

**BILL No. 55 OF 2024**

**THE FINANCE (NO. 2) BILL, 2024**

**(AS INTRODUCED IN LOK SABHA)**



# THE FINANCE (No. 2) BILL, 2024

---

## ARRANGEMENT OF CLAUSES

---

### CHAPTER I

#### PRELIMINARY

#### CLAUSES

1. Short title and commencement.

### CHAPTER II

#### RATES OF INCOME-TAX

2. Income-tax.

### CHAPTER III

#### DIRECT TAXES

##### *Income-tax*

3. Amendment of section 2.
4. Amendment of section 10.
5. Amendment of section 11.
6. Amendment of section 12A.
7. Amendment of section 12AB.
8. Amendment of section 12AC.
9. Amendment of section 13.
10. Amendment of section 16.
11. Amendment of section 28.
12. Amendment of section 36.
13. Amendment of section 37.
14. Amendment of section 40.
15. Amendment of section 43D.
16. Amendment of section 44B.
17. Insertion of new section 44BBC.
18. Amendment of section 46A.
19. Amendment of section 47.
20. Amendment of section 48.
21. Amendment of section 50AA.
22. Amendment of section 55.
23. Amendment of section 56.
24. Amendment of section 57.
25. Amendment of section 80CCD.

## CLAUSES

26. Amendment of section 80G.
27. Amendment of section 92CA.
28. Amendment of section 94B.
29. Amendment of section 111A.
30. Amendment of section 112.
31. Amendment of section 112A.
32. Amendment of section 113.
33. Amendment of section 115AB.
34. Amendment of section 115AC.
35. Amendment of section 115ACA.
36. Amendment of section 115AD.
37. Amendment of section 115BAC.
38. Amendment of section 115E.
39. Amendment of section 115QA.
40. Amendment of section 132B.
41. Amendment of section 139.
42. Amendment of section 139AA.
43. Amendment of section 144C.
44. Substitution of new sections for sections 148 and 148A.
45. Substitution of new section for section 149.
46. Substitution of new section for section 151.
47. Amendment of section 152.
48. Amendment of section 153.
49. Substitution of new Chapter for Chapter XIV-B.
50. Amendment of section 192.
51. Amendment of section 193.
52. Amendment of section 194.
53. Amendment of section 194C.
54. Amendment of section 194DA.
55. Omission of section 194F.
56. Amendment of section 194G.
57. Amendment of section 194H.
58. Amendment of section 194-IA.
59. Amendment of section 194-IB.
60. Amendment of section 194M.
61. Amendment of section 194-O.
62. Insertion of new section 194T.
63. Amendment of section 196B.
64. Amendment of section 196C.
65. Amendment of section 197.
66. Amendment of section 198.
67. Amendment of section 200.
68. Amendment of section 200A.
69. Amendment of section 201.
70. Amendment of section 206C.

## CLAUSES

71. Amendment of section 230.
72. Amendment of section 244A.
73. Amendment of section 245.
74. Amendment of section 245Q.
75. Amendment of section 245R.
76. Amendment of section 246A.
77. Amendment of section 251.
78. Amendment of section 253.
79. Amendment of section 271FAA.
80. Insertion of new section 271GC.
81. Amendment of section 271H.
82. Amendment of section 273B.
83. Amendment of section 275.
84. Amendment of section 276B.
85. Amendment of section 276CCC.
86. Amendment of section 285.
87. Amendment of First Schedule.

## CHAPTER IV

THE DIRECT TAX *VIVAD SE VISHWAS* SCHEME, 2024

88. Short title and commencement.
89. Definitions.
90. Amount payable by declarant.
91. Filing of declaration and particulars to be furnished.
92. Time and manner of payment.
93. Immunity from initiation of proceedings in respect of offence and imposition of penalty in certain cases.
94. No refund of amount paid.
95. No benefit, concession or immunity to declarant.
96. Scheme not to apply in certain cases.
97. Power to Board to issue directions, etc.
98. Power to remove difficulties.
99. Power to make rules.

## CHAPTER V

## INDIRECT TAXES

*Customs*

100. Amendment of section 28DA.
101. Amendment of section 65.

CLAUSES

102. Amendment of section 143AA.
103. Amendment of section 157.
104. Retrospective effect to notification issued under sub-section (1) of section 25 of Customs Act, read with sub-section (12) of section 3 of Customs Tariff Act.
105. Retrospective amendment of notification issued under sub-section (1) of section 25 of Customs Act read with section 124 of Finance Act.

*Customs Tariff*

106. Omission of section 6.
107. Amendment of First Schedule.

*Excise*

108. Amendment of notification issued under section 5A of Central Excise Act retrospectively.
109. Amendment of Notification issued under 5A of Central Excise Act.

*Central Goods and Service Tax*

110. Amendment of section 9.
111. Amendment of section 10.
112. Insertion of new section 11A.
113. Amendment of section 13.
114. Amendment of section 16.
115. Amendment of section 17.
116. Amendment of section 21.
117. Amendment of section 30.
118. Amendment of section 31.
119. Amendment of section 35.
120. Amendment of section 39.
121. Amendment of section 49.
122. Amendment of section 50.
123. Amendment of section 51.
124. Amendment of section 54.
125. Amendment of section 61.
126. Amendment of section 62.
127. Amendment of section 63.
128. Amendment of section 64.
129. Amendment of section 65.
130. Amendment of section 66.
131. Amendment of section 70.
132. Amendment of section 73.

CLAUSES

133. Amendment of section 74.
134. Insertion of new section 74A.
135. Amendment of section 75.
136. Amendment of section 104.
137. Amendment of section 107.
138. Amendment of section 109.
139. Amendment of section 112.
140. Amendment of section 122.
141. Amendment of section 127.
142. Insertion of new section 128A.
143. Amendment of section 140.
144. Amendment of section 171.
145. Amendment of Schedule III.
146. No refund of tax paid or input tax credit reversed.

*Integrated Goods and Services Tax*

147. Amendment of section 5.
148. Insertion of new section 6A.
149. Amendment of section 16.
150. Amendment of section 20.

*Union Territory Goods and Services Tax*

151. Amendment of section 7.
152. Insertion of new section 8A.

*Goods and Services Tax  
(Compensation to States)*

153. Insertion of new section 8A.

CHAPTER VI

MISCELLANEOUS

PART I

AMENDMENT TO THE PROHIBITION OF *BENAMI* PROPERTY TRANSACTIONS ACT, 1988

154. Amendment of Act 45 of 1988.

CLAUSES

PART II  
AMENDMENT TO THE FINANCE (NO.2) ACT, 2004

155. Amendment of Act 23 of 2004.

PART III  
AMENDMENT TO THE BLACK MONEY (UNDISCLOSED OF FOREIGN INCOME AND ASSETS)  
AND IMPOSITION OF TAX ACT, 2015

156. Amendment of Act 22 of 2015.

PART IV  
AMENDMENT TO THE FINANCE ACT, 2016

157. Amendment to the Finance Act, 2016.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE THIRD SCHEDULE.

THE FOURTH SCHEDULE.

THE FIFTH SCHEDULE.

THE SIXTH SCHEDULE.



AS INTRODUCED IN LOK SABHA  
ON 23RD JULY, 2024

Bill No. 55 of 2024

THE FINANCE (NO. 2) BILL, 2024

A

BILL

*to give effect to the financial proposals of the Central Government for the financial year 2024-2025.*

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

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) This Act may be called the Finance (No. 2) Act, 2024.

(2) Save as otherwise provided in this Act,—

(a) sections 2 to 87 shall be deemed to have come into force on the 1st day of April, 2024;

(b) sections 110 to 153 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

RATES OF INCOME-TAX

Income-tax.

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2024, 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, or in the cases where income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) and, 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,—

43 of 1961.

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

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

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

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

Provided also that in the cases where income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted.

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

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

(a) in the case of every individual or Hindu undivided family or association of persons except in a case of an

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

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

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

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

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

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

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

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

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

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

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

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

Provided further that where the total income of a person, being a specified fund referred to in clause (c) of the *Explanation* to clause (4D) of section 10 of the Income-tax Act, includes any income under clause (a) of sub-section (1) of section 115AD of the Income-tax Act, the income-tax calculated on that part of income shall not be increased by any surcharge;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-

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

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

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

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

Provided also that in respect of income chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the income-tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, calculated, in the case of an individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income tax Act,—

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

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



(iii) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees, at the rate of twenty-five per cent. of such income-tax; and

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

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

Provided also that in the case of a specified fund, referred to in clause (c) of the *Explanation* to clause (4D) of section 10 of the Income-tax Act, whose income is chargeable to tax under sub-section (IA) of section 115BAC and where such income includes any income under clause (a) of sub-section (I) of section 115AD of the Income-tax Act, the income-tax computed on that part of income shall not be increased by any surcharge:

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

Provided also that in case of every individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having total income chargeable to tax under sub-section (IA) of section 115BAC 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 on such income and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

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

(iii) two crore rupees, 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 two crore rupees by more than the amount of income that exceeds two crore rupees:

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

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

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

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

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

being a non-resident except in case of deduction on income by way of dividend under section 196D of the Income-tax Act, calculated,—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

sub-section (1A) of section 115BAC of the Income-tax Act,—

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

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

(iii) at the rate of twenty-five per cent. of such “advance tax”, where the total income exceeds two crore rupees but does not exceed five crore rupees;

(iv) at the rate of thirty-seven per cent. of such “advance tax”, where the total income exceeds five crore rupees;

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) 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;

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

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

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

Provided also that in the case of association of persons mentioned in (c) 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 “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;

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

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

(i) one crore rupees, but does not exceed ten crore rupees, the total amount payable as “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;

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

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

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

“advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

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

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

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

Provided also that in respect of income chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the “advance tax” computed in accordance with the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated, in the case of an individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

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

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

(iii) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees, at the rate of twenty-five per cent. of such “advance-tax”; and

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

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

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

Provided also that in case of every individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, whose income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act having total income exceeding,—

(i) 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;

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

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

Provided also that in case of every co-operative society resident in India whose income is chargeable to tax under section 115BAD or section 115BAE of the Income-tax Act, the “advance tax” computed in accordance with the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent. of such “advance tax”:

Provided also that in the case of a specified fund, referred to in clause (c) of the *Explanation* to clause (4D) of section 10 of the Income-tax Act, whose income includes any income under clause (a) of sub-section (1) of section 115AD of the Income-tax Act, the advance tax computed on that part of income shall not be increased by any surcharge.

(10) In cases to which Paragraph A of Part III of the First Schedule applies, or in cases where income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds two lakh fifty thousand rupees, then, in charging income-tax under sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or in computing the “advance tax” payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

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

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

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or

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

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

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

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

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

Provided also that in the cases where income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

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

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

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

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

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

Provided further that nothing contained in this sub-section shall apply in respect of income-tax as specified in sub-section (9), calculated on income, referred to in clause (a) of sub-section (1) of section 115AD of the Income-tax Act, of specified fund referred to in clause (c) of the *Explanation* to clause (4D) of section 10 of the Income-tax Act.

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

(a) “domestic company” means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2024, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

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



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

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

### CHAPTER III

#### DIRECT TAXES

##### *Income-tax*

Amendment of  
section 2.

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

(a) in clause (22), with effect from the 1st day of October, 2024,—

(I) after sub-clause (e) and before the long line, the following sub-clause shall be inserted, namely:—

“(f) any payment by a company on purchase of its own shares from a shareholder in accordance with the provisions of section 68 of the Companies Act, 2013;”;

18 of 2013.

(II) in the long line, clause (iv) shall be omitted;

(b) in clause (42A), with effect from the 23rd day of July, 2024,—

(i) in the opening portion, for the words “thirty-six months”, the words “twenty-four months” shall be substituted and shall be deemed to have been substituted;

(ii) in the first proviso,—

(A) the brackets and words “(other than a unit)” shall be omitted and shall be deemed to have been omitted;

(B) for the words “thirty-six months”, the words “twenty-four months” shall be substituted and shall be deemed to have been substituted;

(iii) in the second proviso, after the words “had been substituted”, the words, brackets, letters and figures “as it

stood immediately prior to the commencement of the Finance (No.2) Act, 2024” shall be inserted and shall be deemed to have been inserted;

(iv) the third proviso shall be omitted and shall be deemed to have been omitted.

Amendment of  
section 10.

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

(a) with effect from the 1st day of April, 2025,—

(i) in clause (4D), in the *Explanation*, in clause (c), in sub-clause (i), item (I) shall be renumbered as item (I)(a) and after sub-item (a) as so renumbered, the following sub-item shall be inserted, namely:—

“(b) which has been granted a certificate as a retail scheme or an Exchange Traded Fund, and is regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, made under the International Financial Services Centres Authority Act, 2019 and satisfies such conditions, as may be prescribed;”;

50 of 2019.

(ii) after clause (15A), the following clause shall be inserted, namely:—

“(15B) any income of a foreign company from lease rentals, by whatever name called, of cruise ships, received from a specified company which operates such ship or ships in India, where such foreign company and the specified company are subsidiaries of the same holding company, and such income is received or accrues or arises in India for any relevant assessment year beginning on or before the 1st day of April, 2030.

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

(a) “specified company” means any company, other than a domestic company which operates cruise ships in India and opts to pay tax in accordance with the provisions of section 44BBC;

(b) “holding company”, in relation to a foreign company or a specified company, means a company of which such companies are subsidiary companies;

(c) “subsidiary company” or “subsidiary”, in relation to a holding company, means a company in which the holding company exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies.’;

(b) in clause (23C), with effect from the 1st day of October, 2024,—

(i) in the first proviso, after the words “makes an application”, the words, figures and letters “before the 1st day of October, 2024,” shall be inserted;

(ii) in the second proviso, after the words “first proviso”, the words, figures and letters “before the 1st day of October, 2024,” shall be inserted;

(iii) after the twenty-third proviso, the following proviso shall be inserted, namely:—

“Provided also that no approval under the second proviso shall be granted in relation to any application made on or after the 1st day of October, 2024.”;

(c) with effect from the 1st day of April, 2025,—

(i) in clause (23EE), in the *Explanation*,—

(A) in clause (i), after the words, brackets and figures “the Securities Contracts (Regulation) Act, 1956”, the following shall be inserted, namely:— 42 of 1956.

“or clause (n) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019”; 50 of 2019.

(B) in clause (ii), after the words, brackets and figures “the Securities Contracts (Regulation) Act, 1956”, the following shall be inserted, namely:— 42 of 1956.

“or the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019”; 50 of 2019.

(ii) in clause (23FB), in the *Explanation*, in clause (b), in sub-clause (A), in item (II),—

(A) in the opening portion, after the words “under the Alternative Investment Funds Regulations”, the words, brackets and figures “or as referred to in sub-regulation (2) of regulation 18 of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019,” shall be inserted; 50 of 2019.

(B) in sub-item (ii), the word “and” shall be omitted;

(C) in sub-item (iii), for the word “or”, the word “and” shall be substituted;

(c) after sub-item (iii), the following sub-item shall be inserted, namely:—

“(iv) any other condition as may be prescribed; or”;

(d) in clause (34A), the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

“Provided that this clause shall not apply with respect to any buy back of shares by a company on or after the 1st day of October, 2024.”;

(e) in clause (50), for the portion beginning with the words “any income arising from” and ending with the words “under that Chapter”, the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of August, 2024, namely:—

“any income arising from any—

(i) specified service provided on or after the date on which the provisions of Chapter VIII of the Finance Act, 2016 comes into force; or 28 of 2016.

(ii) e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020 but before the 1st day of August, 2024,

and chargeable to equalisation levy under that Chapter.”.

Amendment of  
section 11.

**5.** In section 11 of the Income-tax Act, in sub-section (7), with effect from the 1st day of April, 2025,—

(a) for the words, brackets, figures and letters “other than clause (1), clause (23C), clause (23EC), clause (46) and clause (46A) thereof”, the words, brackets, figures and letters “other than clause (1), clause (23C), clause (23EA), clause (23EC), clause (23ED), clause (46), clause (46A) and clause (46B) thereof” shall be substituted;

(b) in the first proviso,—

(i) for the portion beginning with the words “is notified under” and ending with the word, brackets and figures “clause (46)”, the words, brackets, figures and letters “is notified under clause (23EA) or clause (23EC) or clause (23ED) or clause (46)” shall be substituted;

(ii) after the words “whichever is later”, the words, figures, letters and brackets “, or, the 1st day of April of the previous year relevant to the assessment year for which the exemption is claimed under clause (46B) of the said section” shall be inserted;

(c) in the second proviso,—

(i) after the words “notification under”, the words, brackets, figures and letters “clause (23EA) or” shall be inserted;

(ii) after the words, brackets, figures and letters “clause (23EC) or”, the words, brackets, figures and letters “clause (23ED) or” shall be inserted.

Amendment of  
section 12A.

**6.** In section 12A of the Income-tax Act, in sub-section (1), in clause (ac) with effect from the 1st day of October, 2024,—

(a) in sub-clause (ii),—

(i) after the words, figures and letters “under section 12AB”, the words, brackets, figures and letters “or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10” shall be inserted;

(ii) after the words “the period of the said registration”, the words “or approval as the case may be,” shall be inserted;

(b) in sub-clause (iii),—

(i) after the words, figures and letters “under section 12AB”, the words, brackets, figures and letters “or provisionally approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10” shall be inserted;

(ii) after the words “period of the provisional registration”, the words “or provisional approval as the case may be,” shall be inserted;

(c) after sub-clause (vi), the following proviso shall be inserted, namely:—

“Provided that where the application is filed beyond the time allowed in sub-clauses (i) to (vi), the Principal Commissioner or Commissioner may, if he considers that there is a reasonable cause for delay in filing the application, condone such delay and such application shall be deemed to have been filed within time.”.

Amendment of section 12AB.

**7.** In section 12AB of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted with effect from the 1st day of October 2024, namely:—

“(3) The order under sub-section (1) shall be passed, in such form and manner as may be prescribed, within a period of,—

(i) three months calculated from the end of the month in which the application was received in case of clause (a);

(ii) six months calculated from the end of the quarter in which the application was received in case of sub-clause (ii) of clause (b); and

(iii) one month calculated from the end of the month in which the application was received in case of clause (c).”.

Insertion of new section 12AC.

**8.** After section 12AB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April 2025, namely:—

Merger of charitable trusts or institutions in certain cases.

“12AC. Where any trust or institution registered under section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be, merges with another

trust or institution, the provisions of Chapter XII-EB shall not apply if—

(a) the other trust or institution has same or similar objects;

(b) the other trust or institution is registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be; and

(c) the said merger fulfils such conditions as may be prescribed.”.

Amendment of section 13.

**9.** In section 13 of the Income-tax Act, in sub-section (1), in clause (d), in the proviso, after clause (iii), the following clause shall be inserted with effect from the 1st day of October, 2024, namely:—

“(iv) any asset referred to in sub-clauses (i), (ia) and (ii) of clause (b) of the third proviso to clause (23C) of section 10 or any accretion to the shares, forming part of the corpus mentioned in the said sub-clause (i) and (ia) and voluntary contributions referred to in sub-clause (iv) of clause (b) of the said proviso.”.

Amendment of section 16.

**10.** In section 16 of the Income-tax Act, in clause (ia), the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—

‘Provided that in a case where income-tax is computed under clause (ii) of sub-section (1A) of section 115BAC, the provisions of this clause shall have effect as if for the words “fifty thousand rupees”, the words “seventy-five thousand rupees” had been substituted;’.

Amendment of section 28.

**11.** In section 28 of the Income-tax Act, after *Explanation 2*, the following *Explanation* shall be inserted with effect from the 1st day of April, 2025, namely:—

*Explanation 3.*—It is hereby clarified that any income from letting out of a residential house or a part of the house by the owner shall not be chargeable under the head “Profits and gains of business or profession” and shall be chargeable under the head “Income from house property”.’.

Amendment of section 36.

**12.** In section 36 of the Income-tax Act, in sub-section (1), in clause (iva), for the words “ten per cent.”, the words

“fourteen per cent.” shall be substituted with effect from the 1st day of April, 2025.

Amendment of section 37.

**13.** In section 37 of the Income-tax Act, in sub-section (1), in *Explanation 3*, in clause (iii), for the words “outside India”, the following shall be substituted with effect from 1st day of April, 2025, namely:—

“outside India; or

(iv) to settle proceedings initiated in relation to contravention under such law as may be notified by the Central Government in the Official Gazette in this behalf.”.

Amendment of section 40.

**14.** In section 40 of the Income-tax Act, in clause (b), in sub-clause (v), in item (a), with effect from the 1st day of April, 2025, —

(a) for the letters and figures “Rs. 3,00,000”, the letters and figures “Rs. 6,00,000” shall be substituted;

(b) for the letters and figures “Rs. 1,50,000”, the letters and figures “Rs. 3,00,000” shall be substituted.

Amendment of section 43D.

**15.** In section 43D of the Income-tax Act, with effect from the 1st day of April, 2025,—

(i) in the marginal heading, the words “public companies,” shall be omitted;

(ii) clause (b) shall be omitted;

(iii) in the long line, the words “or the public company” shall be omitted;

(iv) in the *Explanation*, clauses (a) and (b) shall be omitted.

Amendment of section 44B.

**16.** In section 44B of the Income-tax Act, with effect from the 1st day of April, 2025,—

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

“Special provision for computing profits and gains of shipping business other than cruise shipping in case of non-residents”;

(b) in sub-section (1), after the words “business of operation of ships,”, the words, figures and letters “other



than cruise ships referred to in section 44BBC,” shall be inserted.

Insertion of new section 44BBC.

**17.** After section 44BBB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2025, namely:—

Special provision for computing profits and gains of business of operation of cruise ships in case of non-residents.

‘44BBC. (1) Notwithstanding anything to the contrary contained in sections 28 to 43A, in the case of an assessee, being a non-resident, engaged in the business of operation of cruise ships subject to such conditions as may be prescribed, a sum equal to twenty per cent. of the aggregate of the amounts specified in sub-section (2) shall be deemed to be the profits and gains of such business chargeable to tax under the head "Profits and gains of business or profession”.

(2) The amounts referred to in sub-section (1) shall be the following, namely:—

(a) the amount paid or payable to the assessee or to any person on his behalf on account of the carriage of passengers; and

(b) the amount received or deemed to be received by or on behalf of the assessee on account of the carriage of passengers.’

Amendment of section 46A.

**18.** In section 46A of the Income-tax Act, the following proviso shall be inserted before the *Explanation*, with effect from the 1st day of October, 2024, namely:—

“Provided that where the shareholder receives any consideration of the nature referred to in sub-clause (f) of clause (22) of section 2 from any company, in respect of any buy-back of shares, that takes place on or after the 1st day of October, 2024, then for the purposes of this section, the value of consideration received by the shareholder shall be deemed to be nil.”.

Amendment of section 47.

**19.** In section 47 of the Income-tax Act, for clause (iii), the following clause shall be substituted with effect from the 1st day of April, 2025, namely:—

“(iii) any transfer of a capital asset by an individual or a Hindu undivided family, under a gift or will or an irrevocable trust;”.

Amendment of section 48.

**20.** In section 48 of the Income-tax Act, in the second proviso, after the words “where long-term capital gain arises from the transfer”, the brackets, words, figures and letters

“(which takes place before the 23rd day of July, 2024)” shall be inserted and shall be deemed to have been inserted with effect from the 23rd day of July, 2024.

Amendment of  
section 50AA.

**21.** In section 50AA of the Income-tax Act,—

(a) for the portion beginning with the words “Notwithstanding anything contained in” and ending with the words “short-term capital asset:”, the following shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—

“Notwithstanding anything contained in clause (42A) of section 2 or section 48, where the capital asset—

(a) is a unit of a Specified Mutual Fund acquired on or after the 1st day of April, 2023 or a Market Linked Debenture; or

(b) is an unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after the 23<sup>rd</sup> day of July, 2024,

the full value of consideration received or accruing as a result of the transfer or redemption or maturity of such debenture or unit or bond as reduced by—

(i) the cost of acquisition of the debenture or unit or bond; and

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

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

(b) in the *Explanation*, for clause (ii), the following clause shall be substituted with effect from the 1st day of April, 2026, namely:—

“(ii) “Specified Mutual Fund” means,—

(a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or

(b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a):

Provided that the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures:

Provided further that for the purposes of this clause, “debt and money market instruments” shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.’

Amendment of section 55.

**22.** In section 55 of the Income-tax Act, in sub-section (2), in clause (ac), in the *Explanation*, in clause (a), in sub-clause (iii), after item (A), the following item shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2018, namely:—

“(AA) not listed on a recognised stock exchange as on the 31st day of January, 2018, or 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, as the case may be, but listed on such exchange subsequent to the date of transfer (where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer);”.

Amendment of section 56.

**23.** In section 56 of the Income-tax Act, in sub-section (2), in clause (viib), after the second proviso, the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—

“Provided also that the provisions of this clause shall not apply on or after the 1st day of April, 2025.”.

Amendment of section 57.

**24.** In section 57 of the Income-tax Act,—

(i) with effect from the 1st day of October, 2024, —

(a) in clause (i), after the words “in the case of dividends,”, the words, brackets, letter and figures “other than that referred in sub-clause (f) of clause (22) of section 2” shall be inserted;

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

“Provided further that no deduction shall be allowed in case of dividend income of the nature referred to in sub-clause (f) of clause (22) of section 2.”;

(ii) in clause (iia), before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—

‘Provided that in a case where income-tax is computed under clause (ii) of sub-section (1A) of section 115BAC, the provisions of this clause shall have effect as if for the words “fifteen thousand rupees”, the words “twenty-five thousand rupees” had been substituted.’.

Amendment of section 80CCD.

**25.** In section 80CCD of the Income-tax Act, in sub-section (2), the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—

‘Provided that where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, the provisions of sub-section (2) shall have effect as if for the words “ten per cent.” referred to in clause (b), the words “fourteen per cent.” had been substituted.’.

Amendment of section 80G.

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

(a) in sub-section (2), in clause (a), in sub-clause (iiihg), for the words “the National Sports Fund to be set up”, the words “the National Sports Development Fund set up” shall be substituted with effect from the 1st day of April, 2025;

(b) in sub-section (5), with effect from the 1st day of October, 2024,—

(I) in the first proviso,—

(i) in clause (iii), for the words “whichever is earlier;”, the words “whichever is earlier; or” shall be substituted;

(ii) in clause (iv),—

(a) the words “in any other case,” shall be omitted;

(b) in sub-clause (B), the portion beginning with the words “and where no income or part”

and ending with the words “such application,” shall be omitted;

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

“(B) if he is not so satisfied, pass an order in writing, rejecting such application and cancelling its approval, if any, after affording it a reasonable opportunity of being heard;”;

(III) for the third proviso, the following proviso shall be substituted, namely:—

“Provided also that the order under clause (i) and clause (iii) of the second proviso shall be passed in such form and manner as may be prescribed, before expiry of the period of three months and one month, as the case may be, calculated from the end of the month in which the application was received.”;

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

“Provided also that the order under sub-clause (b) of clause (ii) of the second proviso shall be passed in such form and manner as may be prescribed, before expiry of the period of six months from the end of the quarter in which the application was received.”.

Amendment of section 92CA.

**27.** In section 92CA of the Income-tax Act, with effect from the 1st day of April, 2025,—

(a) in sub-section (2A),—

(i) for the words and bracket “any other international transaction [other than an international transaction”, the words and bracket “any other international transaction or specified domestic transaction [other than an international transaction or a specified domestic transaction” shall be substituted;

(ii) for the words “if such other international transaction is an international transaction”, the words “if such other international transaction or a specified domestic transaction is an international transaction or a specified domestic transaction” shall be substituted;

(b) in the sub-section (2B),—

(i) after the words “Where in respect of an international transaction”, the words “or a specified domestic transaction” shall be inserted;

(ii) for the words “such transaction is an international transaction”, the words “such transaction is an international transaction or a specified domestic transaction” shall be substituted.

Amendment of section 94B.

**28.** In section 94B of the Income-tax Act, with effect from the 1st day of April, 2025,—

(a) in sub-section (3), after the words “banking or insurance”, the words “or a Finance Company located in any International Financial Services Centre,” shall be inserted;

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

‘(iv) “Finance Company” means a finance company as defined in clause (e) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019 and which satisfies such conditions and carries on such activities, as may be prescribed;

50 of 2019.

(v) “International Financial Services Centre” shall have the meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.’.

28 of 2005.

Amendment of section 111A.

**29.** In section 111A of the Income-tax Act, in sub-section (1) with effect from the 23rd day of July, 2024,—

(a) for the long line occurring before the first proviso, the following shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—

“the tax payable by the assessee on the total income shall be the aggregate of—

(i) the amount of income-tax calculated on such short-term capital gains—

(a) at the rate of fifteen per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(b) at the rate of twenty per cent. for any transfer which takes place on or after the 23<sup>rd</sup> day of July, 2024;

(ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income of the assessee.”;

(b) in the first proviso, for the words “rate of fifteen per cent.”, the words, brackets and figure “rate as applicable in clause (i)” shall be substituted and shall be deemed to have been substituted.

Amendment of section 112.

**30.** In section 112 of the Income-tax Act, in sub-section (1), for the clauses (a), (b), (c), (d) and the first proviso, the following shall be substituted and shall be deemed to have been substituted with effect from the 23<sup>rd</sup> day of July, 2024, namely:—

“(a) in the case of an individual or a Hindu undivided family, being a resident,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been his total income; and

(ii) the amount of income-tax calculated on such long-term capital gains,—

(A) at the rate of twenty per cent. for any transfer which takes place before the 23<sup>rd</sup> day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23<sup>rd</sup> day of July, 2024:

Provided that 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, such long-term capital gains 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 and the tax on the balance of such long-term capital gains shall be computed at the rate as applicable in sub-clause (ii);

(b) in the case of a domestic company,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains,—

(A) at the rate of twenty per cent. for any transfer which takes place before the 23<sup>rd</sup> day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23<sup>rd</sup> day of July, 2024;

(c) in the case of a non-resident (not being a company) or a foreign company,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains,—

(A) at the rate of twenty per cent. for any transfer [other than a transfer referred to in sub-clause (iii)] which takes place before the 23<sup>rd</sup> day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23<sup>rd</sup> day of July, 2024;

(iii) the amount of income-tax on long-term capital gains arising from the transfer of a capital asset which takes place before the 23<sup>rd</sup> day of July, 2024, being unlisted securities or shares of a company not being a company in which the public are substantially interested, calculated at the rate of ten per cent. on the capital gains in respect of such asset as computed without giving effect to the first and second proviso to section 48;

(d) in any other case of a resident,—

(i) the amount of income-tax payable on the total income as reduced by the amount of long-term capital



gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains,—

(A) at the rate of twenty per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024:

Provided that where the tax payable in respect of any income arising from the transfer of a long-term capital asset which takes place before the 23<sup>rd</sup> day of July, 2024, being listed securities (other than a unit) or zero coupon bond, exceeds ten per cent. of the amount of capital gains before giving effect to the provisions of the second proviso to section 48, then, such excess shall be ignored for the purpose of computing the tax payable by the assessee :”.

Amendment of section 112A.

