, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against tariff item 8507 80 00, the entry "15%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of heading 8511, the entry "15%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff items 8517 12 10, 8517 12 90 and 8517 62 90, the entry "20%" shall be substituted;

- (viii) for the entry in column (4) occurring against tariff item 8517 70 90, the entry "15%" shall be substituted;
- (ix) for the entry in column (4) occurring against tariff items 8518 10 00, 8518 29 00, 8518 30 00 and 8518 40 00, the entry "15%" shall be substituted;
- (x) for the entry in column (4) occurring against tariff items 8529 10 99 and 8529 90 90, the entry "15%" shall be substituted;
- (xi) for the entry in column (4) occurring against tariff item 8538 90 00, the entry "15%" shall be substituted;
- (xii) for the entry in column (4) occurring against all the tariff items of sub-headings 8544 19, 8544 42 and 8544 49 the entry "15%" shall be substituted;

(12) in Chapter 87, -

- (i) for the entry in column (4) occurring against all the tariff items of heading 8708, the entry "15%" shall be substituted;
- (ii) for the entry in column (4) occurring against all the tariff items of sub-heading 8714 10, the entry "15%" shall be substituted;

(13) in Chapter 90, -

- (i) for the entry in column (4) occurring against tariff item 9004 10 00, the entry "20%" shall be substituted;
- (ii) for the entry in column (4) occurring against all the tariff items of headings 9018 and 9019, the entry "10%" shall be substituted;
- (iii) for the entry in column (4) occurring against tariff item 9020 00 00, the entry "10%" shall be substituted;
- (iv) for the entry in column (4) occurring against all the tariff items of headings 9021 and 9022, the entry "10%" shall be substituted;

(14) in Chapter 91, for the entry in column (4) occurring against all the tariff items of headings 9101, 9102, 9103 and 9105, the entry "20%" shall be substituted;

(15) in Chapter 94, for the entry in column (4) occurring against all the tariff items of headings 9401, 9403 and 9404, the entry "20%" shall be substituted;

(16) in Chapter 95, -

- (i) for the entry in column (4) occurring against all the tariff items of heading 9503 (except tariff item 9503 00 90), the entry "20%" shall be substituted;
- (ii) for the entry in column (4) occurring against all the tariff items of heading 9504, the entry "20%" shall be substituted;



(iii) for the entry in column (4) occurring against tariff item 9505 90 10, the entry "20%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of headings 9506, 9507 and 9508, the entry "20%" shall be substituted;

(17) in Chapter 96, -

(i) for the entry in column (4) occurring against tariff item 9611 00 00, the entry "20%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 9613, the entry "20%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of heading 9616, the entry "20%" shall be substituted.

### The Third Schedule

[See section 103 (b)]

In the First Schedule to the Customs Tariff Act, -

(I) in Chapter 7, for tariff item 0713 31 00 and the entries relating thereto, the following shall be substituted, namely:-

(1)	(2)	(3)	(4)	(5)
"0713 31	-Beans of the species Vigna mungo (L.) Hepper or Vigna radiata (L.) Wilczek			
0713 31 10	-Beans of the species Vigna mungo (L.) Hepper	kg.	30%	20%
0713 31 90	-Beans of the species Vigna radiata (L.) Wilczek	kg.	30%	20%";

(2) in Chapter 9, tariff item 0904 22 12 and the entries relating thereto shall be omitted;

(3) in Chapter 12, after tariff item 1209 91 60 and the entries relating thereto, the following shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
"1209 91 70	----of chilly of genus Capsicum	kg.	10%	-";

(4) in Chapter 29, against tariff item 2917 39 20, in column (2), for the words "Diocetyl phthalate", the words "Diocetyl isophthalate and diocetyl terephthalate" shall be substituted.

### The Fourth Schedule

[See section 104 (b)]

In the Second Schedule to the Customs Tariff Act, after Sl. No. 49 and the entries relating thereto, the following Sl.No. and entries shall be inserted, namely: -

<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
"50	8545 11 00	Electrodes of a kind used for furnaces	20%

### **The Fifth Schedule**

(See sections 108 and 109)

<b>Year</b>	<b>No.</b>	<b>Short title of enactments</b>	<b>Extent of repeal</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1998	21	The Finance (No.2) Act, 1998	Sections 103 and 111
1999	27	The Finance Act, 1999	Sections 116 and 133
2004	23	The Finance (No.2) Act, 2004	Chapter VI
2007	22	The Finance Act, 2007	Chapter VI

### **The Sixth Schedule**

(See sections 111 and 112)

<b>Item No.</b>	<b>Description of goods</b>	<b>Rate</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1.	Motor spirit commonly known as petrol	Rupee 8 per litre
2.	High speed diesel oil	Rupee 8 per litre