**31.** In section 112A of the Income-tax Act, in sub-section (2), for clause (i) the following shall be substituted and shall be deemed to have been substituted with effect from the 23<sup>rd</sup> day of July, 2024, namely:—

“(i) the amount of income-tax calculated on such long-term capital gains exceeding one lakh twenty-five thousand rupees—

(a) on long-term capital gains at the rate of ten per cent. for any transfer which takes place before the 23<sup>rd</sup> day of July, 2024; and

(b) on long-term capital gains, at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024:

Provided that the limit of one lakh twenty-five thousand rupees shall apply on aggregate of the long-term capital gains under sub-clauses (a) and (b);”.

Amendment of section 113.

**32.** In section 113 of the Income-tax Act, with effect from the 1st day of September, 2024,—

(a) the word “undisclosed” shall be omitted;

(b) in the proviso, the words, figures and letters beginning with “and applicable” and ending with “under section 132A” shall be omitted.

Amendment of section 115AB.

**33.** In section 115AB of the Income-tax Act, in sub-section (1), in the longline, for clause (ii), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—

“(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income,—

(A) at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024: and”.

Amendment of section 115AC.

**34.** In section 115AC of the Income-tax Act, in sub-section (1), in the long line, for clause (ii), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—

“(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (c), if any, included in the total income, -

(A) at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024; and”.

Amendment of section 115ACA.

**35.** In section 115ACA of the Income-tax Act, in sub-section (1), in the longline, for clause (ii), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 23<sup>rd</sup> day of July, 2024, namely:—

“(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income,—

(A) at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024; and”.

Amendment of section 115AD.

**36.** In section 115AD of the Income-tax Act, in sub-section (1) with effect from the 23rd day of July, 2024,—

(a) in the longline, in clause (ii), for the proviso, the following proviso shall be substituted and shall be deemed to have been substituted, namely:—

“Provided that the amount of income-tax calculated on the income by way of short-term capital gains referred to in section 111A shall be at the rate of—

(A) fifteen per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) twenty per cent. for any transfer which takes place on or after the 23rd day of July, 2024;”

(b) in clause (iii), for the proviso, the following provisos shall be substituted and shall be deemed to have been substituted, namely:—

“Provided that in case of income arising from the transfer of a long-term capital asset referred to in section 112A which exceeds one lakh and twenty-five thousand rupees, income-tax shall be calculated at the rate of—

(A) ten per cent. where transfer of such asset takes place before the 23rd day of July, 2024; and

(B) twelve and one-half per cent. where transfer of such asset takes place on or after the 23rd day of July, 2024:

Provided further that the limit of one lakh twenty-five thousand rupees mentioned in the first proviso shall apply on aggregate of the long-term capital gains referred to in clauses (A) and (B); and”.

Amendment of section 115BAC.

**37.** In section 115BAC of the Income-tax Act, for sub-section (1A), the following sub-section shall be substituted with effect from the 1st day of April, 2025, namely:—

“(1A) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of

persons (other than a co-operative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6),—

(i) for any previous year relevant to the assessment year beginning on the 1st day of April, 2024, shall be computed at the rate of tax given in the following Table, namely:—

**TABLE**

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

(ii) for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2025, shall be computed at the rate of tax given in the following Table, namely:—

**TABLE**

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 3,00,000	Nil
2.	From Rs. 3,00,001 to Rs. 7,00,000	5 per cent.
3.	From Rs. 7,00,001 to Rs. 10,00,000	10 per cent.
4.	From Rs. 10,00,001 to Rs. 12,00,000	15 per cent.
5.	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent.
6.	Above Rs. 15,00,000	30 per cent.?”.

Amendment of section 115E.

**38.** In section 115E of the Income-tax Act, in the longline, for clause (ii), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 23<sup>rd</sup> day of July, 2024, namely:—

“(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income,—

(A) at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024; and”.

Amendment of section 115QA.

**39.** In section 115QA of the Income-tax Act, in sub-section (I), after the proviso and before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

“Provided further that the provisions of this sub-section shall not apply in respect of any buy-back of shares, that takes place on or after the 1st day of October, 2024.”.

Amendment of section 132B.

**40.** In section 132B of the Income-tax Act, in sub-section (I), in clause (i), for the words and figures “and the Interest-tax Act, 1974”, the words, brackets and figures “the Interest-tax Act, 1974 and the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015” shall be substituted with effect from the 1st day of October, 2024.

45 of 1974.

22 of 2015.

Amendment of section 139.

**41.** In section 139 of the Income-tax Act, after sub-section (9) and the proviso to the *Explanation* thereof, the following sub-section shall be inserted with effect from the 1st day of October, 2024, namely:—

“(9A) Where any return of income is furnished in pursuance of an order under clause (b) of sub-section (2) of section 119, the provisions of this section shall apply.”.

Amendment of section 139AA.

**42.** In section 139AA of the Income-tax Act, with effect from the 1st day of October, 2024,—

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

“Provided further that nothing in the first proviso shall apply in respect of any application form for allotment of permanent account number or return of income furnished on or after the 1<sup>st</sup> day of October, 2024.”;

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

“(2A) Every person who has been allotted permanent account number on the basis of Enrolment ID of Aadhaar application form filed prior to the 1<sup>st</sup> day of October, 2024, shall intimate his Aadhaar number to such authority in such form and manner, as may be prescribed, on or before a date to be notified by the Central Government in the Official Gazette.”.

Amendment of section 144C.

**43.** In section 144C of the Income-tax Act, with effect from the 1st day of September, 2024,—

(i) in sub-section (15), in clause (b), the following proviso shall be inserted, namely:—

“Provided that such eligible assessee shall not include person referred to in sub-section (1) of section 158BA or other person referred to in section 158BD.”;

(ii) after sub-section (15), the following sub-section shall be inserted, namely:—

“(16) The provisions of this section shall not apply to any proceedings under Chapter XIV-B.”.

Substitution of new sections for sections 148 and 148A.

**44.** For sections 148 and 148A of the Income-tax Act, the following sections shall be substituted with effect from the 1st day of September, 2024, namely:—

Issue of notice where income has escaped assessment.

‘148. (1) Before making the assessment, reassessment or recomputation under section 147, the Assessing Officer shall, subject to the provisions of section 148A, issue a notice to the assessee, along with a copy of the order passed under sub-section (3) of section 148A, requiring him to furnish, within such period as may be specified in the notice, not exceeding three months from the end of the month in which such notice is issued, a return of his income or income of any other person in respect of whom he is assessable under this Act during the previous year corresponding to the relevant assessment year:

Provided that no notice under this section shall be issued unless there is information with the Assessing Officer which suggests that the income chargeable to tax has escaped assessment in the case of the assessee for the relevant assessment year:

Provided further that where the Assessing Officer has received information under section 135A, no notice under this section shall be issued without prior approval of the specified authority.

(2) The return of income required under sub-section (1) shall be furnished in such form and verified in such manner and setting forth such other particulars, as may be prescribed, and the provisions of this Act shall, apply accordingly as if such return were a return required to be furnished under section 139:

Provided that any return of income required under sub-section (1), furnished after the expiry of the period specified in the notice under the said sub-section, shall not be deemed to be a return under section 139.

(3) For the purposes of this section and section 148A, the information with the Assessing Officer which suggests that the income chargeable to tax has escaped assessment means,—

(i) any information in the case of the assessee for the relevant assessment year in accordance with the risk management strategy formulated by the Board from time to time; or

(ii) any audit objection to the effect that the assessment in the case of the assessee for the relevant assessment year has not been made in accordance with the provisions of this Act; or

(iii) any information received under an agreement referred to in section 90 or section 90A of the Act; or

(iv) any information made available to the Assessing Officer under the scheme notified under section 135A; or

(v) any information which requires action in consequence of the order of a Tribunal or a Court; or

(vi) any information in the case of the assessee emanating from survey conducted under section 133A, other than under sub-section (2A) of the said section, on or after the 1st day of September, 2024.

Procedure  
before issuance  
of notice under  
section 148.

148A. (1) Where the Assessing Officer has information which suggests that income chargeable to tax has escaped assessment in the case of an assessee for the relevant

assessment year, he shall, before issuing any notice under section 148 provide an opportunity of being heard to such assessee by serving upon him a notice to show cause as to why a notice under section 148 should not be issued in his case and such notice to show cause shall be accompanied by the information which suggests that income chargeable to tax has escaped assessment in his case for the relevant assessment year.

(2) On receipt of the notice under sub-section (1), the assessee may furnish his reply within such period, as may be specified in the notice.

(3) The Assessing Officer shall, on the basis of material available on record and taking into account the reply of the assessee furnished under sub-section (2), if any, pass an order with the prior approval of the specified authority determining whether or not it is a fit case to issue notice under section 148.

(4) The provisions of this section shall not apply to income chargeable to tax escaping assessment for any assessment year in the case of an assessee where the Assessing Officer has received information under the scheme notified under section 135A.

*Explanation.*—For the purposes of this section and section 148, “specified authority” means the specified authority referred to in section 151.’.

Substitution of new section for section 149.

**45.** For section 149 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of September, 2024, namely:—

Time limit for notices under sections 148 and 148A.

“149. (1) No notice under section 148 shall be issued for the relevant assessment year,—

(a) if three years and three months have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);

(b) if three years and three months, but not more than five years and three months, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of accounts or other documents or evidence related to any asset or expenditure or transaction or entries which show that the income chargeable to tax, which has escaped



assessment, amounts to or is likely to amount to fifty lakh rupees or more.

(2) No notice to show cause under section 148A shall be issued for the relevant assessment year,—

(a) if three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);

(b) if three years, but not more than five years, have elapsed from the end of the relevant assessment year unless the income chargeable to tax which has escaped assessment, as per the information with the Assessing Officer, amounts to or is likely to amount to fifty lakh rupees or more.

Substitution of new section for section 151.

**46.** For section 151 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of September, 2024, namely:—

Sanction for issue of notice.

“151. Specified authority for the purposes of sections 148 and 148A shall be the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be.”.

Amendment of section 152.

**47.** In section 152 of the Income-tax Act, after sub-section (2), the following sub-sections shall be inserted with effect from the 1st day of September, 2024, namely:—

“(3) Where a search has been initiated under section 132 or requisition is made under section 132A, or a survey is conducted under section 133A [other than under sub-section (2A) of the said section], on or after the 1st day of April, 2021 but before the 1st day of September, 2024, the provisions of sections 147 to 151 shall apply as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.

(4) Where a notice under section 148 has been issued or an order under clause (d) of section 148A has been passed, prior to the 1st day of September, 2024, the assessment, reassessment or recomputation in such case shall be governed as per the provisions of sections 147 to 151, as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.”.

Amendment of section 153.

**48.** In section 153 of the Income-tax Act, with effect from the 1st day of October, 2024,—

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

“(1B) Notwithstanding anything in sub-section (1), where a return is furnished in consequence of an order under clause (b) of sub-section (2) of section 119, an order of assessment under section 143 or section 144 may be made at any time before the expiry of twelve months from the end of the financial year in which such return was furnished.”;

(II) in sub-section (3), for the words and figures “order under section 254” wherever they occur, the words and figures “order under section 250 or section 254” shall be substituted;

(III) in sub-section (8),—

(i) for the word, figures and letter “section 153B” at both the places where they occur, the words, figures and letters “section 153B or section 158BE” shall be substituted;

(ii) for the words, brackets, figures and letter “revived under sub-section (2) of section 153A”, the words, brackets, figures and letters “revived under sub-section (2) of section 153A or sub-section (5) of section 158BA” shall be substituted;

(IV) in *Explanation* 1, after the fifth proviso, the following proviso shall be inserted, namely:—

“Provided also that where after exclusion of the period referred to in clause (xii), the period of limitation for making an order of assessment, reassessment or recomputation, as the case may be, ends before the end of the month, such period shall be extended to the end of such month.”.

Substitution of new Chapter for Chapter XIV-B.

**49.** For Chapter XIV-B of the Income-tax Act, the following Chapter shall be substituted with effect from the 1st day of September, 2024, namely:—

#### ‘CHAPTER XIV-B

#### SPECIAL PROCEDURE FOR ASSESSMENT OF SEARCH CASES

Definitions.

158B. In this Chapter, unless the context otherwise requires,—

(a) “block period” means the period comprising previous years relevant to six assessment years preceding the previous year in which the search was initiated under section 132 or any requisition was made under section 132A and also includes the period starting from the 1st day of April of the previous year in which search was initiated or requisition was made and ending on the date of the execution of the last of the authorisations for such search or such requisition;

(b) “undisclosed income” includes any money, bullion, jewellery or other valuable article or thing or any expenditure or any income based on any entry in the books of account or other documents or transactions, where such money, bullion, jewellery, valuable article, thing, entry in the books of account or other document or transaction represents wholly or partly income or property which has not been or would not have been disclosed for the purposes of this Act, or any expense, deduction or allowance claimed under this Act which is found to be incorrect, in respect of the block period.

*Explanation.*—For the purposes of this Chapter, the last of the authorisations shall be deemed to have been executed,—

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

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

Assessment of total income as a result of search.

158BA. (1) Notwithstanding anything in any other provisions of this Act, where on or after the 1st day of September, 2024, a search is initiated under section 132, or books of account, other documents or any assets are requisitioned under section 132A, in the case of any person, then, the Assessing Officer shall proceed to assess or reassess the total income of the block period in accordance with the provisions of this Chapter.

(2) The assessment or reassessment or recomputation under the provisions of this Act (other than this Chapter), if any, pertaining to any assessment year falling in the block period, pending on the date of initiation of the search under section 132, or making of requisition under section

132A, as the case may be, shall abate and shall be deemed to have abated on the date of initiation of search or making of requisition.

(3) Where during the course of any pending proceeding for the assessment or reassessment or recomputation under the provisions of this Act (other than this Chapter), a reference under sub-section (1) of section 92CA has been made, or an order under sub-section (3) of section 92CA has been passed, such assessment or reassessment or recomputation, along with such reference made or order passed, as the case may be, shall also abate and shall be deemed to have abated on the date of initiation of search or making of requisition.

(4) Where any assessment under the provisions of this Chapter is pending in the case of an assessee in whose case a subsequent search is initiated, or a requisition is made, such assessment shall be duly completed, and thereafter, the assessment in respect of such subsequent search or requisition shall be made under the provisions of this Chapter:

Provided that in a case where the period of completing the assessment in respect of subsequent search is less than three months such period shall be extended to three months from the end of the month in which the assessment in respect of the earlier search was completed.

(5) If any proceeding initiated under this Chapter or any order of assessment or reassessment made under clause (c) of sub-section (1) of section 158BC has been annulled in appeal or any other legal proceeding, then, notwithstanding anything in this Chapter or section 153, the assessment or reassessment relating to any assessment year which has abated under sub-section (2) or sub-section (3), shall revive with effect from the date of receipt of the order of such annulment by the Principal Commissioner or Commissioner:

Provided that such revival shall cease to have effect, if such order of annulment is set aside.

(6) The total income (other than undisclosed income) of the assessment year relevant to the previous year in which the last of the authorisations for a search is executed or a requisition is made, shall be assessed separately in accordance with the other provisions of this Act.

(7) The total income relating to the block period shall be charged to tax, at the rate specified in section 113, as income of the block period irrespective of the previous year or years to which such income relates.

Computation of total income of block period.

158BB. (1) The total income referred to in sub-section (1) of section 158BA of the block period shall be the aggregate of the following, namely:—

(i) total income disclosed in the return furnished under section 158BC;

(ii) total income assessed under sub-section (3) of section 143 or section 144 or section 147 or section 153A or section 153C prior to the date of initiation of the search or the date of requisition, as the case may be;

(iii) total income declared in the return of income filed under section 139 or in response to a notice under sub-section (1) of section 142 or section 148 and not covered under clause (i) or clause (ii);

(iv) total income determined where the previous year has not ended, on the basis of entries relating to such income or transactions as recorded in the books of account and other documents maintained in the normal course on or before the date of last of the authorisations for the search or requisition relating to such previous year;

(v) undisclosed income determined by the Assessing Officer under sub-section (2).

(2) The undisclosed income falling within the block period, forming part of the total income referred to in sub-section (1) of section 158BA, shall be computed in accordance with the provisions of this Act, on the basis of evidence found as a result of search or survey or requisition of books of account or other documents and such other materials or informations as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter.

(3) Where any evidence found as a result of search or requisition of books of account or other documents and such other materials or informations as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter, or determined on the basis of entries relating to such income or transactions as recorded in books of account and other documents maintained in the normal course on or before the date of the search or requisition, relates to any international transaction or specified domestic transaction referred to in section 92CA, pertaining to the period beginning from the 1<sup>st</sup> day of April of the previous year in which last of the authorisations was executed and ending with the date on which last of the authorisations was executed, such

evidence shall not be considered for the purposes of determining the total income of the block period and such income shall be considered in the assessment made under the other provisions of this Act.

(4) For the purposes of determination of undisclosed income,—

(a) of a firm, such income assessed for each of the previous years falling within the block period shall be the income determined before allowing deduction of salary, interest, commission, bonus or remuneration by whatever name called to any partner not being a working partner;

(b) the provisions of sections 68, 69, 69A, 69B and 69C shall, so far as may be, apply and references to "financial year" in those sections shall be construed as references to the relevant previous year falling in the block period;

(c) the provisions of section 92CA shall, so far as may be, apply and references to "previous year" in that section shall be construed as reference to the relevant previous year falling in the block period excluding the period referred to in sub-section (3).

(5) The tax referred to in sub-section (7) of section 158BA shall be charged on the total income determined in the manner specified in sub-section (1) as reduced by the total income referred to in clause (ii), clause (iii) and clause (iv) of sub-section (1).

(6) For the purposes of sub-section (1) and sub-section (5), if the disclosed income under clause (i) of sub-section (1) or where the income disclosed in respect of any previous year comprising the block period, or the returned income or assessed income under clause (ii) or clause (iii) of sub-section (1) or where the income as determined under clause (iv), is a loss, it shall be ignored.

(7) For the purposes of assessment under this Chapter, losses brought forward from the previous year (prior to the first previous year comprising the block period) under Chapter VI or unabsorbed depreciation under sub-section (2) of section 32 shall not be set off against the undisclosed income determined in the block assessment under this Chapter but may be carried forward for being set off in the previous year subsequent to the assessment year in which the block period ends, for the remaining period, taking into account the block

period and such assessment year, and in accordance with the provisions of this Act.

Procedure for  
block  
assessment.

158BC. (1) Where any search has been initiated under section 132 or books of account, other documents or assets are requisitioned under section 132A, in the case of any person, then,—

(a) the Assessing Officer shall, in respect of search initiated, or books of account or other documents or any assets requisitioned, on or after the 1st day of September, 2024, issue a notice to such person, requiring him to furnish within such period, not exceeding a period of sixty days, as may be specified in the notice, a return in the form and verified in the manner, as may be prescribed, setting forth his total income, including the undisclosed income, for the block period:

Provided that such return shall be considered as if it was a return furnished under the provisions of section 139 and notice under sub-section (2) of section 143 shall thereafter be issued:

Provided further that any return of income, required to be furnished by an assessee under this section and furnished beyond the period allowed in the notice shall not be deemed to be a return under section 139:

Provided also that no notice under section 148 is required to be issued for the purpose of proceeding under this Chapter:

Provided also that a person who has furnished a return under this clause shall not be entitled to furnish a revised return;

(b) the Assessing Officer shall proceed to determine the total income including the undisclosed income of the block period in the manner laid down in section 158BB and the provisions of section 142, sub-sections (2) and (3) of section 143, section 144, section 145, section 145A and section 145B shall, so far as may be, apply;

(c) the Assessing Officer, on determination of the total income of the block period in accordance with this Chapter, shall pass an order of assessment or reassessment and determine the tax payable by him on the basis of such assessment or reassessment:

Provided that nothing in the provisions of section 144C shall apply in respect of such order:

Provided further that where the order of assessment or reassessment is made in pursuance of section 158BD, the block period for such assessment or reassessment shall be the same as that determined in respect of the person in whose case search was made under section 132, or whose books of account or other documents or any assets were requisitioned under section 132A, and proceedings under section 158BD were initiated due to such search or requisition, as the case may be;

(d) the assets seized under section 132 or requisitioned under section 132A shall be dealt with in accordance with the provisions of section 132B.

(2) The provisions of sub-section (1) of section 143 shall not apply to the return furnished under this section.

(3) The Assessing Officer, before issuance of notice under clause (a) of sub-section (1), shall take prior approval of the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be.

Undisclosed income of any other person.

158BD. Where the Assessing Officer is satisfied that any undisclosed income belongs to or pertains to or relates to any person, other than the person with respect to whom search was made under section 132 or whose books of account or other documents or any assets were requisitioned under section 132A, then, any money, bullion, jewellery or other valuable article or thing, or assets, or expenditure, or books of account, other documents, or any information contained therein, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed under section 158BC against such other person and the provisions of this Chapter shall apply accordingly.

Time-limit for completion of block assessment.

158BE. (1) Notwithstanding the provisions of section 153, the order under section 158BC shall be passed within twelve months from the end of the month in which the last of the authorisations for search under section 132, or requisition under section 132A, was executed or made, as the case may be:

Provided that in a case where search under section 132 was initiated, or requisition under section 132A was made, and during the course of the proceedings for the assessment or reassessment of the total income of the relevant block period, any reference under sub-section (1) of section 92CA is made,



the period available for making an order of assessment or reassessment in respect of the block period shall be extended by twelve months.

(2) In computing the period of limitation under sub-section (1), the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account, or other documents or money or bullion or jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee, in whose case such search is initiated under section 132 or such requisition is made under section 132A, as the case may be, shall be excluded:

Provided that where after exclusion of the period referred to in this sub-section, the period of limitation for making an order of assessment or reassessment, as the case may be, expires before the end of a month, such period shall be extended to the end of such month.

(3) The period of limitation for completion of assessment or reassessment for the block period in the case of the other person referred to in section 158BD shall be twelve months from the end of the month in which the notice under section 158BC in pursuance of section 158BD, was issued to such other person:

Provided that in case where during the course of the proceedings for the assessment of undisclosed income of the block period in case of other person referred to in section 158BD, a reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment in respect of the block period in case of such other person shall be extended by twelve months.

(4) In computing the period of limitation under this section, the following period shall be excluded,—

(i) the period during which the assessment proceeding is stayed by an order or injunction of any court; or

(ii) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less; or

(iii) the time taken in reopening the whole or any part of the proceeding or giving an opportunity to the assessee to be re-heard under the proviso to section 129; or

(iv) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited or inventory valued under sub-section (2A) of section 142 and—

(a) ending with the last date on which the assessee is required to furnish a report of such audit or inventory valuation under that sub-section; or

(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Principal Commissioner or Commissioner; or

(v) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer; or

(vi) the period commencing from the date on which the Assessing Officer intimates the Central Government or the prescribed authority, the contravention of the provisions of clause (21) or clause (22B) or clause (23A) or clause (23B) of section 10, under sub-clause (i) of the first proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order withdrawing the approval or rescinding the notification, as the case may be, under those clauses is received by the Assessing Officer; or

(vii) the period commencing from the date on which the Assessing Officer makes a reference to the Principal Commissioner or Commissioner under the second proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order under clause (ii) or clause (iii) of the fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB, as the case may be, is received by the Assessing Officer; or

(viii) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order

under sub-section (5) of the said section is received by the Assessing Officer; or

(ix) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Principal Commissioner or Commissioner under sub-section (3) of section 245R; or

(x) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Principal Commissioner or Commissioner under sub-section (7) of section 245R:

Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in sub-section (1) or sub-section (3) available to the Assessing Officer for making an order under clause (c) of sub-section (1) of section 158BC is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

Provided further that where after extension of the period referred to in the first proviso, the period of limitation for making an order of assessment or reassessment, as the case may be, expires before the end of a month, such period shall be extended to the end of such month.

Certain interests and penalties not to be levied or imposed.

158BF. No interest under section 234A, 234B or 234C or penalty under section 270A shall be levied or imposed upon the assessee in respect of the undisclosed income assessed or reassessed for the block period.

Levy of interest and penalty in certain cases.

158BFA. (1) Where the return of total income including undisclosed income for the block period, in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of September, 2024, as required by a notice under clause (a) of sub-section (1) of section 158BC, is not furnished within the time specified in such notice, or is not furnished, the assessee shall be liable to pay simple interest at the rate of one and one-half per cent. of the tax on undisclosed income determined under clause (c) of sub-section (1) of section 158BC, for every month or part of a month

comprised in the period commencing on the day immediately following the expiry of the time specified in the notice, and ending on the date of completion of assessment under clause (c) of sub-section (1) of section 158BC.

(2) The Assessing Officer or the Commissioner (Appeals) in the course of any proceedings under this Chapter, may direct that the person shall pay by way of penalty a sum which shall be equal to fifty per cent. of tax so leviable in respect of the undisclosed income determined by the Assessing Officer under clause (c) of sub-section (1) of section 158BC:

Provided that no order imposing penalty under this section or sub-section (1) of section 271AAD or section 271D or section 271DA or section 271E shall be made for the block period in respect of a person if—

(i) such person has furnished a return under clause (a) of sub-section (1) of section 158BC;

(ii) the tax payable on the basis of such return has been paid or, if the assets seized consist of money, the assessee offers the money so seized to be adjusted against the tax payable;

(iii) evidence of tax paid is furnished along with the return; and

(iv) an appeal is not filed against the assessment of that part of income which is shown in the return:

Provided further that the provisions of the first proviso shall not apply where the undisclosed income determined by the Assessing Officer is in excess of the income shown in the return and in such cases the penalty shall be imposed on that portion of undisclosed income determined which is in excess of the amount of income shown in the return.

(3) No order imposing a penalty under sub-section (2) shall be made,—

(a) unless an assessee has been given a reasonable opportunity of being heard;

(b) by the Deputy Commissioner or Assistant Commissioner or the Deputy Director or Assistant Director, as the case may be, where the amount of penalty exceeds two lakh rupees except with the previous approval of the Additional Commissioner or the Additional Director or the

Joint Commissioner or the Joint Director, as the case may be;

(c) in a case where the assessment is the subject-matter of an appeal to the Commissioner (Appeals) under section 246A or an appeal to the Appellate Tribunal under section 253, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the financial year in which the order of the Commissioner (Appeals) or, as the case may be, the Appellate Tribunal is received by the Principal Commissioner or Commissioner, whichever period expires later;

(d) in a case where the assessment is the subject-matter of revision under section 263, after the expiry of six months from the end of the financial year in which such order of revision is passed;

(e) in any case other than those mentioned in clause (c) and clause (d), after the expiry of the financial year in which the proceedings, in the course of which notice for the imposition of penalty has been issued, are completed, or six months from the end of the financial year in which notice for imposition of penalty is issued, whichever period expires later.

(4) In computing the period of limitation under this section, the following period shall be excluded—

For the purposes of this section,—

(i) the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129; or

(ii) the period during which the proceedings under sub-section (2) are stayed by an order or injunction of any court:

Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in sub-section (3) available to the Assessing Officer for making an order under sub-section (2) of this section is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

Provided further that where after exclusion of the period referred to in the first proviso, the period of limitation for making of an order for imposition of penalty expires before the

end of a month, such period shall be extended to the end of such month.

(5) An income-tax authority on making an order under sub-section (2) imposing a penalty, unless he is himself an Assessing Officer, shall forthwith send a copy of such order to the Assessing Officer.

Authority competent to make assessment of block period.

158BG. The order of assessment for the block period shall be passed by an Assessing Officer not below the rank of a Deputy Commissioner or an Assistant Commissioner or a Deputy Director or an Assistant Director, as the case may be:

Provided that no such order shall be passed without the previous approval of the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be, in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of September, 2024 .

Application of other provisions of this Act.

158BH. Save as otherwise provided in this Chapter, all other provisions of this Act shall apply to assessment made under this Chapter.

Chapter not to apply in certain circumstances.

158BI. The provisions of this Chapter shall not apply where a search was initiated under section 132, or books of account, other documents or any assets were requisitioned under section 132A, before the 1st day of September, 2024, and proceedings in relation to such search or requisition, as the case may be, shall be governed by the other provisions of this Act.’

Amendment of section 192.

**50.** In section 192 of the Income-tax Act, with effect from the 1st day of October, 2024,—

(I) in sub-section (1C), for the words, brackets and figures “clause (vi) of sub-section (2)”, the words, brackets and figures “sub-clause (vi) of clause (2)” shall be substituted;

(II) in sub-section (2A), the words, brackets and figure “sub-section (1) of” shall be omitted;

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

‘(2B) Where an assessee who receives any income chargeable under the head “Salaries” has, in addition, —

(i) any income chargeable under any other head of income (not being a loss under any such head other than the loss under the head “Income from house property”); or

(ii) any tax deducted or collected under the provisions of Part B or Part BB of this Chapter, as the case may be,

for the same financial year, he may send to the person responsible for making the payment referred to in sub-section (1), the particulars of—

(a) such other income;

(b) any tax deducted or collected under any other provision of Part B or Part BB of this Chapter, as the case may be; and

(c) the loss, if any, under the head “Income from house property”,

in such form and verified in such manner as may be prescribed, and thereupon the person responsible as aforesaid shall take into account the particulars referred to in clauses (a), (b) and (c) for the purposes of making the deduction under sub-section (1):

Provided that this sub-section shall not in any case have the effect of reducing the tax deductible except where the loss under the head “Income from house property” has been taken into account, from income under the head “Salaries” below the amount that would be so deductible if the other income and the tax deducted in accordance with other provisions of Part B and collected in accordance with the provisions of Part BB, of this Chapter, had not been taken into account.’.

Amendment of section 193.

**51.** In section 193 of the Income-tax Act, in the proviso, in clause (iv), for the proviso, the following proviso shall be substituted with effect from the 1st day of October, 2024, namely:—

“Provided that nothing in this clause shall apply to the interest exceeding ten thousand rupees payable during the financial year on 8 per cent. Savings (Taxable) Bonds, 2003 or 7.75 per cent. Savings (Taxable) Bonds, 2018 or Floating Rate Savings Bonds, 2020 (Taxable) or any other security of the Central Government or State Government as the Central

Government may, by notification in the Official Gazette, specify in this behalf;”.

Amendment of section 194.

**52.** In section 194 of the Income-tax Act, after the word, brackets and letter “sub-clause (e)”, the words, brackets and letter “or sub-clause (f)” shall be inserted with effect from the 1st day of October, 2024.

Amendment of section 194C.

**53.** In section 194C of the Income-tax Act, in the *Explanation*, in clause (iv), for the long line, the following long line shall be substituted with effect from 1st day of October, 2024, namely:—

“but does not include—

(A) manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from a person, other than such customer or associate of such customer; or

(B) any sum referred to in sub-section (1) of section 194J.”.

Amendment of section 194DA.

**54.** In section 194DA of the Income-tax Act, for the words “five per cent.”, the words “two per cent.” shall be substituted with effect from the 1st day of October, 2024.

Omission of section 194F.

**55.** Section 194F of the Income-tax Act shall be omitted with effect from the 1st day of October, 2024.

Amendment of section 194G.

**56.** In section 194G of the Income-tax Act, for the words “five per cent.”, the words “two per cent.” shall be substituted with effect from the 1st day of October, 2024.

Amendment of section 194H.

**57.** In section 194H of the Income-tax Act, for the words “five per cent.”, the words “two per cent.” shall be substituted with effect from the 1st day of October, 2024.

Amendment of section 194-IA.

**58.** In section 194-IA of the Income-tax Act, in sub-section (2), the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

“Provided that where there is more than one transferor or transferee in respect of any immovable property, then the consideration shall be the aggregate of the amounts paid or payable by all the transferees to the transferor or all the transferors for transfer of such immovable property.”.

Amendment of section 194-IB.

**59.** In section 194-IB of the Income-tax Act, in sub-section (1), for the words “five per cent.”, the words “two per cent.”



shall be substituted with effect from the 1st day of October, 2024.

Amendment of section 194M.

**60.** In section 194M of the Income-tax Act, in sub-section (1), for the words “five per cent.”, the words “two per cent.” shall be substituted with effect from the 1st day of October, 2024.

Amendment of section 194-O.

**61.** In section 194-O of the Income-tax Act, in sub-section (1), for the words “one per cent.”, the figures and word “0.1 per cent.” shall be substituted with effect from the 1st day of October, 2024.

Insertion of new section 194T.

**62.** After section 194S of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2025, namely:—

Payments to partners of firms.

“194T. (1) Any person, being a firm, responsible for paying any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm, shall, at the time of credit of such sum to the account of the partner (including the capital account) or at the time of payment thereof, whichever is earlier shall, deduct income-tax thereon at the rate of ten per cent.

(2) No deduction shall be made under sub-section (1) where such sum or the aggregate of such sums credited or paid or likely to be credited or paid to the partner of the firm does not exceed twenty thousand rupees during the financial year.”.

Amendment of section 196B.

**63.** In section 196B the Income-tax Act, for the words “at the rate of ten per cent.”, the following shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—

“at the rate of—

(a) ten per cent.in respect of income from units referred to in clause (i) of sub-section (1) of section 115AB;

(b) ten per cent.in respect of long-term capital gains arising from transfer of units referred to in section 115AB, which takes place before the 23<sup>rd</sup> day of July, 2024;

(c) twelve and one-half per cent. in respect of long-term capital gains arising from transfer of units referred to in section 115AB, which takes place on or after the 23<sup>rd</sup> day of July, 2024.”.

- Amendment of section 196C. **64.** In section 196C of the Income-tax Act, for the words “at the rate of ten per cent.”, the following shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—
- “at the rate of—
- (a) ten per cent. in respect of income by way of interest or dividends in respect of bonds or Global Depository Receipts referred to in section 115AC;
- (b) ten per cent. in respect of long-term capital gains arising from transfer of such bond or Global Depository Receipts referred to in section 115AC which takes place before the 23rd day of July, 2024;
- (c) twelve and one-half per cent. in respect of long-term capital gains arising from transfer of such bond or Global depository Receipts referred to in section 115AC which takes place on or after the 23rd day of July, 2024.”.
- Amendment of section 197. **65.** In section 197 of the Income-tax Act, in sub-section (1), for the figures and letter “194-O”, the figures and letters “194-O, 194Q” shall be substituted with effect from the 1st day of October, 2024.
- Amendment of section 198. **66.** In section 198 of the Income-tax Act, after the words “this Chapter”, the words “and income tax paid outside India, by way of deduction, in respect of which an assessee is allowed a credit against the tax payable under this Act,” shall be inserted with effect from the 1st day of April, 2025.
- Amendment of section 200. **67.** In section 200 of the Income-tax Act, in sub-section (3), after the proviso, the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—
- “Provided further that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in sub-section (3) is required to be delivered.”.
- Amendment of section 200A. **68.** In section 200A of the Income-tax Act, with effect from the 1st day of April, 2025,—
- (a) in the marginal heading, for the word “source”, the words “source and other statements” shall be substituted;
- (b) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) The Board may make a scheme for processing of statements made by any other person, not being a deductor.”.

Amendment of section 201.

**69.** In section 201 of the Income-tax Act, in sub-section (3), with effect from the 1st day of April, 2025,—

(i) for the words “a person resident in India, at any time after the expiry of seven years”, the words “any person, at any time after the expiry of six years” shall be substituted;

(ii) for the words “under the proviso”, the words “under the first proviso” shall be substituted.

Amendment of section 206C.

**70.** In section 206C of the Income-tax Act, —

(a) for sub-section (1F), the following sub-section shall be substituted with effect from the 1<sup>st</sup> day of January, 2025, namely:—

“(1F) Every person, being a seller, who receives any amount as consideration for sale of—

(i) a motor vehicle; or

(ii) any other goods, as may be specified by the Central Government by notification in the Official Gazette,

of the value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one per cent. of the sale consideration as income-tax.”;

(b) in sub-section (3B), the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—

“Provided that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in the proviso to sub-section (3) is required to be delivered.”;

(c) in sub-section (4), after the words “such person”, the words “or any other person eligible for credit” shall be inserted with effect from the 1st day of January, 2025;

(d) with effect from the 1st day of April, 2025,—

(i) in sub-section (7), for the words “interest at the rate of one per cent. per month or part thereof on the amount of such tax from the date on which such tax was collectible to the date on which the tax was actually paid and such interest shall be paid”, the following shall be substituted, namely:—

“interest—

(a) at the rate of one per cent. for every month or part thereof on the amount of such tax from the date on which such tax was collectible to the date on which such tax is collected; and

(b) at the rate of one and one-half per cent. for every month or part thereof on the amount of such tax from the date on which such tax was collected to the date on which such tax is actually paid,

and such interest shall be paid”;

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

“(7A) No order shall be made under sub-section (6A) deeming a person to be an assessee in default for failure to collect the whole or any part of the tax from any person, at any time after the expiry of six years from the end of the financial year in which tax was collectible or two years from the end of the financial year in which the correction statement is delivered under sub-section (3B), whichever is later.”;

(e) with effect from the 1st day of October, 2024,—

(i) in sub-section (9), for the words, brackets, figures and letter “sub-section (1) or sub-section (1C)” at both the places where they occur, the words, brackets, figures and letters “sub-section (1), sub-section (1C) or sub-section (1H)” shall be substituted;

(ii) after sub-section (11), the following sub-section shall be inserted, namely:—

“(12) Notwithstanding anything contained in this section, no collection of tax shall be made or collection of tax shall be made at such lower rate in respect of specified transaction, from such person or class of persons, including institution, association or

body or class of institutions, associations or bodies, as the Central Government may, by notification in the Official Gazette specify in this behalf.”.

- Amendment of section 230. **71.** In section 230 of the Income-tax Act, in sub-section (1A), in the proviso, in the long line, after the words and figures “the Expenditure-tax Act, 1987,”, the words, brackets and figures “or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015,” shall be inserted with effect from the 1st day of October, 2024. 35 of 1987. 22 of 2015.
- Amendment of section 244A. **72.** In section 244A of the Income-tax Act, in sub-section (1A), in the proviso, for the words “with the date on which such assessment or reassessment is made”, the words “with the date up to which such refund is withheld” shall be substituted with effect from the 1st day of October, 2024.
- Amendment of section 245. **73.** In section 245 of the Income-tax Act, in sub-section (2), with effect from the 1st day of October, 2024,—
- (a) the words “is of the opinion that the grant of refund is likely to adversely affect the revenue,” shall be omitted;
- (b) after the words “withhold the refund up to”, the words “sixty days from” shall be inserted.
- Amendment of section 245Q. **74.** In section 245Q of the Income-tax Act, in sub-section (4), the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—
- “Provided that the applicant may, on or before the 31st day of October, 2024, request the Board for Advance Rulings in writing that the application so transferred may not be proceeded with, if up to the date of such request, the Board for Advance Rulings has not passed an order under sub-section (2) of section 245R.”.
- Amendment of section 245R. **75.** In section 245R of the Income-tax Act, in sub-section (2), after the third proviso, the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—
- “Provided also that on receipt of an application under the proviso to sub-section (4) of section 245Q, the Board for Advance Rulings may, by an order, reject the application referred to in sub-section (1) thereof as withdrawn on or before the 31st day of December, 2024.”.

Amendment of section 246A. **76.** In section 246A of the Income-tax Act, in sub-section (1), after clause (k), the following clause shall be inserted, with effect from the 1st day of September, 2024, namely:—

“(ka) an order of assessment made by an Assessing Officer under clause (c) of sub-section (1) of section 158BC, in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of September, 2024;”.

Amendment of section 251. **77.** In section 251 of the Income-tax Act, in sub-section (1), in clause (a), the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

“Provided that where such appeal is against an order of assessment made under section 144, he may set aside the assessment and refer the case back to the Assessing Officer for making a fresh assessment;”.

Amendment of section 253. **78.** In section 253 of the Income-tax Act, with effect from the 1st day of October, 2024,—

(a) in sub-section (1), in clause (a), after word and figures “section 154,”, the word, figures and letters “section 158BFA,” shall be inserted;

(b) in sub-section (3), for the words “sixty days of the date on”, the words “two months from the end of the month in” shall be substituted.

Amendment of section 271FAA. **79.** In section 271FAA of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted with effect from the 1st day of October, 2024, namely:—

“(1) If a person referred to in sub-section (1) of section 285BA, who is required to furnish a statement under that section,—

(a) provides inaccurate information in the statement or fails to furnish correct information within the period specified under sub-section (6) of the said section; or

(b) fails to comply with the due diligence requirement prescribed under sub-section (7) of the said section,

then, the prescribed income-tax authority referred to in sub-section (1) thereof may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.”.

- Insertion of new section 271GC. **80.** After section 271GB of the Income-tax Act, the following section shall be inserted with effect from the 1<sup>st</sup> day of April, 2025, namely:—
- Penalty for failure to submit statement under section 285. “271GC. If any person who is required to furnish statement under section 285, fails to do so within the period prescribed under that section, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of—
- (a) one thousand rupees for every day for which the failure continues, if the period of failure does not exceed three months; or
- (b) one lakh rupees in any other case.”.
- Amendment of section 271H. **81.** In section 271H of the Income-tax Act, in sub-section (3), for the words “one year”, the words “one month” shall be substituted with effect from the 1st day of April, 2025.
- Amendment of section 273B. **82.** In section 273B of the Income-tax Act,—
- (a) after the word, figures and letters “section 271FA,”, the word, figures and letters “section 271FAA,” shall be inserted with effect from the 1st day of October, 2024;
- (b) after the word, figures and letters “section 271GB,”, the words, figures and letters “section 271GC,” shall be inserted with effect from the 1st day of April, 2025.
- Amendment of section 275. **83.** In section 275 of the Income-tax Act, with effect from the 1st day of October, 2024,—
- (a) in sub-section (1), in clause (a), the words “Principal Chief Commissioner or Chief Commissioner or” at both the places where they occur shall be omitted;
- (b) in sub-section (1A), the words “Principal Chief Commissioner or Chief Commissioner or the” at both the places where they occur shall be omitted.
- Amendment of section 276B. **84.** In section 276B of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—
- “Provided that the provisions of this section shall not apply if the payment referred to in clause (a) has been made to the credit of the Central Government at any time on or

before the time prescribed for filing the statement for such payment under sub-section (3) of section 200.”.

Amendment of section 276CCC.

**85.** In section 276CCC of the Income-tax Act, after the words, brackets and letter “clause (a) of”, the words, brackets and figure “sub-section (1) of” shall be inserted with effect from the 1st day of September, 2024.

Amendment of section 285.

**86.** In section 285 of the Income-tax Act, for the words “sixty days from the end of such financial year, a statement”, the words “such period, a statement” shall be substituted with effect from the 1<sup>st</sup> day of April, 2025.

Amendment of First Schedule.

**87.** In the First Schedule to the Income-tax Act, in rule 2, the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:—

“Provided that any expenditure which is not admissible under section 37 in computing the profits and gains of a business, shall be included to the profits and gains of life insurance business.”.

## CHAPTER IV

### THE DIRECT TAX *VIVAD SE VISHWAS* SCHEME, 2024

Short title and commencement.

**88.** (1) This Scheme may be called the Direct Tax *Vivad Se Vishwas* Scheme, 2024.

(2) It shall come into force on such date as the Central Government may by notification in the Official Gazette, appoint.

Definitions.

**89.** (1) In this Scheme, unless the context otherwise requires,—

(a) “appellant” means—

(i) a person in whose case an appeal or a writ petition or special leave petition has been filed either by him or by the income-tax authority or by both, before an appellate forum and such appeal or petition is pending as on the specified date; or

(ii) a person who has filed his objections before the Dispute Resolution Panel under section 144C of the Income-tax Act and the Dispute Resolution Panel has not issued any direction on or before the specified date; or



(iii) a person in whose case the Dispute Resolution Panel has issued direction under sub-section (5) of section 144C of the Income-tax Act and the Assessing Officer has not completed the assessment under sub-section (13) of that section on or before the specified date; or

(iv) a person who has filed an application for revision under section 264 of the Income-tax Act and such application is pending as on the specified date;

(b) “appellate forum” means the Supreme Court or the High Court or the Income Tax Appellate Tribunal or the Commissioner (Appeals) or Joint Commissioner (Appeals), as the case may be;

(c) “declarant” means a person who files declaration under section 91;

(d) “declaration” means the declaration filed under section 91;

(e) “designated authority” means an officer not below the rank of a Commissioner of Income-tax notified by the Principal Chief Commissioner for the purposes of this Scheme;

(f) “disputed fee” means the fee determined under the provisions of the Income-tax Act in respect of which appeal has been filed by the appellant;

(g) “disputed income” in relation to an assessment year, means the whole or so much of the total income as is relatable to the disputed tax;

(h) “disputed interest” means the interest determined in any case under the provisions of the Income-tax Act, where—

(i) such interest is not charged or chargeable on disputed tax;

(ii) an appeal has been filed by the appellant in respect of such interest;

(i) “disputed penalty” means the penalty determined in any case under the provisions of the Income-tax Act, where—

(i) such penalty is not levied or leviable in respect of disputed income or disputed tax, as the case may be;

(ii) an appeal has been filed by the appellant in respect of such penalty;

(j) “disputed tax”, in relation to an assessment year or financial year, as the case may be, means the income-tax including surcharge and cess (hereafter in this Chapter referred to as the amount of tax) payable by the appellant under the provisions of the Income-tax Act, as computed hereunder:—

(A) in a case where any appeal, writ petition or special leave petition is pending before the appellate forum as on the specified date, the amount of tax that is payable by the appellant if such appeal or writ petition or special leave petition was to be decided against him;

(B) in a case where objection filed by the appellant is pending before the Dispute Resolution Panel under section 144C of the Income-tax Act, as on the specified date, the amount of tax payable by the appellant if the Dispute Resolution Panel was to confirm the variation proposed in the draft order;

(C) in a case where Dispute Resolution Panel has issued any direction under sub-section (5) of section 144C of the Income-tax Act, and the Assessing Officer has not completed the assessment under sub-section (13) of that section on or before the specified date, the amount of tax payable by the appellant as per the assessment order to be passed by the Assessing Officer in pursuance of the said assessment under sub-section (13) thereof;

(D) in a case where an application for revision under section 264 of the Income-tax Act, is pending as on the specified date, the amount of tax payable by the appellant if such application for revision was not to be accepted:

Provided that in a case where the dispute in relation to an assessment year relates to reduction of tax credit under section 115JAA or section 115JD of the Income-tax Act, or any loss or depreciation computed thereunder, the appellant shall have an option either to include the amount of tax related to such tax credit or loss or depreciation in the amount of disputed tax, or to carry forward the reduced tax credit or loss or depreciation, in such manner as may be prescribed.

(k) “Income-tax Act” means the Income-tax Act, 1961; 43 of 1961.

(l) “last date” means such date as may be notified by the Central Government in the Official Gazette;

(m) “prescribed” means prescribed by rules made under this Act;

(n) “specified date” means the 22<sup>nd</sup> day of July, 2024;

(o) “tax arrear” means—

(i) the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax, and penalty leviable or levied on such disputed tax; or

(ii) disputed interest; or

(iii) disputed penalty; or

(iv) disputed fee.

(2) The words and expressions used herein and not defined but defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

Amount payable by declarant.

**90.** Subject to the provisions of this Scheme, where a declarant files under the provisions of this Scheme on or before the last date, a declaration to the designated authority in accordance with the provisions of section 91 in respect of tax arrear, then, notwithstanding anything contained in the Income-tax Act or any other law for the time being in force, the amount payable by the declarant under this Scheme shall be as mentioned in the Table below, namely:—

TABLE

Sl. No.	Nature of tax arrear.	Amount payable under this Scheme on or before the 31st day of December, 2024.	Amount payable under this Scheme on or after the 1st day of January, 2025 but on or before the last date.
(1)	(2)	(3)	(4)

(a)	where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax in a case where the declarant is an appellant after the 31 <sup>st</sup> day of January, 2020 but on or before the specified date.	Amount of the disputed tax	the aggregate of the amount of disputed tax and ten per cent. Of disputed tax.
(b)	where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax in a case where the declarant is an appellant on or before the 31st day	The aggregate of the amount of disputed tax and ten per cent. Of disputed tax	the aggregate of the amount of disputed tax and twenty per cent. Of disputed tax.

	of January, 2020 at the same appellate forum in respect of the such tax arrear.		
(c)	where the tax arrear relates to disputed interest or disputed penalty or disputed fee where the declarant is an appellant after the 31st day of January, 2020 but on or before the specified date.	Twenty-five per cent. Of disputed interest or disputed penalty or disputed fee.	Thirty per cent. Of disputed interest or disputed penalty or disputed fee.
(d)	where the tax arrear relates to disputed interest or disputed penalty or disputed fee where the declarant is an appellant on or before the 31st day of January, 2020 at the same appellate forum in respect of the such tax arrear.	Thirty per cent. Of disputed interest or disputed penalty or disputed fee.	Thirty-five per cent. Of disputed interest or disputed penalty or disputed fee:

Provided that in a case where an appeal or writ petition or special leave petition is filed by the income-tax authority on any disputed issue before the appellate forum, the amount payable shall be one-half of the amount in the Table above calculated on such issue, in such manner, as may be prescribed:

Provided further that in a case where an appeal is filed before the Commissioner (Appeals) or Joint Commissioner (Appeals) or objections is filed before the Dispute Resolution Panel by the appellant on any issue on which he has already got a decision in his favour from the Income Tax Appellate Tribunal (where the decision on such issue is not reversed by the High Court or the Supreme Court) or the High Court (where the decision on such issue is not reversed by the Supreme Court), the amount payable shall be one-half of the amount in the Table above calculated on such issue, in such manner, as may be prescribed:

Provided also that in a case where an appeal is filed by the appellant on any issue before the Income Tax Appellate Tribunal on which he has already got a decision in his favour from the High Court (where the decision on such issue is not reversed by the Supreme Court), the amount payable shall be one-half of the amount in the Table above calculated on such issue, in such manner as may be prescribed.

Filing of  
declaration and  
particulars to be  
furnished.

**91.** (1) The declaration referred to in section 90 shall be filed by the declarant before the designated authority in such form and verified in such manner, as may be prescribed.

(2) Upon filing the declaration, any appeal pending before the Income Tax Appellate Tribunal or Commissioner (Appeals) or Joint Commissioner (Appeals), in respect of the disputed income or disputed interest or disputed penalty or disputed fee and tax arrear, shall be deemed to have been withdrawn from the date on which certificate under sub-section (1) of section 92 is issued by the designated authority.

(3) Where the declarant has filed any appeal before the appellate forum or any writ petition before the High Court or the Supreme Court against any order in respect of tax arrear, he shall withdraw such appeal or writ petition with the leave of the Court wherever required after issuance of certificate under sub-section (1) of section 92 and furnish proof of such withdrawal along with the intimation of payment to the designated authority under sub-section (2) of that section.

(4) Without prejudice to the provisions of sub-section (2) and sub-section (3), the declarant shall furnish an undertaking waiving his right, whether direct or indirect, to seek or pursue any remedy or any claim in relation to the tax arrear which may

otherwise be available to him under any law for the time being in force and the undertaking shall be made in such form and manner, as may be prescribed.

(5) The declaration under sub-section (1) shall be deemed not to have been made if,—

(a) any material particular furnished in the declaration is found to be false at any stage; or

(b) the declarant violates any of the conditions referred to in this Scheme; or

(c) the declarant acts in any manner which is not in accordance with the undertaking given by him under sub-section (4),

and in such cases, all the proceedings and claims which were withdrawn under section 91 and all the consequences under the Income-tax Act against the declarant shall be deemed to have been revived.

(6) No appellate forum shall proceed to decide any issue relating to the tax arrear mentioned in the declaration in respect of which an order has been made under sub-section (1) of section 92 by the designated authority or in respect of payment of sum determined under that section.

Time and  
manner of  
payment.

**92.** (1) The designated authority shall, within a period of fifteen days from the date of receipt of the declaration, by order, determine the amount payable by the declarant in accordance with the provisions of this Scheme and grant a certificate to the declarant containing particulars of the tax arrear and the amount payable after such determination, in such form as may be prescribed.

(2) The declarant shall pay the amount determined under sub-section (1) within a period of fifteen days of the date of receipt of the certificate and intimate the details of such payment to the designated authority in the prescribed form and thereupon the designated authority shall pass an order stating that the declarant has paid the amount.

(3) Every order passed under sub-section (1), determining the amount payable under this Scheme, shall be conclusive as to the matters stated therein and no matter covered by such order shall be reopened in any other proceeding under the Income-tax Act or under any other law for the time being in force.

(4) Making a declaration under this Scheme shall not amount to conceding the tax position and it shall not be lawful for the income-tax authority or the declarant being a party in appeal or writ petition or special leave petition to contend that the declarant or the income-tax authority, as the case may be, has acquiesced in the decision on the disputed issue by settling the dispute.

Immunity from initiation of proceedings in respect of offence and imposition of penalty in certain cases.

**93.** Subject to the provisions of section 92, the designated authority shall not institute any proceeding in respect of an offence; or impose or levy any penalty; or charge any interest under the Income-tax Act in respect of tax arrear.

No refund of amount paid.

**94.** (1) Any amount paid in pursuance of a declaration made under section 91 shall not be refundable under any circumstances.

(2) Where the declarant had, before filing the declaration under sub-section (1) of section 91, paid any amount under the Income-tax Act in respect of his tax arrear which exceeds the amount payable under section 90, he shall be entitled to a refund of such excess amount, but shall not be entitled to interest on such excess amount under section 244A of the Income-tax Act.

No benefit, concession or immunity to declarant.

**95.** Save as otherwise expressly provided in sub-section (3) of section 92 or section 93, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on the declarant in any proceedings other than those in relation to which the declaration has been made.

Scheme not to apply in certain cases.

**96.** The provisions of this Scheme shall not apply—

(a) in respect of tax arrear,—

(i) relating to an assessment year in respect of which an assessment has been made under sub-section (3) of section 143 or section 144 or section 147 or section 153A or section 153C of the Income-tax Act on the basis of search initiated under section 132 or section 132A of the Income-tax Act;

(ii) relating to an assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration;

(iii) relating to any undisclosed income from a



source located outside India or undisclosed asset located outside India;

(iv) relating to an assessment or reassessment made on the basis of information received under an agreement referred to in section 90 or section 90A of the Income-tax Act, if it relates to any tax arrear;

(b) to any person in respect of whom an order of detention has been made under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 on or before the date of filing of declaration: 52 of 1974.

Provided that—

(i) such order of detention, being an order to which the provisions of section 9 or section 12A of the said Act do not apply, has not been revoked on the report of the Advisory Board under section 8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention, being an order to which the provisions of section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section 9, or on the report of the Advisory Board under section 8, read with sub-section (2) of section 9, of the said Act; or

(iii) such order of detention, being an order to which the provisions of section 12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under section 8 read with sub-section (6) of section 12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

(c) to any person in respect of whom prosecution for any offence punishable under the provisions of the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prohibition of Benami Property Transactions Act, 1988, the Prevention of Corruption Act, 1988, the Prevention of Money-Laundering Act, 2002, has been instituted on or before the filing of the declaration or such person has been convicted 37 of 1967.  
61 of 1985.  
45 of 1988.  
49 of 1988.  
15 of 2003.

of any such offence punishable under any of those Acts;

(d) to any person in respect of whom prosecution has been initiated by an Income-tax authority for any offence punishable under the provisions of the Bharatiya Nyaya Sanhita, 2023 or for the purpose of enforcement of any civil liability under any law for the time being in force, on or before the filing of the declaration or such person has been convicted of any such offence consequent to the prosecution initiated by an Income- tax authority; 45 of 2023.

(e) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 on or before the date of filing of declaration. 27 of 1992.

Power of Board to issue directions, etc.

**97.** (1) The Central Board of Direct Taxes may, from time to time, issue such directions or orders to the income-tax authorities, as it may deem fit:

Provided that no direction or order shall be issued so as to require any designated authority to dispose of a particular case in a particular manner.

(2) Without prejudice to the generality of the foregoing power, the said Board may, if it considers necessary or expedient so to do, for the purpose of this Scheme, including collection of revenue, issue from time to time, general or special orders in respect of any class of cases, setting forth directions or instructions as to the guidelines, principles or procedures to be followed by the authorities in any work relating to this Act, including collection of revenue and issue such order, by way of relaxation of any provision of this Chapter or otherwise, if the Board is of the opinion that it is necessary in the public interest so to do.

Power to remove difficulties.

**98.** (1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force.

(2) Every order made under sub-section (1) shall, as soon as may be after it is made, be laid before each House of Parliament.

Power to make rules.

**99.** (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) determination of disputed tax including the manner of set-off in respect of brought forward or carry forward of tax credit under section 115JAA or section 115JD of the Income-tax Act or set-off in respect of brought forward or carry forward of loss or allowance of depreciation under the provisions of the Income-tax Act;

(b) manner of calculating one half of the amount in the Table under the First, Second and Third provisos to section 90;

(c) the form in which a declaration may be made, and the manner of its verification under section 91;

(d) the form and manner in which declarant shall furnish undertaking under sub-section (4) of section 91;

(e) the form in which certificate shall be granted under sub-section (1) of section 92;

(f) the form in which payment shall be intimated under sub-section (2) of section 92;

(g) the manner of calculating the amount payable under this Scheme;

(h) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

(3) Every rule made by the Central Government under this Scheme shall be laid, as soon as may be after it is made, 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 rule or both Houses agree that the rule should not be made, the rule 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 rule.

## CHAPTER V

## INDIRECT TAXES

*Customs*

Amendment of section 28DA. **100.** In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 28 DA,— 52 of 1962.

(a) in sub-section (2) and clauses (ii), (iii) and (iv) of sub-section (10), for the word “certificate”, the word “proof” shall be substituted;

(b) in Chapter V-AA, in the *Explanation*,—

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

‘(a) “proof of origin” means a certificate or declaration issued in accordance with a trade agreement certifying or declaring, as the case may be, that the goods fulfil the country of origin criteria and other requirements specified in the said agreement;’;

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

‘(c) “Issuing Authority” means an authority or person designated for the purposes of issuing proof of origin under a trade agreement;’.

Amendment of section 65. **101.** In section 65 of the Customs Act, in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that the Central Government may, if satisfied that it is necessary in the public interest so to do, by notification in the Official Gazette, specify the manufacturing processes and other operations in relation to a class of goods that shall not be permitted in a warehouse.”.

Amendment of section 143AA. **102.** In the Customs Act, in section 143AA, after the words “importers or exporters”, the words “or any other persons,” shall be inserted.

Amendment of section 157. **103.** In the Customs Act, in section 157, in sub-section (2), in clause (m), after the words “importers or exporters”, the words “or any other persons,” shall be inserted.

Retrospective effect to notification issued under sub-section (1) of section 25 of Customs Act, read with sub-section (12) of section 3 of Customs Tariff Act.

**104.** The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 394 (E), dated the 12th July, 2024 issued by the Central Government, in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 read with sub-section (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.

52 of 1962.  
51 of 1975.

Retrospective amendment of notification issued under sub-section (1) of section 25 of Customs Act read with section 124 of Finance Act.

**105.** (1) Subject to the provisions of sub-section (2), the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R.356(E), dated the 10th May, 2023, issued by the Central Government, on being satisfied that it is necessary in the public interest so to do, under sub-section (1) of section 25 of the Customs Act read with section 124 of the Finance Act, 2021 (hereinafter referred to as the Finance Act), shall be deemed to have, and always to have, for all purposes, come into force with effect from the 1st day of April, 2023, and remain in force during the period from the 1st day of April, 2023 and ending with the 30th day of June, 2023 (both days inclusive).

(2) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 356(E), dated the 10th May, 2023, issued by the Central Government, on being satisfied that it is necessary in the public interest so to do, under sub-section (1) of section 25 of the Customs Act read with section 124 of the Finance Act shall stand amended in the manner specified in column (2) of the Second Schedule and shall be deemed to have been amended retrospectively on and from and upto the corresponding date specified in column (3) of that Schedule against the notification number to be amended as specified in column (1) of that Schedule.

(3) For the purposes of sub-section (2), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 25 of the Customs Act read with section 124 of the Finance Act at all material times.

(4) Refund shall be made of the whole of duty and cess, which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force in the manner and to the extent specified in sub-sections

(1) and (2), in accordance with the provisions of sub-section (2) of section 27 of the Customs Act:

Provided that the person claiming the refund of such duty and cess makes an application in this behalf to the jurisdictional Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, on or before the 31st day of March, 2025.

### *Customs Tariff*

Omission of section 6. **106.** In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), section 6 shall be omitted. 51 of 1975.

Amendment of First Schedule. **107.** In the Customs Tariff Act, the First Schedule shall,—

(a) be amended in the manner specified in the Third Schedule;

(b) be also amended in the manner specified in the Fourth Schedule, with effect from the 1st day of October, 2024.

### *Excise*

Amendment of notification issued under section 5A of Central Excise Act retrospectively. **108.** (1) Notwithstanding the supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R 163 (E), dated the 17th March, 2012, issued under sub-section (1) of section 5A of the Central Excise Act, 1944, the said notification shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Fifth Schedule, on and from the corresponding date specified in column (3) of that Schedule, against the said notification specified in column (1) of that Schedule. 1 of 1944.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the said notification with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 5A of the Central Excise Act, 1944, retrospectively, at all material times. 1 of 1944.

*Explanation.*—For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable had this section not come into force.

Amendment of notification issued under section 5A of Central Excise Act, retrospectively.

**109.** (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R.794(E), dated the 30th June, 2017 issued under sub-section (1) of section 5A of the Central Excise Act, 1944 shall stand amended in the manner specified in column (3) of the Sixth Schedule and shall be deemed to have been amended retrospectively on and from the corresponding date specified in column (4) of that Schedule against the notification number to be amended as specified in column (2) of that Schedule.

1 of 1944.

(2) Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, any action taken or anything done or purported to have been taken or done, at any time during the period commencing on and from the 1st day of July, 2017, relating to the provisions as amended by sub-section (1), shall be deemed to be, and deemed always to have been, for all purposes, as validly and effectively taken or done as if the amendment made by sub-section (1) had been in force at all material times.

(3) Notwithstanding the repeal of the Chapter VII of the Finance Act, 2010 as amended by the Finance Act, 2016, for the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in sub-section (1) with retrospective effect as if the Central Government had the power to amend the said notification under section 5A of the Central Excise Act, 1944, retrospectively, at all material times.

14 of 2010.  
28 of 2016.

*Explanation.*—For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable had this section not come into force.

#### *Central Goods and Services Tax*

Amendment of section 9.

**110.** In the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in section 9, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

12 of 2017.

Amendment of section 10.

**111.** In section 10 of the Central Goods and Services Tax Act, in sub-section (5), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Insertion of new section 11A.

**112.** After section 11 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:—

Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

“11A. Notwithstanding anything contained in this Act, if the Government is satisfied that —

(a) a practice was, or is, generally prevalent regarding levy of central tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to, —

(i) central tax, in cases where according to the said practice, central tax was not, or is not being, levied, or

(ii) a higher amount of central tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the central tax payable on such supplies, or, as the case may be, the central tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the central tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.”

Amendment of section 13.

**113.** In section 13 of the Central Goods and Services Tax Act, in sub-section (3),—

(i) in clause (b), for the words “by the supplier:”, the words “by the supplier, in cases where invoice is required to be issued by the supplier; or” shall be substituted;

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

“(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:”;

(iii) in the first proviso, after the words, brackets and letter “or clause (b)”, the words, brackets and letter “or clause (c)” shall be inserted.

Amendment of section 16.

**114.** In section 16 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person



shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where avilment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

(i) filed upto thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration,

whichever is later.”.

Amendment of section 17. **115.** In section 17 of the Central Goods and Services Tax Act, in sub-section (5), in clause (i), for the words and figures “sections 74, 129 and 130”, the words and figures “section 74 in respect of any period upto Financial Year 2023-24” shall be substituted.

Amendment of section 21. **116.** In section 21 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 30. **117.** In section 30 of the Central Goods and Services Tax Act, in sub-section (2), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.”.

Amendment of section 31. **118.** In section 31 of the Central Goods and Services Tax Act,—

(a) in sub-section (3), in clause (f), after the words and figure “of section 9 shall”, the words “, within the period as may be prescribed,” shall be inserted;

(b) after clause (g), the following *Explanation* shall be inserted, namely:—

*‘Explanation.—*For the purposes of clause (f), the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.’.

Amendment of section 35. **119.** In section 35 of the Central Goods and Services Tax Act, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 39. **120.** In section 39 of the Central Goods and Services Tax Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”.

Amendment of section 49. **121.** In section 49 of the Central Goods and Services Tax Act, in sub-section (8), in clause (c), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 50. **122.** In section 50 of the Central Goods and Services Tax Act, in sub-section (1), in the proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 51. **123.** In section 51 of the Central Goods and Services Tax Act, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 54. **124.** In section 54 of the Central Goods and Services Tax Act,—

(a) in sub-section (3), the second proviso shall be omitted;

(b) after sub-section (14) and before the *Explanation*, the following sub-section shall be inserted, namely: —

“(15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.”.

Amendment of section 61. **125.** In section 61 of the Central Goods and Services Tax Act, in sub-section (3), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 62. **126.** In section 62 of the Central Goods and Services Tax Act, in sub-section (1), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 63. **127.** In section 63 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 64. **128.** In section 64 of the Central Goods and Services Tax Act, in sub-section (2), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 65. **129.** In section 65 of the Central Goods and Services Tax Act, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 66. **130.** In section 66 of the Central Goods and Services Tax Act, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of section 70. **131.** In section 70 of the Central Goods and Services Tax Act, after sub-section (1), the following sub-section shall be inserted, namely: —

“(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make

statements or produce such documents and other things as may be required.”.

Amendment of section 73.

**132.** In section 73 of the Central Goods and Services Tax Act,—

(i) in the marginal heading, after the words “Determination of tax”, the words and figures “, pertaining to the period upto Financial Year 2023-24,” shall be inserted;

(ii) after sub-section (11), the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”.

Amendment of section 74.

**133.** In section 74 of the Central Goods and Services Tax Act, —

(i) in the marginal heading, after the words “Determination of tax”, the words and figures “, pertaining to the period upto Financial Year 2023-24,” shall be inserted;

(ii) after sub-section (11) and before *Explanation 1*, the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”;

(iii) the *Explanation 2* shall be omitted.

Insertion of new section 74A.

**134.** After section 74 of the Central Goods and Services Tax Act, the following section shall be inserted, namely: —

Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards.

“74A. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or

where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the

reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may, —

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice,

and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

*Explanation 1.*—For the purposes of this section,—

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

*Explanation 2.*—For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.

Amendment of section 75.

**135.** In section 75 of the Central Goods and Services Tax Act, —

(a) in sub-section (1), after the word and figures “section 74”, the words, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted;

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

“(2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A.”;

(c) for sub-section (10), the following sub-section shall be substituted, namely:—

“(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.”;

(d) in sub-section (11), after the word and figures “section 74”, the words, brackets, figures and letter “or sub-section (7) of section 74A” shall be inserted;

(e) in sub-section (12), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74 A” shall be inserted;

(f) in sub-section (13), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74 A” shall be inserted.

Amendment of section 104.

**136.** In section 104 of the Central Goods and Services Tax Act, in sub-section (1), in the *Explanation*, after the word and figures “section 74”, the words, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted.

Amendment of section 107.

**137.** In section 107 of the Central Goods and Services Tax Act, —

(a) in sub-section (6), in clause (b), for the word “twenty-five”, the word “twenty” shall be substituted;



(b) in sub-section (11), in the second proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74 A” shall be inserted.

Amendment of section 109.

**138.** In section 109 of the Central Goods and Services Tax Act, —

(a) in sub-section (1), after the words “Revisional Authority”, the words “, or for conducting an examination or adjudicating the cases referred to in sub-section (2) of section 171, if so notified under the said section” shall be inserted;

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

“Provided further that the matters referred to in sub-section (2) of section 171 shall be examined or adjudicated only by the Principal Bench:

Provided also that the Government may, on the recommendations of the Council, notify other cases or class of cases which shall be heard only by the Principal Bench.”;

(c) in sub-section (6), for the words “The President”, the words, brackets and figure “Subject to the provisions of sub-section (5), the President” shall be substituted.

Amendment of section 112.

**139.** In section 112 of the Central Goods and Services Tax Act, —

(a) with effect from the 1st day of August, 2024, in sub-section (1), after the words “from the date on which the order sought to be appealed against is communicated to the person preferring the appeal”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.” shall be inserted;

(b) with effect from the 1st day of August, 2024, in sub-section (3), after the words “from the date on which the said order has been passed”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later,” shall be inserted;

(c) in sub-section (6), after the words, brackets and figure “after the expiry of the period referred to in sub-section (1)”, the words, brackets and figure “or permit the filing of an

application within three months after the expiry of the period referred to in sub-section (3)” shall be inserted;

(d) in sub-section (8), in clause (b),—

(i) for the words “twenty per cent.”, the words “ten per cent.” shall be substituted;

(ii) for the words “fifty crore rupees”, the words “twenty crore rupees” shall be substituted.

Amendment of section 122.

**140.** In section 122 of the Central Goods and Services Tax Act, with effect from the 1st day of October, 2023, in sub-section (1B), for the words “Any electronic commerce operator who”, the words and figures “Any electronic commerce operator, who is liable to collect tax at source under section 52,” shall be substituted.

Amendment of section 127.

**141.** In section 127 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Insertion of new section 128A.

**142.** After section 128 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:—

Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods.

“128A. (1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,—

(a) a notice issued under sub-section (1) of section 73 or a statement issued under sub-section (3) of section 73, and where no order under sub-section (9) of section 73 has been issued; or

(b) an order passed under sub-section (9) of section 73, and where no order under sub-section (11) of section 107 or sub-section (1) of section 108 has been passed; or

(c) an order passed under sub-section (11) of section 107 or sub-section (1) of section 108, and where no order under sub-section (1) of section 113 has been passed,

pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice

or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:

Provided that where a notice has been issued under sub-section (1) of section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the provisions of sub-section (2) of section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause (a) or clause (b) of this sub-section:

Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of section 107 or under sub-section (3) of section 112 or an appeal is filed by an officer of central tax under sub-section (1) of section 117 or under sub-section (1) of section 118 or where any proceedings are initiated under sub-section (1) of section 108, against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, within three months from the date of the said order:

Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.

(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).

(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.”.

Amendment of  
section 140.

**143.** In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, in sub-section (7), for the words “even if the invoices relating to such services are received on or after the appointed day”, the words “whether the invoices relating to such services are received prior to, on or after, the appointed day” shall be substituted.

Amendment of  
section 171.

**144.** In section 171 of the Central Goods and Services Tax Act,—

(a) in sub-section (2), the following proviso and *Explanation* shall be inserted, namely: —

‘Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

*Explanation.*—For the purposes of this sub-section, “request for examination” shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.’;

(b) the *Explanation* shall be renumbered as *Explanation 1* thereof, and after *Explanation 1* as so renumbered, the *Explanation* shall be inserted, namely: —

‘*Explanation 2.*—For the purposes of this section, the expression “Authority” shall include the “Appellate Tribunal”.’.

Amendment of  
Schedule III.

**145.** In Schedule III to the Central Goods and Services Tax Act, after paragraph 8 and before *Explanation 1*, the following paragraphs shall be inserted, namely: —

“9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.”.

No refund of tax paid or input tax credit reversed.

**146.** No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had section 114 been in force at all material times.

*Integrated Goods and Services Tax*

Amendment of section 5.

**147.** In the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the Integrated Goods and Services Tax Act), in section 5, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and undenatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

13 of 2017.

Insertion of new section 6A.

**148.** After section 6 of the Integrated Goods and Services Tax Act, the following section shall be inserted, namely:—

Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

“6A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) a practice was, or is, generally prevalent regarding levy of integrated tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to —

(i) integrated tax, in cases where according to the said practice, integrated tax was not, or is not being, levied; or

(ii) a higher amount of integrated tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the integrated tax payable on such supplies, or, as the case may be, the integrated tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the integrated tax

was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”.

Amendment of section 16.

**149.** In section 16 of the Integrated Goods and Services Tax Act,—

(a) in sub-section (4), —

(i) in clause (i), after the words “claim refund of the tax so paid”, the words and figures “in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be inserted;

(ii) in clause (ii), for the words “which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid”, the words and figure “or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be substituted;

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

“(5) Notwithstanding anything contained in sub-sections (3) and (4), no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.”.

Amendment of section 20.

**150.** In section 20 of the Integrated Goods and Services Tax Act, for the fifth proviso, the following proviso shall be substituted, namely:—

“Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal.”.

*Union Territory Goods and Services Tax*

Amendment of section 7.

**151.** In the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in section 7, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit which

14 of 2017.

is used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

Insertion of new section 8A.

**152.** After section 8 of the Union Territory Goods and Services Tax Act, the following section shall be inserted, namely: —

Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) a practice was, or is, generally prevalent regarding levy of Union territory tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to—

(i) Union territory tax, in cases where according to the said practice, Union territory tax was not, or is not being, levied; or

(ii) a higher amount of Union territory tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the Union territory tax payable on such supplies, or, as the case may be, the Union territory tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the Union territory tax was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”.

*Goods and Services Tax  
(Compensation to States)*

Insertion of new section 8A.

**153.** In the Goods and Services Tax (Compensation to States) Act, 2017, after section 8, the following section shall be inserted, namely: —

15 of 2017.

Power not to recover cess not levied or short-levied as a result of general practice.

“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) a practice was, or is, generally prevalent regarding levy of cess (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to, —

(i) cess, in cases where according to the said practice, cess was not, or is not being, levied; or

(ii) a higher amount of cess than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the cess payable on such supplies, or, as the case may be, the cess in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the cess was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”.

## CHAPTER VI

### MISCELLANEOUS

#### PART I

#### AMENDMENT TO THE PROHIBITION OF *BENAMI* PROPERTY TRANSACTIONS ACT, 1988

Amendment of  
Act 45 of 1988.

**154.** In the Prohibition of *Benami* Property Transactions Act, 1988, with effect from the 1st day of October, 2024,—

(a) in section 24,—

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

“(2A) The *benamidar*, to whom a notice has been issued under sub-section (1), or the beneficial owner to whom a copy of such notice has been issued under sub-section (2), shall furnish the explanation or submissions, if any, within the period specified in the said notice or such period as may be extended by the Initiating Officer, not exceeding three months from the end of the month in which the said notice is issued.”;

(ii) in sub-section (3), for the words “ninety days”, the words “four months” shall be substituted;

(iii) in sub-section (4), for the words “ninety days”, the words “four months” shall be substituted;

(iv) in sub-section (5), for the words “fifteen days from the date of the attachment”, the words “one month



from the end of the month in which the said order has been passed” shall be substituted;

(b) after section 55, the following section shall be inserted, namely:—

Power to tender  
Immunity from  
prosecution.

“55A. (1) The Initiating Officer may, with a view to obtaining the evidence of the *benamidar* or any other person as referred to in section 53, other than the beneficial owner, tender immunity from prosecution for any offence under the said section to the *benamidar* or such other person, with the previous sanction of the competent authority as referred to in section 55, on the condition that the *benamidar* or such other person makes a full and true disclosure of the whole circumstances relating to the benami transaction.

(2) The tender of immunity made to, and accepted by, the *benamidar* or such other person, shall, to the extent to which the immunity extends, render him immune from prosecution for the offence in respect of which the tender was made and from the imposition of any penalty under section 53.

(3) If it appears to the Initiating Officer that any person to whom immunity has been tendered under this section has not complied with the conditions subject to which the tender was made, or is wilfully concealing anything, or is giving false evidence, the Initiating Officer may record a finding to that effect, and with the previous sanction of the competent authority as referred to in section 55, withdraw the immunity tendered.

(4) Any person against whom the immunity tendered is withdrawn in accordance with sub-section (3), may be tried for the offence in respect of which the tender of immunity was made or for any other offence of which he appears to have committed in connection with the same transaction and shall also be liable to any penalty under this Act to which he would otherwise have been liable.”.

## PART II

### AMENDMENT TO THE FINANCE (NO. 2) ACT, 2004

Amendment of  
Act 23 of 2004.

**155.** In the Finance (No.2) Act, 2004, in Chapter VII, in section 98, in the Table, in serial number 4, in column (3), with effect from the 1st day of October, 2024,—

(i) against entry (a) relating to sale of an option in securities, for the figures and word “0.0625 per cent.”, the figures and word “0.1 per cent.” shall be substituted; and

(ii) against entry (c) relating to sale of a futures in securities, for the figures and word “0.0125 per cent.”, the figures and word “0.02 per cent.” shall be substituted.

### PART III

#### AMENDMENT TO THE BLACK MONEY (UNDISCLOSED OF FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT, 2015

Amendment of  
Act 22 of 2015.

**156.** In the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, with effect from the 1st day of October, 2024,—

(a) in section 42, for the proviso, the following proviso shall be substituted, namely:—

“Provided that this section shall not apply in respect of an asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed twenty lakh rupees.”.

(b) in section 43, for the proviso, the following proviso shall be substituted, namely:—

“Provided that this section shall not apply in respect of an asset or assets (other than immovable property), where the aggregate value of such asset or assets does not exceed twenty lakh rupees.”.

### PART IV

#### AMENDMENT TO THE FINANCE ACT, 2016

Amendment of  
Act 28 of 2016.

**157.** In the Finance Act, 2016,—

(a) in section 163, for sub-section (3), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of August, 2024, namely:—

“(3) It shall apply to consideration received or receivable for—

(a) specified services provided on or after the commencement of this Chapter; and

(b) e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020 but before the 1st day of August, 2024.”;

(b) in section 165A, after sub-section (3), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from 1st day of August, 2024, namely:—

“(4) The provisions of this section shall not apply to any consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated by it on or after the 1st day of August, 2024.”.

---

**Declaration under the Provisional Collection of Taxes Act, 2023**

It is hereby declared that it is expedient in the public interest that the provisions of sub-clause (a) of clause 107 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 2023. 50 of 2023.

---

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 which the total income  
does not exceed Rs. exceeds Rs. 2,50,000;  
5,00,000

(3) where the total income Rs.12,500 *plus* 20 per cent.  
exceeds Rs. 5,00,000 but of the amount by which the  
does not exceed Rs. total income exceeds Rs.  
10,00,000 5,00,000;

(4) where the total income Rs. 1,12,500 *plus* 30 per  
exceeds Rs. 10,00,000 cent. of the amount by which  
the total income exceeds  
Rs.10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

*Rates of income-tax*

(1) where the total income *Nil*;  
does not exceed Rs.  
3,00,000

(2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 5 per cent. of the amount by which the total income exceeds Rs. 3,00,000;

(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 Rs.10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;

(4) where the total income exceeds Rs. 10,00,000 Rs. 1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

*Rates of income-tax*

(1) where the total income does not exceed Rs. 5,00,000 *Nil*;

(2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;

(3) where the total income exceeds Rs. 10,00,000 Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

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

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

(c) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees but not exceeding five crore rupees, at the rate of twenty-five per cent. of such income-tax;

(d) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax; and

(e) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees but is not covered under clauses (c) and (d), at the rate of fifteen per cent. of such income-tax:

Provided that in case where the total income includes any income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed fifteen per cent.:

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

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

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

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

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

*Paragraph B*

In the case of every co-operative society,—

*Rates of income-tax*

- |   |  |
|---|--|
| (1) where the total income does not exceed Rs.10,000                        | 10 per cent. of the total income;  |
| (2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 | Rs. 1,000 <i>plus</i> 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 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated in the case of every co-operative society,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

*Paragraph C*

In the case of every firm,—

*Rate of income-tax*

On the whole of the total income	30 per cent.
----------------------------------	--------------

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:



Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph D*

In the case of every local authority,—

*Rate of income-tax*

On the whole of the total income                      30 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph E*

In the case of a company,—

*Rates of income-tax*

I. In the case of a domestic company,—

(i) where its total turnover 25 per cent. of the total or the gross receipt in the income; previous year 2021-22 does not exceed four hundred crore rupees

(ii) other than that referred 30 per cent. of the total to in item (i) income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income 50 per cent.;  
as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, of the total income 40 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or 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 II  
RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN  
CASES

In every case in which under the provisions of sections 193, 194A, 194B, 194BA, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

	<i>Rate of income-tax</i>
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than “Interest on securities”	10 per cent.;
(ii) on income by way of winnings from lotteries, puzzles, card games and	30 per cent.;

other games of any sort (other than winnings from online games)

(iii) on income by way of winnings from horse races 30 per cent.;

(iv) on income by way of net winnings from online games 30 per cent.;

(v) on income by way of insurance commission 5 per cent.;

(vi) on income by way of interest payable on— 10 per cent.;

(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;

(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder;

(C) any security of the Central or State Government;

(vii) on any other income 10 per cent.;

(b) where the person is not resident in India—

(i) in the case of a non-resident Indian—

(A) on any investment income 20 per cent.;

(B) on income by way of long-term capital gains referred to in section 115E, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024	12.5 per cent.;
(BA) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of subsection (1) of section 112, for any transfer which takes place before the 23rd day of July, 2024	10 per cent.;
(C) on income by way of long-term capital gains referred to in section 112A exceeding one lakh twenty-five thousand rupees, for any transfer which takes place—	
(I) before the 23rd day of July, 2024	10 per cent.;
(II) on or after the 23rd day of July, 2024	12.5 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], for any transfer which takes place—	
(I) before the 23rd day of July, 2024	20 per cent.;
(II) on or after the 23rd day of July, 2024	12.5 per cent.;
(E) on income by way of short-term capital gains referred to in section 111A, for any transfer which takes place—	
(I) before the 23rd day of July, 2024	15 per cent.;
(II) on or after the 23rd day of July, 2024	20 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	20 per cent.;

Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)

(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 20 per cent.;

(H) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(G)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 20 per cent.;

(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 20 per cent.;

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

(J) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(K) on income by way of winnings from horse races 30 per cent.;

(L) on income by way of net winnings from online games 30 per cent.;

(M) on the income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of sub-section (I) of section 115A 10 per cent.;

(N) on income by way of dividend other than the income referred to in sub-item (b)(i)(M) 20 per cent.;

(O) on the whole of the other income 30 per cent.;

(ii) in the case of any other person—

(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent.;

(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting

of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India

(C) on income by way of royalty 20 per cent. ;  
 [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy

(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

(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent. ;



(F) on income by way of 30 per cent.;  
winnings from horse races

(G) on income by way of net 30 per cent.;  
winnings from online games

(H) on income by way of short-  
term capital gains referred to in  
section 111A, for any transfer which  
takes place—

(I) before the 23rd day of 15 per cent.;  
July, 2024

(II) on or after the 23rd day 20 per cent.;  
of July, 2024

(I) on income by way of long- 10 per cent.;  
term capital gains referred to in sub-  
clause (iii) of clause (c) of sub-  
section (I) of section 112, for any  
transfer which takes place before the  
23rd day of July, 2024

(J) on income by way of long-  
term capital gains referred to in  
section 112A exceeding one lakh  
twenty-five thousand rupees, for any  
transfer which takes place—

(I) before the 23rd day of 10 per cent.;  
July, 2024

(II) on or after the 23rd day 12.5 per  
of July, 2024 cent.;

(K) on income by way of other  
long-term capital gains [not being  
long-term capital gains referred to in  
clauses (33) and (36) of section 10],  
for any transfer which takes place—

(I) before the 23rd day of 20 per cent.;  
July, 2024

(II) on or after the 23rd day 12.5 per  
of July, 2024 cent.;

(L) on income by way of 10 per cent.;  
dividend, referred to in the proviso

to sub-clause (A) of clause (a) of sub-section (1) of section 115A

(M) on income by way of dividend other than the income referred to in sub-item (b)(ii)(L) 20 per cent.;

(N) on the whole of the other income 30 per cent.

2. In the case of a company—

(a) where the company is a domestic company—

(i) on income by way of interest other than “Interest on securities” 10 per cent.;

(ii) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(iii) on income by way of winnings from horse races 30 per cent.;

(iv) on income by way of net winnings from online games 30 per cent.;

(v) on any other income 10 per cent.;

(b) where the company is not a domestic company—

(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(ii) on income by way of winnings from horse races 30 per cent.;

(iii) on income by way of net winnings from online games 30 per cent.;

(iv) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt 20 per cent.;

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)

(v) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India 20 per cent.;

(vi) on income by way of royalty [not being royalty of the nature referred to in item (b)(v)] 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 April, 1976 50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976 20 per cent.;

(vii) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976 20 per cent.;

(viii) on income by way of short-term capital gains referred to in section 111A, for any transfer which takes place—

(I) before the 23rd day of July, 2024 15 per cent.;

(II) on or after the 23rd day of July, 2024 20 per cent.;

(ix) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of subsection (I) of section 112, for any transfer which takes place before the 23rd day of July, 2024 10 per cent.;

(x) on income by way of long-term capital gains referred to in section 112A exceeding one lakh twenty-five thousand rupees, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(xi) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10], for any transfer which takes place—

(I) before the 23rd day of July, 2024 20 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(xii) on income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of subsection (1) of section 115A 10 per cent.;

(xiii) on income by way of dividend other than the income referred to in item (b)(xii) 20 per cent.;

(xiv) on any other income 35 per cent.

*Explanation.*—For the purposes of item 1(b)(i) of this Part, “investment income” and “non-resident Indian” shall have the meanings respectively 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, except in case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of

clause (31) of section 2 of the Income-tax Act, being a non-resident, calculated,—

I. at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

II. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed two crore rupees;

III. at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees but does not exceed five crore rupees;

IV. at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds five crore rupees; and

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

Provided that in case where the total income includes any income by way of dividend or income under the provisions of sections 111A, 112 and 112A

of the Income-tax Act, the rate of surcharge on the amount of Income-tax deducted in respect of that part of income shall not exceed fifteen per cent.:

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

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

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

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

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

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

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

(d) in the case of every 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 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 tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.’;

### *PART III*

#### RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD “SALARIES” AND COMPUTING “ADVANCE TAX”

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head “Salaries” under section 192 of the said Act or deducted under section 194P of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” [not being “advance tax” in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the said Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such “advance tax” in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BAA or section 115BAB or section 115BAC or section 115BAD or section 115BAE or section 115BB or section 115BBA or section 115BBC or section 115BBE or section 115BBF or section 115BBG or section 115BBH or section 115BBI or section 115BBJ or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—



*Paragraph A*

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

*Rates of income-tax*

- (1) where the total income *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 which the total income  
does not exceed Rs. exceeds Rs. 2,50,000;  
5,00,000
- (3) where the total income Rs. 12,500 *plus* 20 per cent.  
exceeds Rs. 5,00,000 but of the amount by which the  
does not exceed Rs. total income exceeds Rs.  
10,00,000 5,00,000;
- (4) where the total income Rs. 1,12,500 *plus* 30 per  
exceeds Rs. 10,00,000 cent. of the amount by which  
the total income exceeds  
Rs.10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

*Rates of income-tax*

- (1) where the total income *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 which the total income  
does not exceed Rs. exceeds Rs.3,00,000;  
5,00,000

(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 Rs. 10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs.5,00,000;

(4) where the total income exceeds Rs. 10,00,000 Rs. 1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000;

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

*Rates of income-tax*

where the total income does not exceed Rs. 5,00,000 *Nil*;

where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;

where the total income exceeds Rs.10,00,000 Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000;

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

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

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

(c) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees but not exceeding five crore rupees, at the rate of twenty-five per cent. of such income-tax;

(d) having a total income (excluding the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax; and

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

Provided that in case where the total income includes any income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of Income-tax computed in respect of that part of income shall not exceed fifteen per cent.:

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of Income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

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

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

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

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

*Paragraph B*

In the case of every co-operative society,—

*Rates of income-tax*

- |   |  |
|---|--|
| (1) where the total income does not exceed Rs.10,000                        | 10 per cent. of the total income;  |
| (2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 | Rs. 1,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 20,000                               | Rs. 3,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000.        |

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purpose of the Union, calculated in the case of every co-operative society,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent.:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

*Paragraph C*

In the case of every firm,—

*Rate of income-tax*

On the whole of the total income	30 per cent.
----------------------------------	--------------

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph D*

In the case of every local authority,—

*Rate of income-tax*

On the whole of the total income                      30 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph E*

In the case of a company,—

*Rates of income-tax*

(I) In the case of a domestic company,—

(i) where its total turnover or 25 per cent. of the total the gross receipt in the income; previous year 2022-2023 does not exceed four hundred crore rupees;

(ii) other than that referred 30 per cent. of the total to in item (i) income.

(II) In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,—                      50 per cent.,

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government;

(ii) on the balance, if any, of the total income 35 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated,—

(i) in the case of every domestic company,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

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

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

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

#### ***PART IV***

[See section 2(13)(c)]

#### **RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME**

*Rule 1.*—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3), (3A) and (4) of section 40A.

*Rule 2.*—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head “Profits and gains of business or profession” and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3), (3A) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

*Rule 3.*—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax



Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from house property” and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

*Rule 4.*—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

*Rule 5.*—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

*Rule 6.*—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

*Rule 7.*—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

*Rule 8.*—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2024, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021, or the 1st day of April, 2022, or the 1st day of April, 2023, is a loss, then, for the purposes of sub-section (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, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, or the 1st day of April, 2023,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2023,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2023,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2024.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2025, 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, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024, 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, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2021 or the 1st day

of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2023, or the 1st day of April, 2024,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2023, 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, 2024,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2024,

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, 2025.

(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, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) or the First Schedule to the Finance Act, 2018 (13 of 2018) or the First Schedule to the Finance (No. 2) Act, 2019 (23 of 2019) or the First Schedule to the Finance Act, 2020 (12 of 2020) or the First Schedule to the Finance Act, 2021 (13 of

2021) or the First Schedule to the Finance Act, 2022 (6 of 2022) or the First Schedule to the Finance Act, 2023 (8 of 2023) 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 105)

Notification number to be amended	Amendment	Period of effect of amendment
(1)	(2)	(3)
<p>G.S.R. number 356(E), dated 10th May, 2023 [37/2023-Customs, dated 10th May, 2023].</p>	<p>In the said notification, in the Annexure, for the conditions, the following conditions shall be substituted, namely:—</p> <hr style="width: 50%; margin: auto;"/> <p style="text-align: center;">Conditions</p> <hr style="width: 50%; margin: auto;"/> <p>“(a) Importer produces to the Deputy Commissioner or the Assistant Commissioner of Customs, as the case may be, a valid Tariff Rate Quota (TRQ) authorisation for the Financial Year 2022-23 allotted by Directorate General of Foreign Trade;</p> <p>(b) The duty and cess benefit under the afore-said valid TRQ authorisation shall be restricted only to the extent of unutilised quota which is not used to claim such benefit under notification No. 30/2022-Customs, dated the 24th May, 2022, or under this notification from 11th May, 2023 and up to 30th June, 2023 (both days inclusive);</p> <p>(c) Bill of lading for concerned import consignment is issued on or before 31st March, 2023;</p> <p>(d) The TRQ is allotted to the importer by the Directorate General of Foreign Trade, in accordance with the relevant procedure as specified in the Hand Book of Procedures, 2015-20 or 2023, as applicable; and</p> <p>(e) The TRQ authorisation shall contain the name and address of the importer, IEC code, Customs notification No., sub-heading or tariff item as applicable, quantity and validity period of certificate.”.</p>	<p>1st day of April, 2023 to 10<sup>th</sup> day of May, 2023 (both days inclusive).</p>

THE THIRD SCHEDULE  
*[See section 107(a)]*

In the First Schedule to the Customs Tariff Act,—

(i) in Chapter 39, for the entry in column (4) occurring against all the tariff items of headings 3920 and 3921, the entry “25%” shall be substituted;

(ii) in Chapter 66, for the entry in column (4) occurring against the tariff item 6601 10 00, the entry “20% or Rs. 60 per piece, whichever is higher” shall be substituted;

(iii) in Chapter 98, for the entry in column (4) occurring against tariff item 9802 00 00, the entry “150%” shall be substituted.



## THE FOURTH SCHEDULE

[See section 107(b)]

In the Customs Tariff Act, in the First Schedule,—

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(1) in Chapter 19, in heading 1905,

- (i) for sub-heading 1905 32, tariff item 1905 32 11 and tariff item 1905 32 19 and the entries relating thereto, the following shall be substituted, namely:—

“1905 32	--	<i>Waffles and wafers :</i>			
1905 32 11	---	Coated with chocolate or containing chocolate	kg.	30%	-”;

- (ii) in sub-heading 1905 90, after tariff item 1905 90 40 and the entries relating thereto, the following shall be inserted, namely:—

	----	<i>Communion wafers :</i>			
1905 90 51	----	Coated with chocolate or containing chocolate	kg.	30%	-
1905 90 59	----	Other	kg.	30%	-”;

(2) in Chapter 20, for the entry in column (4) occurring against tariff items 2008 19 20 and 2008 19 30, the entry “150%” shall be substituted;

(3) in Chapter 27, —

- (i) in Supplementary Note, after sub-note (k), the following sub-note shall be inserted, namely:—

‘(l) for the purposes of tariff item 2710 19 33, the term “Blended Aviation turbine fuel” means any Aviation turbine fuel containing by weight 70% or more of Petroleum Oils or Oils obtained from Bituminous Minerals, blended with Synthesized Hydrocarbons conforming to Indian Standards Specification of Bureau of Indian Standards IS 17081:2019.’;

- (ii) after tariff item 2710 19 32 and the entries relating thereto, the following shall be inserted, namely:—

“2710 19 33	----	Blended Aviation turbine fuel	kg.	5%	-”;
-------------	------	-------------------------------	-----	----	-----

(4) in Chapter 29, —

- (i) after sub-heading note 2, the following Supplementary Note shall be inserted, namely:—

‘Supplementary Note :

For the purposes of tariff item 2906 11 10, the term “Natural Menthol” means an organic compound (C<sub>10</sub>H<sub>20</sub>O) which is obtained from the distillation of the Japanese type oil of mint or menthol mint known as *Mentha arvensis* but does not include those made synthetically through any chemical routes.’;

- (ii) for tariff item 2906 11 00 and the entries relating thereto, the following shall be substituted, namely:—

“2906 11	--	<i>Menthol</i> :			
2906 11 10	---	Natural Menthol	kg.	7.5%	-
2906 11 90	---	Other	kg.	7.5%	-”;

- (iii) tariff item 2922 29 33 and the entries relating thereto shall be omitted;

- (iv) after tariff item 2924 29 70 and the entries relating thereto, the following shall be inserted, namely:—

“2924 29 80	---	Paracetamol	kg.	7.5%	-”;
-------------	-----	-------------	-----	------	-----

- (5) in Chapter 38, —

- (i) for the entry in column (2) occurring against tariff item 3818 00 10, the following shall be substituted, namely:—

“--- Undiffused silicon wafers”;

- (ii) after tariff item 3818 00 10 and the entries relating thereto, the following shall be inserted, namely:—

“3818 00 20	---	Silicon carbide epitaxial thin film on substrate	kg.	Free	-
3818 00 30	---	Gallium nitride epitaxial thin film on substrate	kg.	Free	-”;

- (6) in Chapter 39, —

- (i) after tariff item 3920 10 92 and the entries relating thereto, the following shall be inserted, namely:—

“3920 10 93	----	Armour for ballistic protection	kg.	25%	-”;
-------------	------	---------------------------------	-----	-----	-----

- (ii) after tariff item 3921 90 26 and the entries relating thereto, the following shall be inserted, namely:—

“3921 90 27	----	Architectural membrane	kg.	25%	-”;
-------------	------	------------------------	-----	-----	-----

- (7) in Chapter 57, —

- (i) after Note 2, the following Supplementary Note shall be inserted, namely:—

‘Supplementary Note :

For the purposes of tariff items 5703 29 22, 5703 39 31, 5703 39 32, 5703 39 33 and 5703 39 39, the term “Special Finishes” means process of making the product with any one or more of the following properties such as fire resistant, fire retardant, chemical resistant,

anti-static, dust resistant, anti-stain, anti-microbial, anti-odor, UV stabilized, heat resistant, etc.’;

(ii) in heading 5703, —

(a) for tariff item 5703 29 20 and the entries relating thereto, the following shall be substituted, namely: —

<i>“--- 100% polyamide tufted velour, cut pile or loop pile carpet mats :</i>				
5703 29 21	----	With jute, rubber latex or PU foam backing	m <sup>2</sup>	20% or Rs.70 per sq. metre, whichever is higher -
5703 29 22	----	With ethylene vinyl acetate or vinyl acetate ethylene or latex coating and/or extruded polyvinyl chloride or thermoplastic polyolefin, with special finishes	m <sup>2</sup>	20% or Rs.70 per sq. metre, whichever is higher -
5703 29 29	----	Other	m <sup>2</sup>	20% or Rs.70 per sq. metre, whichever is higher -”;

(b) after tariff item 5703 39 20 and the entries relating thereto, the following shall be inserted, namely:—

<i>“--- Tufted velour, cut pile or loop pile carpet mats with ethylene vinyl acetate or vinyl acetate ethylene or latex coating and/or extruded polyvinyl chloride or thermoplastic polyolefin, with special finishes:</i>				
5703 39 31	----	Of 100% polypropylene	m <sup>2</sup>	20% or Rs. 55 per sq. metre, whichever is higher -
5703 39 32	----	Of 100% polyester	m <sup>2</sup>	20% or Rs. 55 per sq. metre, whichever is higher -
5703 39 33	----	Of 100% polyethylene	m <sup>2</sup>	20% or Rs. 55 per sq. metre, whichever is higher -
5703 39 39	----	Other	m <sup>2</sup>	20% or Rs.55 per sq. metre, whichever is higher -”;

(8) in Chapter 63, after tariff item 6307 90 91 and the entries relating thereto, the following shall be inserted, namely:—

“6307 90 92	----	Armour for ballistic protection	u	10%	-”;
-------------	------	---------------------------------	---	-----	-----

- (9) in Chapter 65, after tariff item 6506 10 10 and the entries relating thereto, the following shall be inserted, namely:—

“6506 10 20	---	Headgear for ballistic protection	u	10%	-”;
-------------	-----	-----------------------------------	---	-----	-----

- (10) in Chapter 69, for tariff item 6914 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“6914 90	-	<i>Other :</i>			
6914 90 10	---	Armour for ballistic protection	kg.	10%	-
6914 90 90	---	Other	kg.	10%	-”;

- (11) in Chapter 73, for tariff item 7308 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“7308 10	-	<i>Bridges and bridge-sections :</i>			
7308 10 10	---	Portable bridge	u	15%	-
7308 10 90	---	Other	u	15%	-”;

- (12) in Chapter 76, for tariff item 7610 90 20 and the entries relating thereto, the following shall be substituted, namely: —

	“---	<i>Parts of structures, not elsewhere specified :</i>			
7610 90 21	----	Portable bridge	kg.	10%	-
7610 90 29	----	Other	kg.	10%	-”;

- (13) in Chapter 84, —

- (i) after tariff item 8412 29 10 and the entries relating thereto, the following shall be inserted, namely: —

“8412 29 20	---	Hydraulic systems for use in goods of Chapter 89	u	7.5%	-”;
-------------	-----	--	---	------	-----

- (ii) for tariff item 8430 69 00 and the entries relating thereto, the following shall be substituted, namely:—

“8430 69	--	<i>Other :</i>			
8430 69 10	---	Mine plough machinery	u	7.5%	-
8430 69 90	---	Other	u	7.5%	-”;

- (iii) in sub-heading 8443 99, —

- (a) for the entry in column (2) occurring against tariff item 8443 99 51, the entry “----Cartridges or toners, with print head assembly” shall be substituted;

- (b) for the entry in column (2) occurring against tariff item 8443 99 52, the entry “---- Cartridges or toners, with print head assembly” shall be substituted;

- (iv) after tariff item 8479 89 70 and the entries relating thereto, the following shall be inserted, namely: —

“8479 89 80	---	Machinery for use in goods of Chapter 88 or 89	u	7.5%	-”;
-------------	-----	--	---	------	-----

- (14) in Chapter 85, for tariff item 8537 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“8537 10	-	<i>For a voltage not exceeding 1,000 V :</i>			
8537 10 10	---	For use in goods of Chapter 88 or 89 or 93	kg.	15%	-
8537 10 90	---	Other	kg.	15%	-”;

- (15) in Chapter 87, —

- (i) after sub-heading note 1, the following Supplementary Note shall be inserted, namely:—

‘Supplementary Note:

For the purposes of tariff item 8711 60 80, the term “E-bicycle or battery operated pedal assisted vehicle” means vehicle equipped with an auxiliary electric motor having a thirty-minute power less than 0.25 kW and maximum speed not exceeding 25 km/h and conforming to the provisions of the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder.’;

- (ii) for tariff item 8705 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“8705 90	-	<i>Other :</i>			
8705 90 10	---	Lorries (Trucks) fitted with bridging systems	u	10%	-
8705 90 90	---	Other	u	10%	-”;

- (iii) after tariff item 8711 60 30 and the entries relating thereto, the following shall be inserted, namely:—

“8711 60 80	---	E-bicycle or battery-operated pedal assisted vehicle	u	100%	-”;
-------------	-----	--	---	------	-----

- (16) in Chapter 88, for tariff item 8807 30 00 and the entries relating thereto, the following shall be substituted, namely:—

“8807 30	-	<i>Other parts of aeroplanes, helicopters or unmanned aircraft :</i>			
8807 30 10	---	Of aeroplanes, helicopters	kg.	2.5%	-
8807 30 20	---	Of unmanned aircraft	kg.	2.5%	-”;

- (17) in Chapter 89, for tariff item 8906 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“8906 90	-	<i>Other :</i>			
8906 90 10	---	Patrol or surveillance boat, air-cushion vehicle, remote-operated vehicle	u	10%	-
8906 90 90	---	Other	u	10%	-”;

(18) in Chapter 93, for tariff item 9305 99 00 and the entries relating thereto, the following shall be substituted, namely:—

“9305 99	--	<i>Other :</i>			
9305 99 10	---	Of goods of heading 9304	kg.	10%	-
9305 99 90	---	Other	kg.	10%	-”.

THE FIFTH SCHEDULE  
(See section 108)

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R. 163(E), dated the 17th March, 2012 [12/2012-Central Excise, dated 17th March, 2012]	In the said notification, in the ANNEXURE, in Condition No.43, under heading “Conditions”, in clause (b),—  <p style="text-align: center;">(i) for the words “a term of one hundred and twenty-six months”, the words “a term of one hundred and sixty-two months” shall be substituted; and</p> <p style="text-align: center;">(ii) for the words “with in a period of one hundred and twenty months”, the words “within a period of one hundred and fifty-six months” shall be substituted.</p>	29th day of June, 2017

THE SIXTH SCHEDULE  
(See section 109)

Sl. No.	Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)	(4)
1.	G.S.R.794(E), dated the 30th June, 2017 [12/2017-Central Excise, dated the 30th June, 2017].	<p>In the said Notification,—</p> <p>(i) in the preamble,—</p> <p style="padding-left: 40px;">(a) after the words, figures and brackets “the Central Excise Act, 1944 (1 of 1944)”, the words, figures and brackets “read with section 83 of the Finance Act, 2010 (14 of 2010)” shall be inserted;</p> <p style="padding-left: 40px;">(b) after the words “Central Excise Act”, the words “and Clean Environment Cess leviable thereon under the said Finance Act” shall be inserted;</p> <p>(ii) after clause (b), the following clause shall be inserted, namely:—</p> <p style="padding-left: 40px;">“(c) the appropriate goods and services tax compensation cess, wherever applicable, shall be payable on such goods, if cleared on or after the 1st July, 2017 as leviable on such goods under the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).”.</p>	30th day of June, 2017.



## STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to give effect to the financial proposals of the Central Government for the financial year 2024-2025. The notes on clauses explain the various provisions contained in the Bill.

NIRMALA SITHARAMAN.

NEW DELHI;  
*The 22nd July, 2024.*

---

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE  
CONSTITUTION OF INDIA

[Copy of letter No. 2(6)-B(D)2024, dated the 22nd July, 2024 from Smt. Nirmala Sitharaman, Minister of Finance, to the Secretary-General, Lok Sabha].

The President, having been informed of the subject matter of the proposed Bill, recommends under clauses (1) and (3) of article 117, read with clause (1) of article 274, of the Constitution of India, the introduction of the Finance (No.2) Bill, 2024 to the Lok Sabha and also recommends to the Lok Sabha the consideration of the Bill.

2. The Bill will be introduced in the Lok Sabha immediately after the presentation of the Budget on the 23rd July, 2024.

*Notes on Clauses*

*Clause 2* read with the First Schedule to the Bill, seeks to specify the rates at which income-tax is to be levied on income chargeable to tax for the assessment year 2024-2025. Further, it lays down the rates at which tax is to be deducted at source during the financial year under the Income-tax Act; and the rates at which “advance tax” is to be paid, tax is to be deducted at source from, or paid on, income chargeable under the head “Salaries” or deducted under section 194P of the Income-tax Act and tax is to be calculated and charged in special cases for the financial year 2024-2025.

*Clause 3* of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions.

Clause (22) of the said section provides the definition of dividend which, *inter alia*, does not include any payment made by a company on purchase of its own shares from a shareholder in accordance with the provisions of section 77A of the Companies Act, 1956.

It is proposed to amend the said clause so as to insert sub-clause (f) therein and omit item (iv) to provide that dividend, *inter alia*, include any payment by a company on purchase of its own shares from a shareholder in accordance with the provisions of section 68 of the Companies Act, 2013.

These amendments will take effect from 1st October, 2024.

Clause (42A) of the said section provides that “short-term capital asset” means a capital asset held by an assessee for not more than thirty-six months immediately preceding the date of its transfer, provided that in the case of a security (other than a unit) listed in a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963) or a unit of an equity oriented fund or a zero coupon bond or in case of a share of a company (not being a share listed in a recognised stock exchange) or a unit of a Mutual Fund specified under clause (23D) of section 10, which is transferred during the period beginning on the 1st day of April, 2014 and ending on the 10th day of July, 2014, the period of holding for the purposes of this clause would be twelve months. The clause also provides that in the case of a share of a company, not being a share listed in a recognised stock exchange in India, or an immovable property, being land or building or both, the period of holding for the purposes of the clause would be twenty-four months.

It is proposed to amend the said clause so as to provide that a “short-term capital asset” would mean a capital asset held by an assessee for not more than twenty-four months immediately preceding the date of its transfer.

It is further proposed to amend the first proviso so as to substitute the period of thirty-six months to twenty-four months in order to align the proviso with the amendment proposed above.

It is also proposed to amend the second proviso to insert the words, brackets, letters and figures “as it stood immediately prior to the commencement of the Finance (No.2) Act, 2024” after the words “had been substituted”. It is also proposed to omit the third proviso thereof.

This amendment will take effect retrospectively from 23rd July, 2024.

Clause 4 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

Clause (4D) of the said section, *inter alia*, provides that any income accrued or arisen to, or received by a specified fund, shall not be included in computing the total income of a previous year subject to the conditions mentioned therein.

It is proposed to insert a new sub-item in item (I) of sub-clause (i) of clause (c) of the *Explanation* to said clause (4D) to expand the scope of specified fund so as to include a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate, which has been granted a certificate as a retail scheme or an Exchange Traded Fund and is regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, made under the International Financial Services Centres Authority Act, 2019 and satisfies such conditions as may be provided by rules.

It is further proposed to insert a new clause (15B) in the said section to provide that any income of a foreign company from lease rentals by whatever name called, of cruise ships, received from a specified company which operates such ship or ships in India, where such foreign company and the specified company are the subsidiaries of the same holding company, and such income is received or accrues or arises in India for any assessment year beginning on the 1st day of April, 2030.

The *Explanation* proposed to the said clause provides the meaning of the expressions “specified company”, “holding company” and “subsidiary company”.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

Clause (23C) of said section provides exemption to the income of certain entities.

Sub-clauses (iv), (v), (vi) and (via) of clause (23C) of the said section provide exemption to the income received by any person on behalf of any fund or trust or institution or university or other educational institutions or hospital or other institutions which may be approved or provisionally approved by the Principal Commissioner or Commissioner.

First proviso to clause (23C), *inter alia*, provides that exemption to the fund or trust or institution or university or other educational institution or hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), under the respective sub-clauses, shall not be available to it unless such fund or trust or institution or university or other educational institution or hospital or other medical institution makes an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for grant of approval within the time as provided under the said proviso and the said fund or trust or institution or university or other educational institution or hospital or other medical institution is approved under the second proviso.

Second proviso to clause (23C) of the said section, provides for the procedure for granting approval to by the Principal Commissioner or Commissioner, on receipt of an application made under the first proviso.

It is also proposed to amend the first and second provisos to clause (23C) of the said section to restrict their applicability to the applications made before the 1st October, 2024.

It is also proposed to insert a new proviso to clause (23C) of the said section so as to provide that no approval under second proviso shall be granted in relation to any application made on or after the 1st October, 2024.

These amendments will take effect from 1st October, 2024.

Clause (23EE) of the said section provides exemption to the specified income of Core Settlement Guarantee Fund, set up by a recognised clearing corporation in accordance with the regulations.

Clause (i) of the *Explanation* to the said clause defines the expression “recognised clearing corporation” and clause (ii) thereof defines the expression “regulations”.

It is also proposed to amend clause (i) of the said *Explanation* to expand the definition of the expression “recognised clearing corporation” by including the recognised clearing corporation as defined in clause (n) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019 also within its scope.

It is also proposed to amend clause (ii) of the said *Explanation* to expand the definition of the term “regulations” by including the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019 also within its scope.

Clause (23FB) of the said section, *inter alia*, provides that any income of a venture capital company or venture capital fund from investment in a venture capital undertaking, shall not be included in computing the total income of a previous year.

It is also proposed to amend item (II) of sub-clause (A) of clause (b) of the *Explanation* to the said clause (23FB) to expand the scope of venture capital fund to include the venture capital fund referred to in sub-regulation (2) of regulation 18 of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019.

It is also proposed to insert sub-item (iv) in the said item (II) to provide for any other condition as may be provided by rules.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

Clause (34) of the said section provides exemption to any income arising to an assessee, being a shareholder, on account of buy back of shares by the company as referred to in section 115QA.

It is also proposed to insert a new proviso to clause (34) of the said section so as to provide that this clause shall not apply with respect to any buy back of shares by a company on or after the 1st day of October, 2024.

This amendment will take effect from 1st October, 2024.

Clause (50) of the said section provides exemption to any income arising from any specified service provided on or after the date on which the provisions of Chapter VIII of the Finance Act, 2016 comes into force, or arising from any e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020 and chargeable to equalisation levy under that Chapter.

It is also proposed to amend the said clause so as to exempt the income arising from any e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020 till the 1st day of August, 2024.

This amendment will take effect retrospectively from 1st August, 2024.

*Clause 5* of the Bill seeks to amend section 11 of the Income-tax Act relating to income from property held for charitable or religious purposes.

Sub-section (7) of the said section provides that where a trust or an institution has been granted registration under section 12AA or section 12AB or has obtained registration at any time under section 12A and the said registration is in force for any previous year, then, nothing contained in section 10 [other than clause (1), clause (23C), clause (23EC), clause (46) and clause (46A) thereof] shall operate to exclude any income derived from the property held under trust from the total income of the person in receipt thereof for that previous year.

It is proposed to amend the sub-section of the said section so as to provide the reference of clause (23EA), clause (23ED) and clause (46B) of section 10 therein.

First proviso to sub-section (7) of the said section provides that registration shall become inoperative from the date on which the trust or institution is approved under clause (23C) of section 10 or is notified under clause (23EC) or clause (46) or clause (46A) of section 10, as the case may be, or the date on which this proviso has come into force, whichever is later.

It is further proposed to amend the first proviso to said sub-section of the said section so as to provide that such registration shall become inoperative from the date on which the trust or institution is approved under clause (23C) of section 10 or is notified under clause (23EA), clause (23EC), clause (23ED), clause (46) or clause (46A) of the said section, as the case may be, or the date on which this proviso has come into force, whichever is later, or, the 1st day of April of the previous year relevant to the assessment year for which the exemption is claimed under clause (46B) of section 10.

Second proviso to sub-section (7) of the said section provides that the trust or institution, whose registration has become inoperative under the first proviso, may apply to get its registration operative under section 12AA or section 12AB subject to the condition that on doing so, the approval under clause (23C) of section 10 or notification under clause (23EC) or clause (46) or clause (46A) of section 10, as the case may be, to such trust or institution

shall cease to have any effect from the date on which the said registration becomes operative and thereafter, it shall not be entitled to exemption under the respective clauses.

It is proposed to amend the said second proviso so as to provide that the trust or institution, whose registration has become inoperative under the first proviso, may apply to get its registration operative under section 12AA or section 12AB subject to the condition that on doing so, the approval under clause (23C) of section 10 or notification under clause (23EA) or clause (23EC) or clause (23ED) or clause (46) or clause (46A) of the said section, as the case may be, to such trust or institution shall cease to have any effect from the date on which the said registration becomes operative and thereafter, it shall not be entitled to exemption under the respective clauses.

These amendments will take effect from 1st April, 2025.

Clause 6 of the Bill seeks to amend section 12A of the Income-tax Act relating to conditions for applicability of sections 11 and 12.

Sub-section (1) of the said section provides the conditions for applicability of sections 11 and 12 in respect of income of any trust or institution.

Clause (ac) of the said sub-section provides that the provisions of section 11 and section 12 shall not apply in relation to the income of any trust or institution unless, *inter alia*, such trust or institution has made an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for registration of the trust or institution within the time period specified under the said clause and such trust or institution is registered under section 12AB.

Sub-clause (ii) of clause (ac) of sub-section (1) of the said section provides that where the trust or institution is registered under section 12AB and the period of the said registration is due to expire, such trust or institution shall make an application for registration at least six months prior to expiry of the said period.

Sub-clause (iii) of clause (ac) of sub-section (1) of the said section provides that where the trust or institution has been provisionally registered under section 12AB, such trust or institution shall make an application for registration at least six months prior to expiry of period of the provisional registration or within six months of commencement of its activities, whichever is earlier.

It is proposed to amend said sub-clauses (ii) and (iii) of clause (ac) of the said sub-section to allow trust or institution approved or provisionally approved as the case may be, under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 to apply under the said sub-clauses with similar conditions.

It is further proposed to insert proviso to clause (ac) of sub-section (1) of the said section to provide that where the application is filed beyond the time allowed in sub-clauses (i) to (vi), the Principal Commissioner or Commissioner may, if he considers that there is a reasonable cause for delay in filing the application, condone such delay and such application shall be deemed to have been filed within time.

These amendments will take effect from 1st October, 2024.

*Clause 7* of the Bill seeks to amend section 12AB of the Income-tax Act relating to procedure for fresh registration.

Sub-section (3) of the said section provides that the order under clause (a), sub-clause (ii) of clause (b) and clause (c), of sub-section (1) shall be passed, in such form and manner as may be provided by rules, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received.

It is proposed to amend sub-section (3) of the said section so as to provide that the order under sub-clause (ii) of clause (b) of sub-section (1) shall be passed, in such form and manner as may be provided by rules, before expiry of the period of six months from the end of the quarter in which the application was received.

This amendment will take effect from 1st October, 2024.

*Clause 8* of the Bill seeks to insert a new section 12AC of the Income-tax Act relating to merger of charitable trusts or institutions in certain cases.

The proposed new section provides that any trust or institution registered under section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be, merges with another trust or institution, the provisions of Chapter XII-EB shall not apply if—

- (i) the other trust or institution has same or similar objects;
- (ii) the other trust or institution is registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be; and
- (iii) the said merger fulfils such conditions as may be provided by rules.

This amendment will take effect from 1st April, 2025.

*Clause 9* of the Bill seeks to amend section 13 of the Income-tax Act relating to section 11 not to apply in certain cases.

Clause (d) of sub-section (1) of the said section provides that, in the case of a trust for charitable or religious purposes or a charitable or religious institution, nothing contained in section 11 or section 12 shall operate so as to exclude any income, from the total income of the previous year of such trust or institution, if for any period during the previous year, any funds of the trust or institution are, *inter alia*, invested or deposited otherwise than in any one or more of the forms or modes specified in sub-section (5) of section 11.

It is proposed to insert clause (iv) in the first proviso to clause (d) of sub-section (1) of the said section to exclude any asset referred to in sub-clauses (i), (ia) and (ii) of clause (b) of the third proviso to clause (23C) of section 10 or any accretion to the shares, forming part of the corpus mentioned in the said sub-clauses (i) and (ia) and voluntary contributions referred to in sub-clause (iv) of clause (b) of the said proviso.

This amendment will take effect from 1st October, 2024.

*Clause 10* of the Bill seeks to amend section 16 of the Income-tax Act relating to deductions from salaries.

The provisions of clause (ia) of the said section provides that a deduction of fifty thousand rupees or the amount of the salary, whichever is less, shall be made before computing the income under the head “Salaries”.

It is proposed to insert a new proviso in the said clause to provide that in a case where income-tax is computed under clause (ii) of sub-section (1A) of section 115BAC, the provisions of clause (ia) of section 16 shall have effect as if for the words “fifty thousand rupees”, the words “seventy-five thousand rupees” had been substituted.

This amendment will take effect from 1st April, 2025, and will accordingly apply to assessment year 2025-2026 and subsequent years.

*Clause 11* of the Bill seeks to amend section 28 of the Income-tax Act relating to profits and gains of business or profession.

The said section provides various types of income that shall be chargeable to income-tax under the head “Profits and gains of business or profession”.

It is proposed to amend the said section and insert a new *Explanation* so as to provide that any income from letting out of a residential house or a part of the house by the owner, shall not be chargeable under the head “Profits and gains of business or profession” and shall be chargeable to tax under the head “Income from house property”.

This amendment will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 12* of the Bill seeks to amend section 36 of the Income-tax Act relating to other deductions.

Sub-section (1) of said section provides for various deductions allowed while computing the income under the head ‘Profits and gains of business or profession’. Clause (iva) of the said sub-section provides that any sum paid by the assessee as an employer by way of contribution towards a pension scheme, as referred to in section 80CCD, on account of an employee to the extent it does not exceed ten per cent. of the salary of the employee in the previous year, shall be allowed as a deduction to the assessee.

It is proposed to amend the said clause so as to increase the amount of such employer contribution allowed as deduction to the employer, from ten per cent. to fourteen per cent. of the salary of the employee in the previous year.

This amendment will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 13* of the Bill seeks to amend section 37 of the Income-tax Act relating to general.



Sub-section (1) of said section, *inter alia*, provides that any expenditure not being the expenditure described under section 30 to 36 or of capital or personal nature, shall be allowed in computing the income chargeable under the head “profits and gains of business or profession”.

*Explanation 1* to the said sub-section provides that if any expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law shall not be deemed to have been incurred for the purpose of business or profession and no deduction or allowance shall be made in respect of such expenditure. *Explanation 3* to the said sub-section, clarifies the expression “expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law” for the purposes of *Explanation 1*.

It is proposed to amend the said *Explanation 3* to include any expenditure incurred by an assessee to settle proceedings initiated in relation to contravention under such law as may be notified by the Central Government in the Official Gazette in this behalf within the scope of its clarification.

This amendment will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 14* of the Bill seeks to amend section 40 of the Income-tax Act relating to amounts not deductible.

Sub-clause (v) of clause (b) of the said section provides for disallowance of remuneration paid to any working partner above certain threshold limits.

It is proposed to amend item (a) of sub-clause (v) of clause (b) of the said section 40 so as to increase the limit of remuneration to working partners, which is allowable as deduction such that on the first Rs 6,00,000 of the book-profit or in case of a loss, the limit of remuneration is increased to Rs 3,00,000 or at the rate of 90 per cent. of the book-profit, whichever is more.

This amendment will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 15* of the Bill seeks to amend section 43D of the Income-tax Act relating to special provision in case of income of public financial institutions, public companies, etc.

The said section provides that the income by way of interest credited in relation to certain categories of bad or doubtful debts shall be chargeable to tax in the previous year in which it is credited to the profit and loss account or, as the case may be, in which it is actually received, whichever is earlier.

It is proposed to amend the marginal heading to omit the expression “public companies,” and “or the public company” from body of the said section.

It is further proposed to omit clause (b) of the said section and clauses (a) and (b) of the *Explanation* thereof.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 16* of the Bill seeks to amend section 44B of the Income-tax Act relating to special provision for computing profits and gains of shipping business in the case of non-residents.

It is proposed to amend the marginal heading and sub-section (1) of the said section so as to provide that the same shall be applicable in the case of non-resident assessee engaged in the business of operation of ships other than cruise ships referred to in section 44BBC.

Sub-section (1) of the said section provides that notwithstanding anything to the contrary contained in sections 28 to 43A, in the case of an assessee, being a non-resident, engaged in the business of operation of ships, a sum equal to seven and a half per cent. of the aggregate of the amounts specified in sub-section (2) of the said section shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

It is further proposed to amend the said sub-section to exclude the application of cruise ships referred to in section 44BBC from the said section.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 17* of the Bill seeks to insert new section 44BBC in the Income-tax Act relating to special provision for computing profits and gains of the business of operation of cruise ships in the case of non-residents.

Sub-section (1) of the said section seeks to provide that notwithstanding anything to the contrary contained in sections 28 to 43A, in the case of an assessee, being a non-resident, engaged in the business of operation of cruise ships subject to the conditions, a sum equal to twenty per cent. of the aggregate of the amounts specified in sub-section (2) shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

Sub-section (2) of the said section further proposes to provide that the amounts referred to in sub-section (1) shall be the following, namely:—

- (i) the amount paid or payable to the assessee or to any person on his behalf on account of the carriage of passengers; and
- (ii) the amount received or deemed to be received by or on behalf of the assessee on account of the carriage of passengers.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 18* of the Bill seeks to amend section 46A of the Income-tax Act relating to capital gains on purchase by company of its own shares or other specified securities.

The said section provides that where a shareholder or a holder of other specified securities receives any consideration from any company for purchase of its own shares or other specified securities held by such shareholder or holder of other specified securities, then, subject to the provisions of section 48, the difference between the cost of acquisition and the value of consideration received by the shareholder or the holder of other specified securities, as the case may be, shall be deemed to be the capital gains arising to such shareholder or the holder of other specified securities, as the case may be, in the year in which such shares or other specified securities were purchased by the company.

It is proposed to insert a proviso to the said section so as to provide that where the shareholder receives any consideration of the nature referred to in sub-clause (f) of clause (22) of section 2 from any company, in respect of any buy-back of shares, that takes place on or after the 1st day of October, 2024, then for the purposes of this section, the value of consideration received by the shareholder shall be deemed to be nil.

This amendment will take effect from 1st October, 2024.

*Clause 19* of the Bill seeks to amend section 47 of the Income-tax Act relating to transactions not regarded as transfer.

The provisions of clause (iii) of the said section provide that any transfer of a capital asset, under a gift or will or an irrevocable trust shall not be regarded as a transfer. The proviso to the said clause makes an exception to the clause in respect of specified Employees' Stock Option Plan or Scheme of a company.

It is proposed to substitute the said clause so as to provide that nothing contained in section 45 shall apply to any transfer of a capital asset by an individual or a Hindu undivided family under a gift or will or an irrevocable trust.

This amendment will take effect from 1st April, 2025 and will, accordingly, apply to assessment year 2025-2026 and subsequent years.

*Clause 20* of the Bill seeks to amend section 48 of the Income-tax Act relating to mode of computation.

The second proviso to the said section provides that where long-term capital gain arises from the transfer of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company referred to in the first proviso, the provisions of clause (ii) of the section shall have effect as if for the words "cost of acquisition" and "cost of any improvement", the words "indexed cost of acquisition" and "indexed cost of any improvement" had respectively been substituted.

It is proposed to amend the said proviso so as to limit its applicability to cases where long-term capital gain arises from the transfer which takes place before the 23rd day of July, 2024, of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company referred to in the first proviso.

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 21* of the Bill seeks to amend section 50AA of the Income-tax Act relating to Special provision for computation of capital gains in case of Market Linked Debenture.

It is proposed to substitute the opening portion of the said section so as to provide that notwithstanding anything contained in clause (42A) of section 2 or section 48, where the capital asset—

(a) is a unit of a Specified Mutual Fund acquired on or after the 1st day of April, 2023 or a Market Linked Debenture; or

(b) is an unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after the 23rd day of July, 2024;

the full value of consideration received or accruing as a result of the transfer or redemption or maturity of such debenture or unit or bond as reduced by—

(i) the cost of acquisition of the debenture or unit or bond; and

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

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

This amendment will take effect retrospectively from 23rd July, 2024.

Clause (ii) of the *Explanation* to the said section provides that for the purposes of the section, “Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than thirty-five per cent. of its total proceeds is invested in the equity shares of domestic companies, provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.

It is further proposed to substitute the clause (ii) of the *Explanation* and its proviso to provide that "Specified Mutual Fund" means a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments, or a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a), provided that the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures, and provided further that for the purposes of this clause, “debt and money market instruments” shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent years.

*Clause 22* of the Bill seeks to amend section 55 of the Income-tax Act relating to meaning of “adjusted, “cost of improvement” and “cost of acquisition”.

Sub-clause (iii) of clause (a) of the *Explanation* to clause (ac) of sub-section (2) of the said section, *inter alia*, provides that where the capital asset is an equity share in a company, the “fair market value” means 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.

It is proposed to insert item (AA) in the said sub-clause to provide that in a case where the capital asset is an equity share in a company which is not listed on a recognised stock exchange as on the 31st day of January, 2018, or 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, as the case may be, but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer, “fair market value” would mean 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.

This amendment will take effect retrospectively from 1st April, 2018 and will, accordingly, apply in relation to the assessment year 2018-2019 and subsequent years.

*Clause 23* of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

The provisions of clause (viib) of sub-section (2) of the said section provides that where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to income-tax under the head "Income from other sources".

It is also provides that this clause shall not apply where the consideration for issue of shares is received (i) by a venture capital undertaking from a venture capital company or a venture capital fund or a specified fund; or (ii) by a company from a class or classes of persons as may be notified by the Central Government in this behalf.

It is proposed to amend the said clause so as to provide that the provisions of the said clause shall not apply on or after 1st April, 2025.

This amendment will take effect from 1st April, 2025.

*Clause 24* of the Bill seeks to amend section 57 of the Income-tax Act relating to deductions.

Clause (i) of the said section provides that the income chargeable under the head "Income from other sources" in the case of dividends, or interest on securities, shall be computed after making the deductions, of any reasonable sum paid by way of commission or remuneration to a banker or any other person for the purpose of realising such dividend or interest on behalf of the assessee.

It is proposed to amend the said clause to exclude the dividend referred in sub-clause (f) of clause (22) of section 2 for the purposes of the said clause.

It is also proposed to insert a new proviso to the said section to provide that that no deduction shall be allowed in case of dividend income of the nature referred to in sub-clause (f) of clause (22) of section 2.

These amendments will take effect from 1st October, 2024.

Clause (iia) of the said section provides that in the case of income in the nature of family pension, a deduction of a sum equal to thirty-three and one-third per cent. of such income or fifteen thousand rupees, whichever is less, shall be made before computing the income chargeable under the head “Income from other sources”.

It is proposed to insert a new proviso in the said clause so as to provide that in a case where income-tax is computed under clause (ii) of sub-section (1A) of section 115BAC of the Act, the provisions of clause (iia) of section 57 shall have effect as if for the words “fifteen thousand rupees”, the words “twenty-five thousand rupees” had been substituted.

This amendment will take effect from 1st April, 2025, and will accordingly apply to assessment year 2025-2026 and subsequent years.

*Clause 25* of the Bill seeks to amend section 80CCD of the Income-tax Act relating to deduction in respect of contribution to pension scheme of Central Government.

Sub-section (2) of the said section provides that any contribution by the Central Government or the State Government or any other employer to the account of an assessee referred to in sub-section (1), shall be allowed as a deduction to the assessee in the computation of their total income, if it does not exceed fourteen per cent. of their salary in previous year, where such contribution is made by the Central Government or the State Government and ten per cent. of salary in previous year where such contribution is made by any other employer.

It is proposed to insert a proviso to sub-section (2) in the said section, to provide that where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, the assessee shall be allowed as a deduction of the whole of the amount of the employer contribution as does not exceed fourteen per cent. of his salary in previous year.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 26* of the Bill seeks to amend section 80G of the Income-tax Act relating to deduction in respect of donations to certain funds, charitable institutions, etc.

Sub-clause (iihg) of clause (a) of sub-section (2) of the said section provides that in computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, any sums paid by the assessee in the previous year as donations to the National Sports Fund to be set up by the Central Government.

Since, the Central Government had already set up the said fund by the name National Sports Development Fund with effect from 12th November, 1998, it is proposed to amend sub-clause (iii) of clause (a) of the said sub-section so as to substitute the expression “The National Sports Fund to be set up” with the expression “The National Sports Development Fund set up”.

This amendment will take effect from 1st April, 2025, and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

First proviso to sub-section (5) of the said section provides that the institution or fund referred to in clause (vi) shall make an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for grant of approval.

It is further proposed to amend the first proviso to sub-section (5) of the said section so as to insert “or” between the clause (iii) and (iv) of the said first proviso and to amend clause (iv) of first proviso thereof to provide that, where activities of the institution or fund have not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought; or commenced, at any time after the commencement of such activities shall make an application for grant of approval.

Item (B) of sub-clause (b) of clause (ii) of second proviso to sub-section (5) of the said section, *inter alia*, provides that the Principal Commissioner or Commissioner, on receipt of an application made under the first proviso, shall where the application is made under clause (ii) or clause (iii) or sub-clause (B) of clause (iv) of the first proviso, after satisfying himself about the genuineness of activities and the fulfilment of all the conditions if he is not so satisfied, pass an order in writing, in this manner specified therein after affording it a reasonable opportunity of being heard.

It is also proposed to amend item (B) of sub-clause (b) of clause (ii) of second proviso to the said sub-section (5) to provide that if the Principal Commissioner or Commissioner is not so satisfied, shall pass an order in writing, rejecting such application and cancelling its approval, if any, after affording it a reasonable opportunity of being heard.

Third proviso to sub-section (5) of the said section provide that the order under clause (i), sub-clause (b) of clause (ii) and clause (iii) of the second proviso to the said sub-section (5) shall be passed in such form and manner as may be provided by rules, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received.

It is also proposed to amend the third proviso to said sub-section (5) to omit that the order under sub-clause (b) of clause (ii) of the second proviso to the said sub-section (5) shall be passed in such form and manner as may be provided by rules, before expiry of the period of six months, calculated from the end of the month in which the application was received.

It is also proposed to insert a proviso after the third proviso to sub-section (5) of the said section to provide that the order under sub-clause (b) of clause (ii) of the second proviso shall be passed in such form and manner as may be provided by rules, before expiry of the period of six months from the end of the quarter in which the application was received.

These amendments will take effect from 1st October, 2024.

*Clause 27* of the Bill seeks to amend section 92CA of the Income-tax Act relating to reference to Transfer Pricing Officer.

Sub-section (2A) of the said section provides that where any other international transaction [other than an international transaction referred under sub-section (1)], comes to the notice of the Transfer Pricing Officer during the course of the proceedings before him, the provisions of Chapter X shall apply as if such other international transaction is an international transaction referred to him under sub-section (1).

Sub-section (2B) of the said section provides that where in respect of an international transaction, the assessee has not furnished the report under section 92E and such transaction comes to the notice of the Transfer Pricing Officer during the course of the proceeding before him, the provisions of Chapter X shall apply as if such transaction is an international transaction referred to him under sub-section (1).

It is proposed to amend the said sub-section so as to include reference of specified domestic transaction in them.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 28* of the Bill seeks to amend section 94B of the Income-tax Act relating to limitation on interest deduction in certain cases.

Sub-section (3) of the said section provides that nothing contained in sub-section (1) shall apply to an Indian company or a permanent establishment of a foreign company which is engaged in the business of banking or insurance or such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf.

It is proposed to amend the said sub-section so as to include reference of a Finance Company located in any International Financial Services Centre.

It is further proposed to amend sub-section (5) of the said section to provide the meaning of expressions “Finance Company” and “International Financial Services Centre”

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 29* of the Bill seeks to amend section 111A of the Income-tax Act relating to tax on short-term capital gains in certain cases.

The said section, *inter alia*, provides that where the total income of an assessee includes any income chargeable under the head "Capital gains", arising from the transfer of a short-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 and—



(a) the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force; and

(b) such transaction is chargeable to securities transaction tax under that Chapter, the tax payable by the assessee on the total income shall be the aggregate of—

(i) the amount of income-tax calculated on such short-term capital gains at the rate of fifteen per cent; and

(ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount 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 short-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such short-term capital gains 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 and the tax on the balance of such short-term capital gains shall be computed at the rate of fifteen per cent

It is proposed to substitute longline so as to provide that the tax payable by the assessee on the total income shall be the aggregate of—

(i) the amount of income-tax calculated on such short term capital gains:—

(a) at the rate of fifteen per cent. for any transfer which takes place before the 23rd day of July, 2024 ; and

(b) at the rate of twenty per cent. for any transfer which takes place on or after the 23rd day of July, 2024;

(ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income of the assessee.

It is further proposed that in the case of an individual or a Hindu undivided family, being a resident, where the total income as reduced by such short-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such short-term capital gains 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 and the tax on the balance of such short-term capital gains shall be computed at the rate as applicable in clause (i).

These amendments will take effect retrospectively from 23rd July, 2024.

*Clause 30* of the Bill seeks to amend section 112 of the Income-tax Act relating to tax on long-term capital gains.

The said section provides that where the total income of an assessee includes any income, arising from the transfer of a long-term capital asset, which is chargeable under the head “Capital gains”, the tax payable by the assessee on the total income shall be the aggregate of,—

(a) in the case of an individual or a Hindu undivided family, being a resident,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been his total income; and

(ii) the amount of income-tax calculated on such long-term capital gains at the rate of twenty per cent.:

Provided that 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, such long-term capital gains 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 and the tax on the balance of such long-term capital gains shall be computed at the rate of twenty per cent.;

(b) in the case of a domestic company,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains at the rate of twenty per cent.;

(c) in the case of a non-resident (not being a company) or a foreign company,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on long-term capital gains [except where such gain arises from transfer of capital asset referred to in sub-clause (iii)] at the rate of twenty per cent.; and

(iii) the amount of income-tax on long-term capital gains arising from the transfer of a capital asset, being unlisted securities or shares of a company not being a company in which the public are substantially interested, calculated at the rate of ten per cent. on the capital gains in respect of such asset as computed without giving effect to the first and second proviso to section 48;

(d) in any other case of a resident,—

(i) the amount of income-tax payable on the total income as reduced by the amount of long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains at the rate of twenty per cent.

Provided that where the tax payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero coupon bond, exceeds ten per cent. of the amount of capital gains before giving effect to the provisions of the second proviso to section 48, then, such excess shall be ignored for the purpose of computing the tax payable by the assessee:

It is proposed to substitute clauses (a), (b), (c), (d) and the first proviso of said section so as to provide that where the total income of an assessee includes any income, arising from the transfer of a long-term capital asset, which is chargeable under the head “Capital gains”, the tax payable by the assessee on the total income shall be the aggregate of,—

(a) in the case of an individual or a Hindu undivided family, being a resident,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been his total income; and

(ii) the amount of income-tax calculated on such long-term capital gains,—

(A) at the rate of twenty per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024:

Provided that 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, such long-term capital gains 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 and the tax on the balance of such long-term capital gains shall be computed at the rate as applicable in sub-clause (ii);

(b) in the case of a domestic company,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains

(A) at the rate of twenty per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024 :

(c) in the case of a non-resident (not being a company) or a foreign company,—

(i) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains

(A) at the rate of twenty per cent. for any transfer [other than transfer referred to in sub-clause (iii)] which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024:

(iii) the amount of income-tax on long-term capital gains arising from the transfer of a capital asset which takes place before the 23rd day of July, 2024, being unlisted securities or shares of a company not being a company in which the public are substantially interested, calculated at the rate of ten per cent. on the capital gains in respect of such asset as computed without giving effect to the first and second proviso to section 48;

(d) in any other case of a resident,—

(i) the amount of income-tax payable on the total income as reduced by the amount of long-term capital gains, had the total income as so reduced been its total income; and

(ii) the amount of income-tax calculated on such long-term capital gains,—

(A) at the rate of twenty per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(B) at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024:

Provided that where the tax payable in respect of any income arising from the transfer of a long-term capital asset which takes place before the 23rd day of July, 2024, being listed securities (other than a unit) or zero coupon bond, exceeds ten per cent of the amount of capital gains before giving effect to the provisions of the second proviso to section 48, then, such excess shall be ignored for the purpose of computing the tax payable by the assessee:

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 31* of the Bill seeks to amend section 112A of the Income-tax Act relating to tax on long-term capital gains in certain cases.

The sub-section (2) of said section, *inter alia*, provide that the tax payable by the assessee on the total income referred to in sub-section (1) of the section 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.

It is proposed to substitute clause (i) of the said sub-section, *inter alia*, so as to provide that the tax payable by the assessee on the total income referred to in sub-section (1) of the section shall be the aggregate of—

(i) the amount of income-tax calculated on such long-term capital gains exceeding one lakh twenty-five thousand rupees-

(a) on long-term capital gains at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(b) on long-term capital gains, at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024;

Provided that the limit of one lakh twenty-five thousand rupees shall apply on aggregate of the long-term capital gains under sub-clause (a) and (b).

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 32* of the Bill seeks to amend section 113 of the Income-tax Act relating to tax in the case of block assessment of search cases.

It is proposed to amend the said section in order to provide reference of total income instead of total undisclosed income.

This amendment will take effect from 1st September, 2024.

*Clause 33* of the Bill seeks to amend section 115AB of the Income-tax Act relating to tax on income from units purchased in foreign currency or capital gains arising from their transfer.

The sub-section (1) of said section provides that where the total income of an assessee, being an overseas financial organisation (hereinafter referred to as Offshore Fund) includes—

(a) income received in respect of units purchased in foreign currency; or

(b) income by way of long-term capital gains arising from the transfer of units purchased in foreign currency,

the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated on the income in respect of units referred to in clause (a), if any, included in the total income, at the rate of ten per cent.;

(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, at the rate of ten per cent.; and

(iii) the amount of income-tax with which the Offshore Fund would have been chargeable had its total income been reduced by the amount of income referred to in clause (a) and clause (b).

It is proposed to substitute clause (ii) of said sub-section so as to provide that the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, shall be at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024, and at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024.

This amendment will take effect retrospectively from 23rd July, 2024.

Clause 34 of the Bill seeks to amend section 115AC of the Income-tax Act relating to tax on income from bonds or Global Depository Receipts purchased in foreign currency or capital gains arising from their transfer.

The sub-section (1) of said section provides that where the total income of an assessee, being a non-resident, includes—

(a) income by way of interest on bonds of an Indian company issued in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf, or on bonds of a public sector company sold by the Government, and purchased by him in foreign currency; or

(b) income by way of dividends on Global Depository Receipts—

(i) issued in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf, against the initial issue of shares of an Indian company and purchased by him in foreign currency through an approved intermediary; or

(ii) issued against the shares of a public sector company sold by the Government and purchased by him in foreign currency through an approved intermediary; or

(iii) issued or re-issued in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf, against the existing shares of an Indian company purchased by him in foreign currency through an approved intermediary;

(c) income by way of long-term capital gains arising from the transfer of bonds referred to in clause (a) or, as the case may be, Global Depository Receipts referred to in clause (b),

the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated on the income by way of interest or dividends, as the case may be, in respect of bonds referred to in clause (a) or Global Depository Receipts referred to in clause (b), if any, included in the total income, at the rate of ten per cent.;

(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (c), if any, at the rate of ten per cent.; and

(iii) the amount of income-tax with which the non-resident would have been chargeable had his total income been reduced by the amount of income referred to in clauses (a), (b) and (c).

It is proposed to substitute clause (ii) of longline of said sub-section so as to provide that the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (c), if any, included in the total income, shall be at the rate of ten per cent for any transfer which takes place before the 23rd day of July, 2024 and at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024.

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 35* of the Bill seeks to amend section 115ACA of the Income-tax Act relating to tax on income from Global Depository Receipts purchased in foreign currency or capital gains arising from their transfer.

The sub-section (1) of said section provides that where the total income of an assessee, being an individual, who is a resident and an employee of an Indian company engaged in specified knowledge based industry or service, or an employee of its subsidiary engaged in specified knowledge based industry or service (hereafter in this section referred to as the resident employee), includes—

(a) income by way of dividends on Global Depository Receipts of an Indian company engaged in specified knowledge based industry or service, issued in accordance with such Employees' Stock Option Scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf and purchased by him in foreign currency; or

(b) income by way of long-term capital gains arising from the transfer of Global Depository Receipts referred to in clause (a),

the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated on the income by way of dividends in respect of Global Depository Receipts referred to in clause (a), if any, included in the total income, at the rate of ten per cent.;

(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, at the rate of ten per cent.; and

(iii) the amount of income-tax with which the resident employee would have been chargeable had his total income been reduced by the amount of income referred to in clauses (a) and (b).

It is proposed to substitute clause (ii) of longline of said sub-section so as to provide that the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, shall be at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024, and at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024.

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 36* of the Bill seeks to amend section 115AD of the Income-tax Act relating to tax on income of Foreign Institutional Investors from securities or capital gains arising from their transfer.

The said section, *inter alia*, provides that where the total income of a specified fund or Foreign Institutional Investor includes income by way of short-term or long-term capital gains arising from the transfer of securities (other than units referred to in section 115AB of the Act), the income-tax payable shall be calculated as follows—

(i) the amount of income-tax calculated on the income by way of short-term capital gains, if any, included in the total income, at the rate of thirty per cent, provided that the amount of income-tax calculated on the income by way of short-term capital gains referred to in section 111A shall be at the rate of fifteen per cent;

(ii) the amount of income-tax calculated on the income by way of long-term capital gains, if any, included in the total income, at the rate of ten per cent, 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.

It is proposed to substitute proviso to clause of longline of said sub-section so as to provide that the amount of income-tax calculated on the income by way of short-term capital gains referred to in section 111A shall be at the rate of—

(a) fifteen per cent. for any transfer which takes place before the 23rd day of July, 2024; and

(b) twenty per cent. for any transfer which takes place on or after the 23rd day of July, 2024;

It is further proposed to substitute proviso to clause (iii) of longline of said sub-section so as to provide that in case of income arising from the transfer of a long-term capital asset referred to in section 112A which exceeds one lakh and twenty-five thousand rupees, income-tax shall be calculated at the rate of—

(a) ten per cent. where transfer of such asset takes place before the 23rd day of July, 2024; and



(b) twelve and one-half per. cent where transfer of such asset takes place on or after the 23rd day of July, 2024;

It is proposed to further provide that the limit of one lakh twenty-five thousand rupees mentioned shall apply on aggregate of the long-term capital gains referred to in clause (a) and (b).

These amendments will take effect retrospectively from 23rd July, 2024.

*Clause 37* of the Bill seeks to amend section 115BAC of the Income-tax Act relating to tax on income of individuals and Hindu undivided family.

It is proposed to amend sub-section (1A) of the said section to provide that notwithstanding anything contained in this Act but subject to the provisions of Chapter XII, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a co-operative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6),—

(i) for any previous year relevant to the assessment year beginning on the 1st day of April, 2024, shall be computed at the rate of tax given in the following Table, namely:—

**TABLE**

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

(ii) any previous year relevant to the assessment year beginning on or after the 1st day of April, 2025, shall be computed at the rate of tax given in the following Table, namely:—

**TABLE**

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 3,00,000	Nil

2.	From Rs. 3,00,001 to Rs. 7,00,000	5 per cent.
3.	From Rs. 7,00,001 to Rs. 10,00,000	10 per cent.
4.	From Rs. 10,00,001 to Rs. 12,00,000	15 per cent.
5.	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent.
6.	Above Rs. 15,00,000	30 per cent.

These amendments will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clause 38* of the Bill seeks to amend section 115E of the Income-tax Act relating to tax on investment income and long-term capital gains.

The said section provides that where the total income of an assessee, being a non-resident Indian, includes—

(a) any income from investment or income from long-term capital gains of an asset other than a specified asset;

(b) income by way of long-term capital gains,

the tax payable by him shall be the aggregate of—

(i) the amount of income-tax calculated on the income in respect of investment income referred to in clause (a), if any, included in the total income, at the rate of twenty per cent.;

(ii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, at the rate of ten per cent.; and

(iii) the amount of income-tax with which he would have been chargeable had his total income been reduced by the amount of income referred to in clauses (a) and (b).

It is proposed to substitute clause (ii) of longline of said section so as to provide that the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income at the rate of ten per cent. for any transfer which takes place before the 23rd day of July, 2024 and at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024.

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 39* of the Bill seeks to amend section 115QA of the Income-tax Act relating to tax on distributed income to shareholders.

Sub-section (1) of the said section, *inter alia*, provides that notwithstanding anything contained in any other provision of this Act, in addition to the income-tax chargeable in respect of the total income of a domestic company for any assessment year, any amount of distributed income by the company on buy-back of shares from a shareholder shall be

charged to tax and such company shall be liable to pay additional income-tax at the rate of twenty per cent on the distributed income.

It is proposed to insert a new proviso to the said sub-section so as to provide that the provisions of the said sub-section shall not apply in respect of any buy-back of shares, that takes place on or after the 1st day of October, 2024.

This amendment will take effect from 1st October, 2024.

*Clause 40* of the Bill seeks to amend section 132B of the Income-tax Act relating to application of seized or requisitioned assets.

The said section provides that the amount of any existing liability under the Income-tax Act, the Wealth-tax Act, 1957, the Expenditure-tax Act, 1987, the Gift-tax Act, 1958 and the Interest-tax Act, 1974, and the amount of liability determined on completion of the assessment or reassessment or recomputation and the assessment of the year relevant to the previous year in which search is initiated or requisition is made, or the amount of liability determined, etc., as given in the section may be recovered from the taxpayer out of seized or requisitioned assets under section 132 or requisitioned under section 132A.

The provisions of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 provides for taxation of undisclosed foreign income and undisclosed foreign assets and such undisclosed foreign income and value of undisclosed foreign asset is taxed under the said Act instead of the Income-tax Act.

It is proposed to amend the clause (i) of sub-section (1) of the said section to provide the reference of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 so as to recover the existing liabilities under the said out of seized assets.

This amendment will take effect from 1st October, 2024.

*Clause 41* of the Bill seeks to amend section 139 of the Income-tax Act relating to return of income.

The said section provides that every person, being a company or a firm, or being a person other than a company or a firm whose total income exceeds the maximum amount which is not chargeable to income-tax, shall, furnish a return of his income.

It is proposed to insert a new sub-section (9A) in the said section to provide that return of income furnished in pursuance of an order under clause (b) of sub-section (2) of section 119, the provisions of section 139 shall apply.

This amendment will take effect from 1st October, 2024.

*Clause 42* of the Bill seeks to amend section 139AA of the Income-tax Act relating to quoting of Aadhaar number.

The said section provides that every person who is eligible to obtain Aadhaar number shall, on or after the 1st day of July, 2017, quote Aadhaar number—

- (i) in the application form for allotment of permanent account number;

(ii) in the return of income.

The proviso to the said sub-section provides that where the person does not possess the Aadhaar Number, the Enrolment ID of Aadhaar application form issued to him at the time of enrolment shall be quoted in the application for permanent account number or in the return of income furnished by him.

It is proposed to amend the said sub-section (1) so as to insert a second proviso providing that the first proviso shall not apply in respect of any application form for allotment of permanent account number or return of income furnished on or after the 1st day of October, 2024.

It is further proposed to insert a new sub-section in the said section specifying that every person who has been allotted permanent account number on the basis of Enrolment ID of Aadhaar application form filed prior to the 1st day of October, 2024, shall intimate his Aadhaar number on or before a notified date to the specified authority.

These amendments will take effect from 1st October, 2024.

*Clause 43* of the Bill seeks to amend section 144C of the Income-tax Act, relating to reference to dispute resolution panel.

It is proposed to amend sub-section (15) of the said section so as to provide that “eligible assessee” shall not include person referred to in sub-section (1) of section 158BA or section 158BD.

It is further proposed to insert a new sub-section (16) so as to provide that the provisions of this section shall not apply to any proceedings under Chapter XIV-B.

This amendment will take effect from 1st September, 2024.

*Clause 44* of the Bill seeks to substitute sections 148 and 148A of the Income-tax Act relating to issue of notice where income has escaped assessment and conducting inquiry, providing opportunity before issue of notice under section 148, respectively.

The existing provisions of the said section, *inter alia*, provides that before making the assessment, reassessment or recomputation under section 147 the Assessing Officer shall serve on the assessee a notice, along with a copy of the order passed.

It is proposed to substitute the said section so as to provide that if there is any information as to the escaped assessment, the Assessing Officer before making the assessment, reassessment or recomputation shall issue a notice to the assessee, along with a copy of the order passed under sub-section (3) of section 148A requiring him to furnish within such period as may be specified, not exceeding a period of three months from the end of the month in which such notice is issued, a return of his income or the income of any other person in respect of whom he is assessable under this Act.

It further provides that the return of income required to be furnished under sub-section (1) shall be furnished in the such form and verified in such manner and setting forth such

other particulars as may be provided by rules, and the provisions of this Act shall apply accordingly as if such return were a return required to be furnished under section 139.

It is also proposed to provide that where the Assessing Officer has received information under the scheme notified under section 135A, no notice shall be issued under section 148 without prior approval of the specified authority.

It also provides that any return of income required to be furnished by an assessee under this section and furnished beyond the period specified in the notice under sub-section (1), shall not be deemed to be a return under section 139.

It also clarifies the information with the Assessing Officer about the income chargeable to tax which has escaped assessment.

The existing provisions of the section 148A, *inter alia*, provides certain procedures to be followed by Assessing Officer before issuing notice under section 148.

It is proposed to substitute the said section so as to provide that where the Assessing Officer has information which suggests that income chargeable to tax has escaped assessment in the case of an assessee for the relevant assessment year, he shall, before issuing any notice under section 148, provide an opportunity of being heard to such assessee who shall furnish his reply, within such time, as may be specified in such notice.

The Assessing Officer shall, on the basis of material available on record and taking into account the reply of the assessee furnished under sub-section (2), if any, pass an order with the prior approval of the specified authority, determining whether or not it is a fit case to issue notice under section 148.

It also proposed that the provisions of the section 148A shall not apply to income chargeable to tax escaping assessment for any assessment year in the case of an assessee where the Assessing Officer has received information under the scheme notified under section 135A.

It also provides to insert an *Explanation* to explain the expression “specified authority”.

These amendments will take effect from 1st September, 2024.

*Clause 45* of the Bill seeks to substitute section 149 of the Income-tax Act relating to time limit for notice.

The existing provisions of the said section, *inter alia*, provides the time limit for the issuance of notice under section 148.

It is proposed to substitute the said section to provide the time line beyond which notice under section 148 and notice to show cause under section 148A shall not be issued by the Assessing Officer in respect of income chargeable to tax, which has escaped assessment.

This amendment will take effect from the 1st September, 2024.

*Clause 46* of the Bill seeks to substitute section 151 of the Income-tax Act relating to sanction for issue of notice.

Section 151 provides the specified authority for the purpose of sanction.

It is proposed to substitute the said section so as to provide that specified authority for the purposes of section 148 or 148A shall be the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be.

This amendment will take effect from 1st September, 2024.

*Clause 47* of the Bill seeks to amend section 152 of the Income-tax Act relating to other provisions.

It is proposed to insert a new sub-section (3) in the said section so as to provide that where a search has been initiated under section 132, or requisition is made under section 132A, or a survey is conducted under section 133A [other than under sub-section (2A)], on or after the 1st day of April, 2021 but before the 1st day of September, 2024, the provisions of sections 147 to 151 shall apply as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.

It is further proposed to insert a new sub-section (4) in the said section so as to provide that where a notice under section 148 has been issued or an order under clause (d) of section 148A has been passed, prior to the 1st day of September, 2024, the assessment, reassessment or recomputation in such case shall be governed as per the provisions of sections 147 to 151, as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.

These amendments will take effect from 1st September, 2024.

*Clause 48* of the Bill seeks to amend section 153 of the Income-tax Act relating to time-limit for completion of assessment, reassessment and recomputation.

Sub-section (1) of the said section provides that assessment under section 143 or section 144 shall be completed within twelve months from the end of the assessment year in which the income was first assessable.

It is proposed to insert a new sub-section (1B) in the said section to provide that order of assessment of cases where return of income is furnished in consequence of an order under clause (b) of sub-section (2) of section 119 may be completed within twelve months from the end of the financial year in which such return is furnished.

Sub-section (3) of the said section provides the time-limit for passing the fresh assessment order in pursuance of an order under section 254 or section 263 or section 264 setting aside or cancelling an assessment. It further provides that such fresh assessment order shall be passed at any time before the expiry of twelve months from the end of the financial year in which the order under section 250 or section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be.

It is proposed to insert the reference to section 250 in the said sub-section in order to provide the time-limit for disposal of cases which are separately proposed to be set aside by the Commissioner (Appeals).

Sub-section (8) of the said section provides that order of assessment or reassessment relating to any assessment year, which stands revived under sub-section (2) of section 153A, shall be made within a period of one year from the end of the month of such revival or within the period specified in the said section or sub-section (1) of section 153B, whichever is later.

It is proposed to amend the said sub-section so as to provide the timeline for passing of order in the case of revived assessment or re-assessment proceedings as a consequence of annulment of block assessments.

Clause (xii) of *Explanation 1* to the said section, *inter alia*, provides that the period (not exceeding one hundred and eighty days) commencing from the date of initiation of search and ending on the date on which the books of accounts or documents or seized materials are handed over to the Assessing Officer is excluded while computing the period of limitation.

It is proposed to insert sixth proviso in the said *Explanation* to provide that the date of limitation in such cases falls at the end of the month, after taking into account the exclusion provided in the said *Explanation*.

These amendments will take effect from 1st October, 2024.

*Clause 49* of the Bill seeks to substitute Chapter XIV-B of the Income-tax Act relating to special procedure for assessment of search cases.

Proposed section 158B provides definition for expressions “block period” and “undisclosed income”.

Proposed section 158BA relates to Assessment of total income as a result of search.

Sub-section (1) of said section provides that notwithstanding anything contained in any other provisions of the Act, where on or after the 1st day of September, 2024, a search is initiated under section 132, or books of account, other documents or any assets are requisitioned under section 132A, in the case of any person, then, the Assessing Officer shall proceed to assess or reassess the total income of the block period in accordance with the provisions of the said Chapter.

Sub-section (2) of said section provides that the assessment or reassessment or recomputation under the provisions of this Act, if any, pertaining to any assessment year falling in the block period, pending on the date of initiation of the search under section 132, or making of requisition under section 132A, as the case may be, shall abate and shall be deemed to have abated on the date of initiation of search or making the requisition.

Sub-section (3) of said section provides that assessment or reassessment or recomputation or order passed shall also abate with reference to sub-section (1) and sub-section (3) of section 92CA.

Sub-section (4) of said section provides that where any assessment under the provisions of this Chapter is pending in the case of an assessee in whose case a subsequent search is initiated, or a requisition is made, such assessment shall be duly completed, and thereafter, the assessment in respect of such subsequent search or requisition shall be made under the provisions of the said Chapter.

Proviso to the said sub-section provides that period for completing the assessment shall be extended to three months in given cases.

Sub-section (5) of said section provides that if any proceeding initiated under this Chapter or any order of assessment or reassessment made under clause (c) of sub-section (1) of section 158BC has been annulled in appeal or any other legal proceeding, then, notwithstanding anything in this Chapter or section 153, the assessment or reassessment relating to any assessment year which has abated under sub-section (2) or sub-section (3), shall revive with effect from the date of receipt of the order of such annulment by the Principal Commissioner or Commissioner:

Proviso of the said sub-section provides that such revival shall cease to have effect, if such order of annulment is set aside.

Sub-section (6) of said section provides that the total income of the assessment year relevant to the previous year in which the last of the authorisations for a search is executed or a requisition is made, shall be assessed separately in accordance with the other provisions of the Act.

Sub-section (7) of said section provides that the total income relating to the block period shall be charged to tax, at the rate specified in section 113, as income of the block period irrespective of the previous year or years to which such income relates.

Proposed section 158BB relates to computation of total income of block period.

Sub-section (1) of said section provides that the total income referred to in sub-section (1) of section 158BA of the block period shall be the aggregate of certain incomes.

Sub-section (2) of said section provides that the undisclosed income falling within the block period, forming part of the total income referred to in sub-section (1) of section 158BA, shall be computed in accordance with the provisions of the Act, on the basis of evidence found as a result of search or survey or requisition of books of account or other documents and such other materials or information as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter.



Sub-section (3) of said section provides that where any evidence found as a result of search or requisition of books of account or other documents and such other materials or information as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter, or determined on the basis of entries relating to such income or transactions as recorded in books of account and other documents maintained in the normal course on or before the date of the search or requisition, relates to any international transaction or specified domestic transaction referred to in section 92CA, pertaining to the period beginning from the 1st day of April of the previous year in which last of the authorisations was executed and ending with the date on which last of the authorisations was executed, such evidence shall not be considered for the purposes of determining the total income of the block period and such income shall be considered in the assessment made under the other provisions of the Act.

Sub-section (4) of said section provides that for the purposes of determination of undisclosed income,—

- (a) of a firm, such income assessed for each of the previous years falling within the block period shall be the income determined before allowing deduction of salary, interest, commission, bonus or remuneration by whatever name called to any partner not being a working partner;
- (b) the provisions of sections 68, 69, 69A, 69B and 69C shall, so far as may be, apply and references to "financial year" in those sections shall be construed as references to the relevant previous year falling in the block period;
- (c) the provisions of section 92CA shall, so far as may be, apply and references to "previous year" in that section shall be construed as reference to the relevant previous year falling in the block period excluding the period referred to in sub-section (3).

Sub-section (5) of said section provides that the tax referred to in sub-section (6) of section 158BA shall be charged on the total income determined in the manner specified in sub-section (1) as reduced by the total income referred to in clause (ii), (iii) and clause (iv) of sub-section (1).

Sub-section (6) of said section provides that for the purposes of sub-section (1) and sub-section (5), if the disclosed income under clause (i) of sub-section (1) or where the income disclosed in respect of any previous year comprising the block period, or the returned income or assessed income under clause (ii) or clause (iii) of the sub-section (1), or where the income as determined under clause (iv), is a loss, it shall be ignored.

Sub-section (7) of said section provides that for the purpose of assessment under this Chapter, losses brought forward from the previous year (prior to the first previous

year comprising the block period) under Chapter VI or unabsorbed depreciation under sub-section (2) of section 32 shall not be set off against the undisclosed income determined in the block assessment under this Chapter but may be carried forward for being set off in the previous year subsequent to the assessment year in which the block period ends, for the remaining period, taking into account the block period and such assessment year, and in accordance with the provisions of the Act.

Proposed section 158BC relates to procedure for block assessment.

Sub-section (1) of said section provides that where any search has been initiated under section 132 or books of account, other documents or assets are requisitioned under section 132A, in the case of any person, then,—

(a) the Assessing Officer shall, in respect of search initiated, or books of account or other documents or any assets requisitioned, on or after the 1st day of September, 2024, issue a notice to such person, requiring him to furnish within such period, not exceeding a period of sixty days, as may be specified in the notice, a return in the form and verified in the manner, as may be prescribed, setting forth his total income, including the undisclosed income, for the block period.

Provisos to clause (a) deal with certain situations under section 139 and section 148 and deal with revised returns.

Clause (b) of said sub-section provides that Assessing Officer shall proceed to determine the total income including the undisclosed income of the block period in the manner laid down in section 158BB and the provisions of section 142, sub-sections (2) and (3) of section 143, section 144, section 145, section 145A and section 145B shall, so far as may be, apply.

Clause (c) of said sub-section provides that Assessing Officer, on determination of the total income of the block period in accordance with this Chapter, shall pass an order of assessment or reassessment and determine the tax payable by him on the basis of such assessment or reassessment.

Provisos of that sub-section deal with orders passed under section 144C and section 158BD.

Clause (d) of said sub-section provides that the assets seized under section 132 or requisitioned under section 132A shall be dealt with in accordance with the provisions of section 132B.

Sub-section (2) of said section provides that the provisions of sub-section (1) of section 143 shall not apply to the return furnished under said section.

Sub-section (3) of said section provides that the prior approval shall be required for issuance of notice.

Proposed section 158BD relates to undisclosed income of any other person.

The said section provides that where the Assessing Officer is satisfied that any undisclosed income belongs to or pertains to or relates to any person, other than the person with respect to whom search was made under section 132 or whose books of account or other documents or any assets were requisitioned under section 132A, then, any money, bullion, jewellery or other valuable article or thing, or assets, or *Explanation* or books of account, other documents, or any information contained therein, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed under section 158BC against such other person and the provisions of this Chapter shall apply accordingly.

Proposed section 158BE relates to time-limit for completion of block assessment.

Sub-section (1) of said section provides that notwithstanding the provisions of section 153, the order under section 158BC shall be passed within twelve months from the end of the month in which the last of the authorisations for search under section 132, or requisition under section 132A, was executed or made, as the case may be.

Proviso to the said sub-section provide for extension of period by twelve months under certain circumstances.

Sub-section (2) of said section provides that in computing the period of limitation under sub-section (1), the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account, or other documents or money or bullion or jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee, in whose case such search is initiated under section 132 or such requisition is made under section 132A, as the case may be, shall be excluded.

Proviso to the said sub-section provide for extension of period by twelve months under certain circumstances.

Sub-section (3) of said section provides that the period of limitation for completion of assessment or reassessment for the block period in the case of the other person referred to in section 158BD shall be twelve months from the end of the month in which the notice under section 158BC in pursuance of section 158BD, was issued to such other person.

Proviso to the said sub-section provide for extension of period by twelve months under certain circumstances.

Sub-section (4) of said section provides the periods which shall be excluded in computing the period of limitation.

Proposed section 158BF relates to certain interests and penalties not to be levied or imposed. The said section provides that no interest under the provisions of section 234A, 234B or 234C or penalty under section 270A shall be levied or imposed upon the assessee in respect of the undisclosed income assessed or reassessed for the block period.

Proposed section 158BFA relates to levy of interest and penalty in certain cases.

Sub-section (1) of said section provides that where the return of total income including undisclosed income for the block period, in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of September, 2024, as required by a notice under clause (a) of sub-section (1) of section 158BC, is not furnished within the time specified in such notice, or is not furnished, the assessee shall be liable to pay simple interest at the rate of one and one half per cent. of the tax on undisclosed income, determined under clause (c) of sub-section (1) of section 158BC, for every month or part of a month comprised in the period commencing on the day immediately following the expiry of the time specified in the notice, and ending on the date of completion of assessment under clause (c) of sub-section (1) of section 158BC.

Sub-section (2) of said section, *inter alia*, provides that subject to certain conditions the Assessing Officer or the Commissioner (Appeals) in the course of any proceedings under this Chapter, may direct that the person shall pay by way of penalty a sum which shall be equal to fifty per cent. of tax so leviable in respect of the undisclosed income determined by the Assessing Officer under clause (c) of sub-section (1) of section 158BC.

Sub-section (3) of said section provides the circumstance under which no order imposing a penalty under sub-section (2) shall be made.

Sub-section (4) of said section provides the period which shall be excluded in computing the period of limitation under the said section.

Sub-section (5) of said section provides that an income-tax authority on making an order under sub-section (2) imposing a penalty, unless he is himself an Assessing Officer, shall forthwith send a copy of such order to the Assessing Officer.

Proposed section 158BG relates to authority competent to make assessment of block period.

The said section provides that the order of assessment for the block period shall be passed by an Assessing Officer not below the rank of a Deputy Commissioner or an Assistant Commissioner or a Deputy Director or an Assistant Director, as the case may be.

Proviso to said section provides that no such order shall be passed without the previous approval of the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be, in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of September, 2024.

Proposed section 158BH relates to application of other provisions of the Act.

The said section provides that save as otherwise provided in this Chapter, all other provisions of this Act shall apply to assessment made under this Chapter.

Proposed section 158BI relates to chapter not to apply in certain circumstances.

The said section provides that the provisions of this Chapter shall not apply where a search was initiated under section 132, or books of account, other documents or any assets were requisitioned under section 132A, before the 1st day of September, 2024, and proceedings in relation to such search or requisition, as the case may be, shall be governed by the other provisions of the Act.

These amendments will take effect from 1st September, 2024.

*Clause 50* of the Bill seeks to amend section 192 of the Income-tax Act relating to salary.

The said section provides for provisions relating to deduction of tax at source on salary income.

It is proposed to amend sub-sections (1C) and (2A) of the said section for giving correct reference of clause or sub-section therein.

Sub-section (2B) of the said section provides for consideration of income under any other head and tax, if any, deducted thereon to be taken into account for the purposes of making the deduction under sub-section (1) of the said section.

It is further proposed to expand the scope of the said sub-section by substituting it so as to include any tax deducted or collected under the provisions of Part B or Part BB of this Chapter, as the case may be, to be taken into account for the purposes of making the deduction under sub-section (1).

These amendments will take effect from 1st October, 2024.

*Clause 51* of the Bill seeks to amend section 193 of the Income-tax Act relating to interest on securities.

The said section provides for deduction of income-tax at source on interest payable on securities.

The proviso to said section excludes, *inter alia*, any interest payable on any security of the Central Government or a State Government from the requirement of deduction of tax at source. Further, the proviso to clause (iv) of the proviso to the said section provides that any interest payable on 8% Savings (Taxable) Bonds, 2003 or 7.75% Savings (Taxable) Bonds, 2018 shall be liable for deduction of tax at source, if the interest payable on such securities exceeds ten thousand rupees during the financial year.

It is proposed to substitute the proviso to the said clause (iv) to also provide that the interest payable on Floating Rate Savings Bonds, 2020 (Taxable) or any other security of the Central Government or the State Government as may be notified by the Central Government shall also be liable for deduction of tax, if the interest payable on such securities exceeds ten thousand rupees during the financial year.

This amendment will take effect from 1st October, 2024.

*Clause 52* of the Bill seeks to amend section 194 of the Income-tax Act relating to dividends.

The said section, *inter alia*, provides that the principal officer of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, shall, before making any payment by any mode in respect of any dividend or before making any distribution or payment to a shareholder, who is resident in India, of any dividend within the meaning of sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) or sub-clause (e) of clause (22) of section 2, deduct from the amount of such dividend, income-tax at the rate of ten per cent.

It is proposed to amend the said section so as to make it applicable to for sub-clause (f) of clause (22) of section 2.

This amendment will take effect from 1st October, 2024.

*Clause 53* of the Bill seeks to amend section 194C of the Income-tax Act relating to payments to contractors.

Clause (iv) of the *Explanation* to the said section provides the meaning for the term “work”.

It is proposed to amend the said Clause (iv) to exclude any sum referred to in sub-section (1) of section 194J from the definition of “work”.

This amendment will take effect from 1st October, 2024.

*Clause 54* of the Bill seeks to amend section 194DA of the Income-tax Act relating to payment in respect of life insurance policy.

The said section provides that any person responsible for paying to a resident any sum under a life insurance policy, including the sum allocated by way of bonus on such policy, other than the amount not includible in the total income under clause (10D) of section 10, shall, at the time of payment thereof, deduct income-tax thereon at the rate of five per cent. on the amount of income comprised therein.

It is proposed to amend the said section so as to reduce the said rate of tax deduction from five per cent. to two per cent.

This amendment will take effect from 1st October, 2024.

*Clause 55* of the Bill seeks to omit section 194F of the Income-tax Act relating to payments on account of repurchase of units by Mutual Fund or Unit Trust of India.

The said section provides that the person responsible for paying to any person any amount referred to in sub-section (2) of section 80CCB shall, at the time of payment thereof, deduct income-tax thereon at the rate of twenty per cent.

It is proposed to omit the said section 194F.

This amendment will take effect from 1st October, 2024.

*Clause 56* of the Bill seeks to amend section 194G of the Income-tax Act relating to commission etc. on sale of lottery tickets.

The said section provides that any person who is responsible for paying, on or after the 1st day of October, 1991 to any person, who is or has been stocking, distributing, purchasing or selling lottery tickets, any income by way of commission, remuneration or prize (by whatever name called) on such tickets in an amount exceeding fifteen thousand rupees shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.

It is proposed to amend the said section so as to reduce the said rate of tax deduction from five per cent. to two per cent.

This amendment will take effect from 1st October, 2024.

*Clause 57* of the Bill seeks to amend section 194H of the Income-tax Act relating to commission or brokerage.

The said section, *inter alia*, provides that any person, not being an individual or a Hindu undivided family, who is responsible for paying, on or after the 1st day of June, 2001, to a resident, any income by way of commission (not being insurance commission referred to in section 194D) or brokerage, shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.

It is proposed to amend the said section so as to reduce the said rate of tax deduction from five per cent. to two per cent.

This amendment will take effect from 1st October, 2024.

*Clause 58* of the Bill seeks to amend section 194-IA of the Income-tax Act relating to payment on transfer of certain immovable property other than agricultural land.

Sub-section (1) of the said section provides that any person, being a transferee, responsible for paying to a resident transferor any sum by way of consideration for transfer of any immovable property (other than agricultural land), shall, at the time of credit or payment, whichever is earlier, of such sum to the transferor, deduct an amount equal to one per cent. of such sum or the stamp duty value of such property, whichever is higher, as income-tax thereon.

Sub-section (2) of the said section provides that no deduction of tax shall be made where the consideration for the transfer of an immovable property and the stamp duty value of such property, are both less than fifty lakh rupees.

It is proposed to insert a proviso to sub-section (2) of the said section so as to provide that where there is more than one transferor or transferee in respect of any immovable property, then the consideration shall be the aggregate of the amounts paid or payable by all the transferees to the transferor or all the transferors for transfer of such immovable property.

This amendment will take effect from 1st October, 2024.

*Clause 59* of the Bill seeks to amend section 194-IB of the Income-tax Act relating to payment of rent by certain individuals or Hindu undivided family.

Sub-section (1) of the said section provides that any person, being an individual or a Hindu undivided family (other than those referred to in the second proviso to section 194-I), responsible for paying to a resident any income by way of rent exceeding fifty thousand rupees for a month or part of a month during the previous year, shall deduct an amount equal to five per cent. of such income as income-tax thereon.

It is proposed to amend the said sub-section so as to reduce the said rate of tax deduction from five per cent. to two per cent.

This amendment will take effect from 1st October, 2024.

*Clause 60* of the Bill seeks to amend section 194M of the Income-tax Act relating to payment of certain sums by certain individuals or Hindu undivided family.

Sub-section (1) of the said section provides that any person, being an individual or a Hindu undivided family (other than those who are required to deduct income-tax as per the provisions of section 194C, section 194H or section 194J) responsible for paying any sum to any resident for carrying out any work (including supply of labour for carrying out any work) in pursuance of a contract, by way of commission (not being insurance commission referred to in section 194D) or brokerage or by way of fees for professional services during the financial year, shall, at the time of credit of such sum or at the time of payment of such sum



in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to five per cent. of such sum as income-tax thereon.

It is proposed to amend the said sub-section so as to reduce the said rate of tax deduction from five per cent. to two per cent.

This amendment will take effect from 1st October, 2024.

*Clause 61* of the Bill seeks to amend section 194-O of the Income-tax Act relating to payment of certain sums by e-commerce operator to e-commerce participant.

Sub-section (1) of the said section provides that notwithstanding anything to the contrary contained in any of the provisions of Part B of this Chapter, where sale of goods or provision of services of an e-commerce participant is facilitated by an e-commerce operator through its digital or electronic facility or platform (by whatever name called), such e-commerce operator shall, at the time of credit of amount of sale or services or both to the account of an e-commerce participant or at the time of payment thereof to such e-commerce participant by any mode, whichever is earlier, deduct income-tax at the rate of one per cent. of the gross amount of such sales or services or both.

It is proposed to amend the said sub-section so as to reduce the said rate of tax deduction from one per cent. to 0.1 per cent.

This amendment will take effect from 1st October, 2024.

*Clause 62* of the Bill seeks to insert a new section 194T in the Income-tax Act relating to payments to partners of firms.

Sub-section (1) of the said section provides that any person, being a firm, responsible for paying any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm, shall, at the time of credit of such amount to the account of the partner (including the capital account) or at the time of payment thereof, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

Sub-section (2) of the said section provides that no deduction shall be made under sub-section (1) where such sum or, the aggregate of such sums credited or paid or likely to be credited or paid to the partner of the firm does not exceed twenty thousand rupees during the financial year.

This amendment will take effect from 1st April, 2025.

*Clause 63* of the Bill seeks to amend section 196B of the Income-tax Act relating to Income from units.

The said section provides that where any income in respect of units referred to in section 115AB or by way of long-term capital gains arising from the transfer of such units is payable to an Offshore Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

It is proposed to amend the said section so as to provide that where any income in respect of units referred to in section 115AB or by way of long-term capital gains arising from the transfer of such units is payable to an Offshore Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of,-

(a) ten per cent.in respect of income from units referred to in clause (i) of sub-section (1) of section 115AB;

(b) ten per cent.in respect of long-term capital gains arising from transfer of units referred to in section 115AB, which takes place before the 23rd day of July, 2024;

(c) twelve and one-half per cent in respect of long-term capital gains arising from transfer of units referred to in section 115AB, which takes place on or after the 23rd day of July, 2024.

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 64* of the Bill seeks to amend section 196C of the Income-tax Act relating to income from foreign currency bonds or shares of Indian company.

The said section provides that where any income by way of interest or dividends in respect of bonds or Global Depository Receipts referred to in section 115AC or by way of long-term capital gains arising from the transfer of such bonds or Global Depository Receipts is payable to a non-resident, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

It is proposed to amend the said section so as to provide that where any income by way of interest or dividends in respect of bonds or Global Depository Receipts referred to in section 115AC or by way of long-term capital gains arising from the transfer of such bonds or Global Depository Receipts is payable to a non-resident, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of,—

(a) ten per cent. in respect of income by way of interest or dividends in respect of bonds or Global Depository Receipts referred to in section 115AC;

(b) ten per cent. in respect of long-term capital gains arising from transfer of such bond or Global Depository Receipts referred to in section 115AC which takes place before the 23rd day of July, 2024;

(c) twelve and one-half per cent. in respect of long-term capital gains arising from transfer of such bond or Global Depository Receipts referred to in section 115AC which takes place on or after the 23rd day of July, 2024.

This amendment will take effect retrospectively from 23rd July, 2024.

*Clause 65* of the Bill seeks to amend section 197 of the Income-tax Act relating to certificate for deduction at lower rate.

Sub-section (1) of the said section provides that where, in the case of any income of any person or sum payable to any person, income-tax is required to be deducted at the time of credit or, as the case may be, at the time of payment at the rates in force under the provisions of sections 192, 193, 194, 194A, 194C, 194D, 194G, 194H, 194-I, 194J, 194K, 194LA, 194LBA, 194LBB, 194LBC, 194M, 194-O and 195, the Assessing Officer is satisfied that the total income of the recipient justifies the deduction of income-tax at any lower rates or no deduction of income-tax, as the case may be, the Assessing Officer shall, on an application made by the assessee in this behalf, give to him such certificate as may be appropriate.

It is proposed to amend the said sub-section so as to include the provisions relating to deduction of tax at source on payment of certain sum for purchase of goods under section 194Q also within its scope.

This amendment will take effect from 1st October, 2024.

*Clause 66* of the Bill seeks to amend section 198 of the Income-tax Act relating to tax deducted is income received. The said section provides that tax deducted as per provisions of Chapter XVII-B shall, for the purpose of computing the income of an assessee, be deemed to be income received.

It is proposed to amend the said section so as to provide that all sums deducted in accordance with the foregoing provisions of the said Chapter and income tax paid outside India by way of deduction and in respect of which an assessee is allowed a credit against the tax payable under the said Act, shall for the purpose of computing the income of the assessee, be deemed to be income received.

This amendment will take effect from 1st April, 2025.

*Clause 67* of the Bill seeks to amend section 200 of the Income-tax Act relating to duty of person deducting tax.

Sub-section (3) of the said section requires that a deductor, after paying the tax deducted to the credit of the Central Government within the prescribed time, prepare such statement for such period and furnish it within such period, as may be provided by rules, to the prescribed authority.

The proviso to said sub-section states that a person may also deliver to the prescribed authority a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under this sub-section in such form and verified in such manner as may be specified by the authority.

It is proposed to amend the said section to provide that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in sub-section (3) is required to be delivered.

This amendment will take effect from 1st April, 2025.

*Clause 68* of the Bill seeks to amend section 200A of the Income-tax Act relating to processing of statements of tax deducted at source.

The said section provides the manner in which statement of tax deduction at source or a correction statement made by a person deducting any sum (deductor) under section 200 shall be processed.

It is proposed to amend the marginal heading to insert the words “and other statements”.

It is proposed to insert a new sub-section (3) in the said section to provide that the Board may make a scheme for processing of statements which have been made by any other person, not being a deductor.

These amendments will take effect from 1st April, 2025.

*Clause 69* of the Bill seeks to amend section 201 of the Income-tax Act, relating to consequences of failure to deduct or pay.

Sub-section (3) of said section provides time limits for when order under sub-section (1) of the said section deeming a person to be an assessee in default can be made in respect of failure to deduct the whole or any part of the tax from a person resident in India.

It is further proposed to amend sub-section (3) of the said section so as to provide that no order shall be made under sub-section (1) deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from any person after the expiry of six years from the end of the financial year, in which payment is made or credit is given or two years from the end of the financial year in which the correction statement is delivered, whichever is later.

This amendment will take effect from 1st April, 2025.

*Clause 70* of the Bill seeks to amend section 206C of the Income-tax Act relating to profits and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc.

It is proposed to substitute sub-section (1F) of the said section to extend its scope to, *inter alia*, provide that every person, being a seller, who receives any amount as consideration for sale of any other goods of value exceeding ten lakh rupees, as may be notified by the Central Government shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one per cent. of the sale consideration as income-tax.

This amendment will take effect from 1st January, 2025.

Sub-section (3B) of the said section requires that the person collecting tax may also deliver to the prescribed authority, a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under the proviso to sub-section (3) in such form and verified in such manner, as may be specified by the authority.

It is further proposed to amend the said sub-section (3B) to provide that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in the proviso to sub-section (3) is required to be delivered.

This amendment will take effect from 1st April, 2025.

It is also proposed to amend the sub-section (4) of the said section, to provide that credit for amount collected and paid to the Central Government shall also be given to any other person eligible for credit for the amount so collected in a particular assessment year in accordance with the rules as may be made under the said Act.

This amendment will take effect from 1st January, 2025.

Sub-section (7) of the said section provides that if any person who is liable to collect tax at source does not collect it or after so collecting fails to pay the same to the credit of the Central Government, then he shall be liable to pay interest at the rate of one per cent. for every month or part of month on the amount of such tax from the date on which such tax was collected to the date on which such tax is actually paid.

It is also proposed to amend the said sub-section so as to increase the rate of simple interest from one per cent. to one and one-half per cent. if the person responsible for collecting tax, after collecting the tax fails to pay it as required under this section.

It is also proposed to insert a new sub-section (7A) to the said section so as to provide that no order shall be made under sub-section (6A) deeming a person to be an assessee in default for failure to collect the whole or any part of the tax from any person, at any time after the expiry of six years from the end of the financial year in which tax was collectible or two years from the end of the financial year in which the correction statement is delivered under sub-section (3B), whichever is later.

These amendments will take effect from 1st April, 2025.

Sub-section (9) of the said section provides that where the Assessing Officer is satisfied that the total income of the buyer or licensee or lessee justifies the collection of the tax at any lower rate than the relevant rate specified in sub-section (1) or sub-section (1C), the Assessing Officer shall, on an application made by the buyer or licensee or lessee in this behalf, give to him a certificate for collection of tax at such lower rate than the relevant rate specified in sub-section (1) or sub-section (1C).

It is also proposed to amend sub-section (9) of the said section so as to include sub-section (1H) of that section under its purview.

It is also proposed to insert a new sub-section (12) in the said section so as to provide that no collection of tax shall be made or collection of tax shall be made at such lower rate in respect of specified transaction, from such person or class of persons, including institution, association or body or class of institutions, associations or bodies, as the Central Government may, by notification in the Official Gazette specify in this behalf.

These amendments will take effect from 1st October, 2024.

*Clause 71* of the Bill seeks to amend section 230 of the Income-tax Act relating to tax clearance certificate.

Sub-section (1A) of the said section, *inter alia*, provides that no person who is domiciled in India, shall leave India, unless he obtains a certificate from the income-tax authorities stating that he has no liabilities under the Income-tax Act, or the Wealth-tax Act, 1957, or the Gift-tax Act, 1958, or the Expenditure-tax Act, 1987, or he makes satisfactory arrangements for the payment of all or any of such taxes which are or may become payable by that person. Such certificate is required to be obtained where circumstances exist which, in the opinion of an income-tax authority render it necessary for such person to obtain the same.

It is proposed to amend the proviso to the said sub-section by inserting the reference of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 therein, so as to impose the liabilities under the said Act for the purposes of obtaining the certificate relating to no liabilities.

This amendment will take effect from 1st October, 2024.

*Clause 72* of the Bill seeks to amend section 244A of the Income-tax Act relating to interest on refunds.

The proviso to sub-section (1A) of the said section provides that where proceedings for assessment or reassessment are pending in respect of an assessee, in computing the period for determining the additional interest payable to such assessee under this sub-section, the period beginning from the date on which such refund is withheld by the Assessing Officer in accordance with and subject to provisions of sub-section (2) of section 245 and ending with the date on which such assessment or reassessment is made, shall be excluded.

It is proposed to amend the said proviso to substitute the words “on which such assessment or reassessment is made” with the words “upto which such refund is withheld”.

This amendment will take effect from 1st October, 2024.

*Clause 73* of the Bill seeks to amend section 245 of the Income-tax Act relating to set off and withholding of refunds in certain cases.

Sub-section (2) of the said section provides that where a part of the refund is set off under the provisions of sub-section (1), or where no such amount is set off, and refund becomes due to a person and the Assessing Officer, having regard to the fact that proceedings for assessment or reassessment are pending in the case of such person, is of the opinion that the grant of refund is likely to adversely affect the revenue, he may, for reasons to be recorded in writing and with the previous approval of the Principal Commissioner or the Commissioner, withhold the refund up to the date on which such assessment or reassessment is made”.

Thus, the said sub-section, *inter alia*, requires the Assessing Officer to form an opinion for withholding the refund that the grant of refund is likely to adversely affect the revenue.

It is proposed to amend the said sub-section to omit the said requirement.

Further, sub-section (2) of the said section provides that the refund can be withheld up to the date of assessment or reassessment.

It is proposed to amend the said sub-section to provide that the refund can be withheld up to sixty days from the date on which such assessment or reassessment is made.

These amendments will take effect from 1st October, 2024.

*Clause 74* of the Bill seeks to amend section 245Q of the Income-tax Act relating to application for advance ruling.

Sub-section (4) of the said section provides that where an application for advance ruling is made before the notified date, and in respect of which no order under sub-section (2) of section 245R has been passed or no advance ruling under sub-section (4) of section 245R has been pronounced before such date, such application pending on the file of the Authority shall be transferred to the Board for Advance Rulings.

It is proposed to insert a proviso to the said sub-section to provide that the applicant may, on or before 31st October, 2024, request the Board for Advance Rulings in writing that the application so transferred may not be proceeded with, if up to the date of such request, the Board for Advance Rulings has not passed an order under sub-section (2) of section 245R.

This amendment will take effect from 1st October, 2024.

*Clause 75* of the Bill seeks to amend section 245R of the Income-tax Act relating to procedure on receipt of application.

Sub-section (2) of the said section provides that the Authority may, after examining the application and the records called for, by order, either allow or reject the application.

It is proposed to insert a new proviso to the said sub-section to provide that on receipt of an application under the proviso to sub-section (4) of section 245Q, the Board for Advance Rulings may, by an order under the said sub-section, reject the application referred to in sub-section (1) thereof as withdrawn, on or before the 31st December, 2024.

This amendment will take effect from 1st October, 2024.

*Clause 76* of the Bill seeks to amend section 246A of the Income-tax Act relating to appealable orders before Commissioner (Appeals).

It is proposed to amend the said section so as to insert a new clause after clause (k) to provide that an order passed under clause (c) of sub-section (1) of section 158BC in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A may be appealable under that section.

This amendment will take effect from 1st September, 2024.

*Clause 77* of the Bill seeks to amend section 251 of the Income-tax Act relating to powers of the Joint Commissioner (Appeals) or the Commissioner (Appeals).

Sub-section (1) of the said section provides that Commissioner (Appeals) shall have, *inter alia*, the powers to confirm, reduce, enhance or annul the assessment, in the case of an appeal against an order of assessment; or confirm, cancel, or vary to enhance or reduce, the penalty order, in the case of an appeal against an order imposing a penalty while disposing of such appeal.

It is proposed to amend the said sub-section by inserting a proviso in clause (a) of sub-section (1) thereof to provide that where an appeal is against an order of assessment under section 144, the Commissioner (Appeals) shall have the power to set aside such assessment made under section 144, and refer the case back to the Assessing Officer for making a fresh assessment.

This amendment will take effect from 1st October, 2024.

*Clause 78* of the Bill seeks to amend section 253 of the Income-tax Act relating to appeals to the Appellate Tribunal.

Sub-section (1) of the said section provides that any assessee aggrieved by any of the orders passed under various provision specified therein may appeal to the Appellate Tribunal against the said orders.

It is proposed to amend clause (a) of the said section 253 to provide the reference of section 158BFA therein which provides for levy of interest and penalty in certain cases.

Sub-section (3) of the said section provides that every appeals to the Appellate Tribunal is to be filed within sixty days of the date on which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or Commissioner, as the case may be.

It is proposed to amend the said sub-section to provide that the appeal before the Appellate Tribunal may be filed within two months from the end of the month in which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or Commissioner, as the case may be.

These amendments will take effect from 1st October, 2024.

*Clause 79* of the Bill seeks to amend section 271FAA of the Income-tax Act, 1961 relating to penalty for furnishing inaccurate statement of financial transaction or reportable account.

The sub-section (1) of the said section, *inter alia*, provide that if a person referred to in sub-section (1) of section 285BA of the Act, who is required to furnish a statement under that section, provides inaccurate information in the statement, and where such inaccuracy is due to the circumstances specified in clauses (a) to (c) therein, then, the prescribed income-tax authority under sub-section (1) of section 285BA may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.



It is proposed to substitute the said sub-section so as to provide that if a person who is required to furnish a statement under section 285BA, provides inaccurate information in the statement or fails to furnish correct information within the period specified under sub-section (6) of the said section 285BA; or fails to comply with the due diligence requirement prescribed under sub-section (7) of the said section, then, the prescribed income-tax authority referred to in sub-section (1) thereof may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.

This amendment will take effect from 1st October, 2024.

*Clause 80* of the Bill seeks to insert a new section 271GC in the Income-tax Act relating to penalty for failure to submit statement under section 285.

It is proposed to insert the said section so as to provide that if any person who is required to furnish statement under section 285, fails to do so within the period prescribed under that section, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of one thousand rupees for every day for which the failure continues, if the period of failure does not exceed three months or one lakh rupees in any other case.

This amendment will take effect from 1st April, 2025.

*Clause 81* of the Bill seeks to amend section 271H of the Income-tax Act, relating to penalty for failure to furnish statements, etc.

Sub-section (1) of the said section provides for penalty for failure to deliver or cause to be delivered statements referred to in sub-section (3) of section 200 (relating to tax deducted at source) or proviso to sub-section (3) of section 206C (relating to tax collected at source) or furnishing of incorrect information in the statement.

Sub-section (3) of the said section prescribed time limit of one year for delivering or causing to be delivered the statements.

It is proposed to amend the sub-section (3) so as to reduce the time limit from one year to one month.

This amendment will take effect from 1st April, 2025.

*Clause 82* of the Bill seeks to amend section 273B of the Income-tax Act relating to penalty not to be imposed in certain cases.

The said section, *inter alia*, provides that notwithstanding anything contained in the provisions mentioned therein, no penalty shall be imposable on the person or the assessee, as the case may be, for any failure referred to in the said provisions if he proves that there was reasonable cause for the said failure.

It is proposed to amend the said section to give reference of section 271AA also therein so as to allow non-imposition of penalty on any person or assessee for failure under section 271FAA if he proves that there was reasonable cause for such failure.

This amendment will take effect from 1st October, 2024.

It is further proposed to amend the said section to provide the reference of section 271GC also therein.

This amendment will take effect from 1st April, 2025.

*Clause 83* of the Bill seeks to amend section 275 of the Income-tax Act relating to bar of limitation for imposing penalties.

The said section, *inter alia*, provides that no penalty can be imposed in a case where appeal is preferred before the Commissioner of Income tax (Appeal) under section 246 or section 246A after the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated are completed, or six months from the end of the month in which the order of the Commissioner of Income tax (Appeal) is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, whichever period expires later.

It is proposed to amend sub-sections (1) and (1A) of the said section so as to omit the reference of the Principal Chief Commissioner or Chief Commissioner from the said sub-sections.

These amendments will take effect from 1st October, 2024.

*Clause 84* of the Bill seeks to amend section 276B of the Income-tax Act, relating to failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B.

The said section, *inter alia*, provides that if a person fails to pay to the credit of the Central Government, the tax deducted at source by him as required by or under the provisions of Chapter XVII-B, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine.

It is proposed to insert a proviso to the said section so as to provide that the provisions of this section shall not apply if the payment referred to in clause (a) has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement under sub-section (3) of section 200.

This amendment will take effect from 1st October, 2024.

*Clause 85* of the Bill seeks to amend section 276CCC of the Income-tax Act relating to failure to furnish return of income in search cases.

It is proposed to amend said section in order to provide reference of clause (a) of sub-section (1) of section 158BC therein.

This amendment will take effect from 1st September, 2024.

*Clause 86* of the Bill seeks to amend section 285 of the Income-tax Act relating to submission of statement by a non-resident having liaison office.

The said section provides that every person, being a non-resident having a liaison office in India set up in accordance with the guidelines issued by the Reserve Bank of India under the Foreign Exchange Management Act, 1999, shall, in respect of its activities in a financial year, prepare and deliver or cause to be delivered to the Assessing Officer having jurisdiction, within sixty days from the end of such financial year, a statement in such form and containing such particulars as may be provided by rules.

It is proposed to amend the said section to provide that the said statement shall be delivered to the Assessing Officer within the period and containing such particulars as may be provided by rules.

This amendment will take effect from 1st April, 2025.

*Clause 87* of the Bill seeks to amend the First Schedule to the Income-tax Act relating to insurance business.

Rule 2 of the said Schedule, states that the profits and gains of life insurance business shall be taken to be the annual average of the surplus arrived at by adjusting the surplus or deficit disclosed by the actuarial valuation made in accordance with the Insurance Act, 1938, in respect of the last inter-valuation period ending before the commencement of the assessment year and excluding from it such surplus or deficit included therein which was made in any earlier inter-valuation period.

It is proposed to insert a proviso to the said rule, so as to provide that any expenditure which is not admissible under the provisions of section 37 in computing the profits and gains of a business, shall be included back to the profits and gains of the life insurance business.

This amendment will take effect from 1st April, 2025 and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.

*Clauses 88 to 99* of the Bill seek to insert a new Chapter to provide the Direct Tax *Vivad se Vishwas* Scheme, 2024.

The Chapter, *inter alia*, provides—

- (a) the definitions of certain expressions relating to “appellant”, “appellant forum”, “declarant”, “declaration”, “designated authority”, “disputed fee”, “disputed income”, “disputed interest”, “disputed penalty”, “disputed tax”, “last date”, “specified date” and “tax arrear”;
- (b) the provisions relating to the amount payable by the declarant;
- (c) the provisions relating to the particulars to be furnished in the form of declaration;
- (d) the provisions relating to the time and manner of payment of tax arrear;
- (e) the provisions relating to immunity from initiation of proceedings in respect of offence and imposition of penalty in certain cases;
- (f) the provisions of no refund of amount paid under the Scheme;

(g) the provisions relating to benefit, concession or immunity not to apply in other proceedings;

(h) the provisions relating to the Scheme not being applicable in certain cases;

(i) the provisions relating to the power of the Central Board of Direct Taxes to issue directions;

(j) the provisions relating to the power of the Central Government to remove difficulties in giving effect to the provisions of the said Scheme, 2024; and

(k) the provisions relating to the power of the Central Government to make rules for carrying out the provisions of this Scheme.

This Chapter will take effect from such date as the Central Government may notify.

### *Customs*

*Clause 100* of the Bill seeks to amend section 28DA of the Customs Act, so as to enable the acceptance of different types of proof of origin provided in trade agreements to align the said provision with new trade agreements which provide for self-certification.

*Clause 101* of the Bill seeks to insert a proviso in sub-section (1) of section 65 of the Customs Act, to empower the Central Government to specify certain manufacturing processes and other operations in relation to a class of goods that shall not be permitted in a warehouse.

*Clause 102* of the Bill seeks to amend section 143AA of the Customs Act by inserting the words “or any other persons,” after the words “importers or exporters” so as to facilitate trade and encourage compliances.

*Clause 103* of the Bill seeks to insert the words ‘or any other persons’ in clause (m) of sub-section (2) of section 157 enabling the Board to make regulation on the measures and separate procedure or documentation for such persons, apart from the existing class or category specified therein.

*Clause 104* of the Bill seeks to validate the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 394 (E), dated the 12th July, 2024 issued by the Central Government, in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, read with sub-section (12) of section 3, of the Customs Tariff Act, retrospectively with effect from the 1st day of July, 2017 so as to provide exemption from compensation cess leviable on imports in SEZ by SEZ unit or developer for authorised operations.

*Clause 105* of the Bill seeks to amend notification number G.S.R. 356(E), dated the 10th May, 2023, to notify the amended conditions, retrospectively, with effect from the 1st day of April, 2023 as specified in the Second Schedule.

The clause further seeks to provide consequential admissible refund if the person claiming the refund makes an application on or before the 31st day of March, 2025.

### *Customs Tariff*

*Clause 106* of the Bill seeks to omit section 6 of the Customs Tariff Act as the tariff commission has been wound up *vide* Resolution, dated 1st June, 2022 by the Government of India.

*Clause 107* of the Bill seeks to amend the First Schedule to the Customs Tariff Act so as to create new tariff lines in the manner specified in,—

(a) the Third Schedule with a view to revise the rates in respect of certain tariff items;

(b) the Fourth Schedule so as to create new tariff lines, modify existing tariff lines and revise the rates in respect of certain tariff items with effect from the 1st day of October, 2024;

### *Excise*

*Clause 108* of the Bill seeks to amend the notification issued under sub-section (1) of section 5A of the Central Excise Act, *vide* number G.S.R.163(E), dated 17th March, 2012, retrospectively, with effect from 29th June, 2017 in the manner specified in the Fifth Schedule with respect to time frame provided for submission of final mega power project certificates.

*Clause 109* of the Bill seeks to amend the notification issued under sub-section (1) of section 5A of the Central Excise Act, *vide* number G.S.R.794(E), dated 30th June, 2017, in the manner specified in the Sixth Schedule so as to provide retrospective exemption from Clean Environment Cess on excisable goods lying in stock as on 30th June, 2017, on which Goods and Service Tax compensation cess is payable at the time of supply of such excisable goods on or after 1st July, 2017.

### *Central Goods and Services Tax*

*Clause 110* of the Bill seeks to amend sub-section (1) of section 9 of the Central Goods and Services Tax Act, so as to not to levy central tax on un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption.

*Clause 111* of the Bill seeks to make consequential amendments in sub-section (5) of section 10 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 112* of the Bill seeks to insert a new section 11A in the Central Goods and Services Tax Act, so as to empower the Government to regularise non-levy or short levy of central tax where it is satisfied that such non-levy or short levy was a result of general practice.

*Clause 113* of the Bill seeks to amend sub-section (3) of section 13 of the Central Goods and Services Tax Act, so as to specify the time of supply of services in cases where the invoice is required to be issued by the recipient of services in reverse charge supplies.

*Clause* 114 of the Bill seeks to insert a new sub-section (5) in section 16 of the Central Goods and Services Tax Act, so as to carve out an exception to the existing sub-section (4) and to provide that in respect of an invoice or debit note for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

It also proposes to insert a new sub-section (6) in the said section so as to allow the availment of input tax credit in respect of an invoice or debit note in a return filed for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, filed within thirty days of the date of order of revocation of cancellation of registration, subject to the condition that the time-limit for availment of credit in respect of the said invoice or debit note should not have already expired under sub-section (4) of the said section on the date of order of cancellation of registration.

The aforesaid amendments are proposed to be made effective from the 1st day of July, 2017.

Further it is proposed that where the tax has been paid or the input tax credit has been reversed, no refund of the same shall be admissible.

*Clause* 115 of the Bill seeks to amend sub-section (5) of section 17 of the Central Goods and Services Tax Act, so as to restrict the non availability of input tax credit in respect of tax paid under section 74 of the said Act only for demands upto Financial Year 2023-24.

It also proposes to remove reference to sections 129 and 130 in the said sub-section.

*Clause* 116 of the Bill seeks to make consequential amendment in section 21 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause* 117 of the Bill seeks to insert a new proviso in sub-section (2) of section 30 of the Central Goods and Services Tax Act, so as to empower the Central Government to prescribe conditions and restrictions for revocation of cancellation of registration by rules.

*Clause* 118 of the Bill seeks to amend clause (f) of sub-section (3) of section 31 of the Central Goods and Services Tax Act, so as to empower the Central Government to prescribe the time period for issuance of invoice by the recipient in case of reverse charge mechanism supplies by rules.

It also proposes to insert an *Explanation* in sub-section (3) of the said section so as to specify that a supplier registered solely for the purposes of tax deduction at source under section 51 of the said Act shall not be considered as a registered person for the purpose of clause (f) of sub-section (3) of section 31 of the said Act.

*Clause* 119 of the Bill seeks to make consequential amendment in sub-section (6) of section 35 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 120* of the Bill seeks to substitute sub-section (3) of section 39 of the Central Goods and Services Tax Act, so as to mandate the electronic furnishing of return for each month by the registered person required to deduct tax at source, irrespective of whether any deduction has been made in the said month or not.

It also empowers the Government to prescribe by rules, the form, manner and the time within which such return shall be filed.

*Clause 121* of the Bill seeks to make consequential amendments in sub-section (8) of section 49 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 122* of the Bill seeks to make consequential amendments in sub-section (1) of section 50 in the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 123* of the Bill seeks to make consequential amendments in sub-section (7) of section 51 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 124* of the Bill seeks to insert a new sub-section (15) in section 54 of the Central Goods and Services Tax Act, so as to omit the second proviso to sub-section (3) and to provide that no refund of unutilised input tax credit or of integrated tax shall be allowed in cases of zero rated supply of goods where such goods are subjected to export duty.

*Clause 125* of the Bill seeks to make consequential amendments in sub-section (3) of section 61 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 126* of the Bill seeks to make consequential amendments in sub-section (1) of section 62 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 127* of the Bill seeks to make consequential amendments in section 63 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 128* of the Bill seeks to make consequential amendments in sub-section (2) of section 64 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 129* of the Bill seeks to make consequential amendments in sub-section (7) of section 65 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 130* of the Bill seeks to make consequential amendments in sub-section (6) of section 66 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause 131* of the Bill seeks to insert a new sub-section (1A) in section 70 of the Central Goods and Services Tax Act, so as to enable an authorised representative to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer.

*Clause 132* of the Bill seeks to insert a new sub-section (12) in section 73 of the Central Goods and Services Tax Act, so as to restrict the applicability of the said section for determination of tax pertaining to the period upto Financial Year 2023-24.

It also proposes to amend the marginal heading of the said section accordingly.

*Clause 133* of the Bill seeks to insert a new sub-section (12) in section 74 of the Central Goods and Services Tax Act, so as to restrict the applicability of the said section for determination of tax pertaining to the period upto Financial Year 2023-24.

It also proposes to amend the marginal heading of the said section accordingly.

*Clause 134* of the Bill seeks to insert a new section 74A in the Central Goods and Services Tax Act, so as to provide for determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to the Financial Year 2024-25 onwards.

It also provides for the same limitation period for issuing demand notices and orders in respect of demands from the Financial Year 2024-25 onwards, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts.

*Clause 135* of the Bill seeks to insert a new sub-section (2A) in section 75 of the Central Goods and Services Tax Act, so as to provide for redetermination of penalty demanded in a notice invoking penal provisions under clause (ii) of sub-section (5) of the proposed section 74A of the said Act to re-determine the penalty as per clause (i) of the sub-section (5) of the said section, in cases where the charges of fraud, wilful misstatement, or suppression of facts are not established.

It also seeks to make consequential amendments in section 75 of the said Act, so as to incorporate a reference to the proposed section 74A or the relevant sub-sections thereof.

*Clause 136* of the Bill seeks to make consequential amendments in sub-section (1) of section 104 of the Central Goods and Services Tax Act, so as to incorporate a reference to sub-sections (2) and (7) of the proposed new section 74A.

*Clause 137* of the Bill seeks to amend sub-section (6) of section 107 of the Central Goods and Services Tax Act, so as to reduce the maximum amount of pre-deposit for filing appeal before the Appellate Authority from rupees twenty-five crores to rupees twenty crores in central tax.

It also proposes to make consequential amendments in sub-section (11) of the said section to incorporate a reference to the proposed new section 74A.



*Clause* 138 of the Bill seeks to amend section 109 of the Central Goods and Services Tax Act, so as to empower the Appellate Tribunal to examine the matters or adjudicate the cases referred to in sub-section (2) of section 171, if so notified under the said section. Such matters are proposed to be examined or adjudicated only by the Principal Bench.

It also empowers the Government to notify types of cases that shall be heard only by the Principal Bench of the Appellate Tribunal.

*Clause* 139 of the Bill seeks to amend sub-sections (1) and (3) of section 112 of the Central Goods and Services Tax Act, so as to empower the Government to notify the date for filing appeal before the Appellate Tribunal and provide a revised time limit for filing appeals or application before the Appellate Tribunal.

It is proposed to make the said amendments effective from the 1st day August, 2024.

It also seeks to amend sub-section (6) of the said section so as to enable the Appellate Tribunal to admit appeals filed by the department within three months after the expiry of the specified time limit of six months.

Further, it seeks to amend sub-section (8) of the said section to reduce the maximum amount of pre-deposit for filing appeals before the Appellate Tribunal from the existing twenty percent to ten percent of the tax in dispute and also reduce the maximum amount payable as pre-deposit from rupees fifty crores to rupees twenty crores in central tax.

*Clause* 140 of the Bill seeks to amend sub-section (1B) of section 122 of the Central Goods and Services Tax Act, so as to restrict the applicability of the said sub-section to electronic commerce operators, who are required to collect tax at source under section 52 of the said Act.

The said amendment is proposed to be made effective from the 1st day of October, 2023 when the said sub-section had come into force.

*Clause* 141 of the Bill seeks to make consequential amendments in section 127 of the Central Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

*Clause* 142 of the Bill seeks to insert a new section 128A in the Central Goods and Services Tax Act, so as to provide for conditional waiver of interest and penalty in respect of demand notices issued under section 73 of the said Act for the Financial Years 2017-18, 2018-19 and 2019-20, except the demand notices in respect of erroneous refund.

Further, it is proposed that in cases where interest and penalty have already been paid in respect of any demand for the said financial years, no refund shall be admissible for the same.

*Clause* 143 of the Bill seeks to amend sub-section (7) of section 140 of the Central Goods and Services Tax Act, so as to enable availment of the transitional credit of eligible CENVAT credit on account of input services received by an Input Services Distributor prior to the appointed day, for which invoices were also received prior to the appointed date.

The said amendment is proposed to be made effective from 1st day of July, 2017.

*Clause 144* of the Bill seeks to amend sub-section (2) of section 171 of the Central Goods and Services Tax Act, so as to empower the Government to notify the date from which the Authority under the said section shall not accept any application for anti-profiteering cases.

An *Explanation* is also proposed to be inserted so as to include the reference of “Appellate Tribunal” in the expression “Authority” under the said section to enable the Government to notify the Appellate Tribunal to act as an Authority to handle anti-profiteering cases.

*Clause 145* of the Bill seeks to amend Schedule III to the Central Goods and Services Tax Act, so as to provide that the activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements shall be treated as neither supply of goods nor supply of services, provided that the lead insurer pays the tax liability on the entire amount of premium paid by the insured.

It also proposes to provide that the services by the insurer to the re-insurer, for which the ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, shall be treated as neither supply of goods nor supply of services, provided that tax liability on the gross reinsurance premium inclusive of reinsurance commission or the ceding commission is paid by the reinsurer.

*Clause 146* of the Bill seeks to provide that no refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed had the said section 114 been in force at all material times.

#### *Integrated Goods and Services Tax*

*Clause 147* of the Bill seeks to amend sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, so as to not levy integrated tax on extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption.

*Clause 148* of the Bill seeks to insert a new section 6A in the Integrated Goods and Services Tax Act, so as to empower the Government to regularise non-levy or short levy of integrated tax where it is satisfied that such non-levy or short levy was a result of general practice.

*Clause 149* of the Bill seeks to amend sub-section (4) of section 16 of the Integrated Goods and Services Tax Act, 2017, so as to empower the Government to notify the class of persons who may make zero rated supplies of goods or services or both or the class of goods or services which may be supplied on zero rated basis, and in respect of which refund of integrated tax can be claimed under section 54 of the Central Goods and Services Tax Act, subject to such conditions, safeguards and procedures as may be provided by rules.

Further, it proposes to insert a new sub-section (5) in the said section to provide that no refund of unutilised input tax credit or of integrated tax paid on account of zero rated supply of goods shall be allowed in cases where the zero rated supply of goods is subjected to export duty.

*Clause 150* of the Bill seeks to amend section 20 of the Integrated Goods and Services Tax Act, so as to reduce the maximum amount of pre-deposit payable for filing appeal before the Appellate Authority from rupees fifty crores to rupees forty crores of integrated tax.

Further, it proposes to reduce the maximum amount payable as pre-deposit for filing appeal before the Appellate Tribunal from rupees hundred crores to rupees forty crores of integrated tax.

#### *Union Territory Goods and Services Tax*

*Clause 151* of the Bill seeks to amend sub-section (1) of section 7 of the Union Territory Goods and Services Tax Act, so as to not to levy Union territory tax on extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption.

*Clause 152* of the Bill seeks to insert a new section 8A in the Union Territory Goods and Services Tax Act, so as to empower the Government to regularise non-levy or short levy of Union territory tax where it is satisfied that such non-levy or short levy was a result of general practice.

#### *Goods and Services Tax (Compensation to States)*

*Clause 153* of the Bill seeks to insert a new section 8A in the Goods and Services Tax (Compensation to States) Act, so as to empower the Government to regularise non-levy or short levy of cess where it is satisfied that such non-levy or short levy was a result of general practice.

#### *Miscellaneous*

*Clause 154* of the Bill seeks to amend the Prohibition of *Benami* Property Transactions Act, 1988.

Sub-section (2) of section 24 of the said Act provides for any time limit for a *benamidar* to furnish a reply to the notice issued under sub-section (1) or the beneficial owner to file submissions on copy of said notice given to him under sub-section (2).

It is proposed to insert a new sub-section (2A) in the said section so as to provide a maximum period of three months from the last day of the month in which notice is issued under sub-section (1) for the *benamidar* or the beneficial owner to file their explanations or submissions.

Sub-section (3) and sub-section (4) of the said section provide for a time limit of ninety days from the last day of the month in which notice under sub-section (1) is issued for the Initiating Officer to provisionally attach the property or to pass an order for continuing the provisional attachment or revoking the provisional attachment or deciding not to attach the property, as the case may be.

It is further proposed to amend the said sub-sections to increase the said time limit from ninety days to four months from the last day of the month in which notice under sub-section (1) is issued.

Sub-section (5) of the said section allows for a time period of fifteen days from the date of attachment order to the Initiating Officer to draw up a statement of the case and refer it to the Adjudicating Authority.

It is also proposed to amend the said sub-section so as to increase the said time limit to one month from the last day of the month in which the order under sub-clause (i) of clause (a), or under sub-clause (i) of clause (b), of sub-section (4) of the said section, has been passed.

It is also proposed to insert a new section 55A in the Prohibition of *Benami* Property Transactions Act, 1988 relating to power to tender immunity from prosecution.

Sub-section (1) of the proposed new section provides that the Initiating Officer may, with a view to obtaining the evidence of the *benamidar* or any other person as referred to in section 53, other than the beneficial owner, tender immunity from prosecution under the said section to the *benamidar* or such other person, with the previous sanction of the competent authority as referred to in section 55, on condition that the *benamidar* or such other person makes a full and true disclosure of the whole circumstances relating to the benami transaction.

Sub-section (2) of proposed new section provides that the tender of immunity made to, and accepted by, the person *benamidar* or such other person, shall, to the extent to which the immunity extends, render him immune from prosecution for the offence in respect of which the tender was made and from the imposition of any penalty under section 53.

Sub-section (3) of proposed new section provides that if it appears to the Initiating Officer that any person to whom immunity has been tendered under this section has not complied with the conditions subject to which the tender was made, or is wilfully concealing anything, or is giving false evidence, the Initiating Officer may record a finding to that effect, and with the previous sanction of the competent authority as referred to in section 55, withdraw the immunity so tendered.

Sub-section (4) of the proposed new section provides that any person against whom the immunity tendered is withdrawn in accordance with sub-section (3), may be tried for the offence in respect of which the tender of immunity was made or for any other offence of which he appears to have been guilty in connection with the same transaction and shall also be liable for penalty under this Act to which he would otherwise have been liable.

These amendments will take effect from 1st October, 2024.

Clause 155 of the Bill seeks to amend section 98 in Chapter VII of the Finance (No.2) Act, 2004 relating to charge of securities transaction tax.

The said section, *inter alia*, provides that the securities transaction tax on sale of an option in securities is 0.0625 per cent. of the option premium. The section also provides that the securities transaction tax on sale of a futures in securities is 0.0125 per cent. of the price at which “futures” are traded.

It is proposed to amend entries (a) and (c) in column (3), in serial number (4) of the Table to the said section to increase the said rates of securities transaction tax on sale of an option in securities to 0.1 per cent. of the option premium, and on sale of a futures in securities to 0.02 per cent. of the price at which such “futures” are traded.

This amendment will take effect from 1st October, 2024.

*Clause 156* of the Bill seeks to amend the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Section 42 of the said Act relating to penalty for failure to furnish return in relation to foreign income and asset. The said Act provides that an assessee being a resident and ordinarily resident who has failed to furnish the return of income when such assessee has held foreign assets as specified. Failure to furnish the return in relation to foreign income and asset, may attract a penalty of an amount of ten lakh rupees. Proviso to the said section makes an exemption in respect of an asset, being one or more bank accounts having an aggregate balance which does not exceed a value equivalent to five hundred thousand rupees at any time during the previous year.

It is proposed to substitute the proviso to the said section to provide that the provisions of the said section shall not apply in respect of an asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed twenty lakh rupees.

Section 43 of the said Act relating to penalty for failure to furnish in return of income, an information or furnish inaccurate particulars about an asset (including financial interest in any entity) located outside India. The said section provides for a penalty of ten lakh rupees regardless of the value of asset located outside India when the assessee being a resident and ordinarily resident fails to furnish the details of any specified foreign assets or furnishes inaccurate particulars of such assets in the return of income filed by him. Proviso to the said section makes an exemption in respect of an asset, being one or more bank accounts having an aggregate balance which does not exceed a value equivalent to five hundred thousand rupees at any time during the previous year.

It is proposed to substitute the said proviso to provide that the provisions of the said section shall not apply in respect of an asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed twenty lakh rupees.

These amendments will take effect from 1st October, 2024.

*Clause 157* of the Bill seeks to amend the Finance Act, 2016.

Section 163 of the said Act provides the extent, commencement and application of Chapter VIII of the said Act. Sub-section (3) of the said section provides that the said Chapter shall apply to consideration received or receivable for specified services provided on or after the commencement of this Chapter, and to consideration received or receivable for e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020.

It is proposed to amend the said sub-section to provide that the said Chapter shall also apply to consideration received or receivable for e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020 but before the 1st day of August, 2024.

Section 165A of the said Act provides for charge of equalisation levy on e-commerce supply of services.

It is proposed to insert sub-section (4) to the said section to provide that the provisions of the said section shall not apply to any consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated by it on or after the 1st day of August, 2024.

These amendments will take effect retrospectively from 1st August, 2024.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

The provisions of the Bill, *inter alia*, empower the Central Government to issue notifications and the Board to make rules for various purposes as specified therein.

Clause 4 of the Bill seeks to amend section 10 of the Income-tax Act relating to income not included in total income.

Sub-clause (a) seeks to insert a new sub-item (b) in item (I) of sub-clause (i) of clause (c) of the *Explanation* to clause (4D) of section 10 relating to any income accrued or arisen to, or received by a specified fund shall not be included in computing the total income. It empowers the Board to specify the conditions by rules which a fund is required to satisfy for the purposes of section 10.

Sub-clause (c)(ii) seeks to amend clause (23FB), *inter alia*, relating to any income of a venture capital company or venture capital fund from investment in a venture capital undertaking shall not be included in computing the total income of a previous year. It empowers the Board to make rules to specify the conditions by rules which a venture capital fund is required to satisfy for the purposes of section 10. It further empowers the Board to make rules to provide conditions relating to procedure for fresh registration. It also empowers the Board to make rules to provide the form and the manner in which the order under clause (a) of sub-clause (ii) of clause (b) and clause (c) of sub-section (1) of section 3 shall be passed.

Clause 8 of the Bill seeks to insert in section 12AC in the Income-tax Act, relating to merger of charitable trusts or institutions in certain cases. Proposed new section empowers the Board to make rules to specify the conditions for the purpose of merger.

Clause 17 of the Bill seeks to insert section 44BBC in the Income-tax Act, relating to special provision for computing profits and gains of the business of operation of cruise ships in the case of non-residents. Proposed sub-section (1) of the said section empowers the Board to make rules to specify the conditions for the purpose of charging the tax under the head “profits and gains of business or profession”.

Clause 26 of the Bill seeks to amend section 80G of the Income-tax Act relating to deduction in respect of donations to obtain funds, charitable institutions, etc. Third proviso to sub-section (5) of section 80G empowers the Board to make rules to specify the form and the manner of the order to be passed under clauses (ii) and (iii) of the second proviso to sub-section (5) of said section. The proposed fourth proviso to sub-section (5) of section 80G, empowers the Board to make rules to specify the form and the manner of order to be passed under sub-clause (b) of clause (ii) of the second proviso of the said section.

Clause 42 of the Bill seeks to insert sub-section (2A) in section 139AA of the Income-tax Act relating to quoting of Aadhaar number. Sub-section (2A) of the said section empowers the Board to provide by rules, the authority, form and manner in which every person who has been allotted permanent account number on the basis of enrolment ID of Aadhaar application form filed prior to 1st October, 2024, shall intimate his Aadhaar number.

Clause 44 of the Bill seeks to substitute section 148 of the Income-tax Act relating to issue of notice where income has escaped assessment. Sub-section (2) of section 148 empowers the Board to provide by rules form, manner and particulars as to the return of income required under sub-section (1) of section 148 shall be furnished.

Clause 50 of the Bill seeks to amend section 192 of the Income-tax Act relating to salary. Sub-section (2B) of the said section empowers the Board to provide by rules the particulars which is to be send by the assessee to the person responsible for making the payment referred to in sub-section (1) of section 192 of the said Act.

Clause 117 of the Bill seeks to insert a new proviso in sub-section (2) of section 30 of the Central Goods and Services Tax Act to empower the Government to make rules prescribing conditions for revocation of cancellation of registration of a taxpayer.

Clause 118 of the Bill seeks to amend clause (f) of sub-section (3) of section 31 of the Central Goods and Services Tax Act to empower the Government to make rules prescribing the time period for issuance of invoice by the recipient in case of reverse charge mechanism supplies.

Clause 120 of the Bill seeks to substitute sub-section (3) of section 39 of the Central Goods and Services Tax Act to empower the Government to prescribe the form, manner and the time within which return is to be filed by registered person required to deduct tax at source under section 52 of the said Act.

Clause 142 of the Bill seeks to insert a new section 128A in the Central Goods and Services Tax Act. Sub-section (1) of the said section empowers the Government to make rules for prescribing the conditions subject to which the proceedings with regard to demand notices issued under section 73 of the said Act shall be deemed to be concluded as per provisions of sub-section (1) of the proposed section 128A of the said Act.

2. The matters in respect of which rules may be made and matters of procedure and details and it is not practicable to provide for them in the Bill itself. The delegation of legislative powers is, therefore, of a normal character.



LOK SABHA

---

A

BILL

to give effect to the financial proposals of the Central Government for the financial year  
2024-2025.

---

*(Smt. Nirmala Sitharaman,  
Minister of Finance.)*