BILL No. 15 OF 2021

THE FINANCE BILL, 2021

(AS INTRODUCED IN LOK SABHA)

THE FINANCE BILL, 2021

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AS INTRODUCED IN LOK SABHA
ON 1ST FEBRUARY, 2021

Bill No. 15 of 2021

THE FINANCE BILL, 2021

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 2021-2022.

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

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) This Act may be called the Finance Act, 2021.

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

(a) sections 2 to 79 shall come into force on the 1st day of April, 2021;

(b) sections 99 to 114 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, 2021, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in each case in the manner provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year,

any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh fifty thousand rupees, then,—

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

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

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

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

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

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

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the

previous year, referred to in item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words "two lakh fifty thousand rupees", the words "five lakh rupees" had been substituted.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be: 43 of 1961.

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

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBD, 115BBF, 115BBG, 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 or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not having any income under section 115AD of the Income-tax Act,—

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

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

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

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

(aa) in the case of individual or every association of person or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having income under section 115AD of the Income-tax Act,—

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

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

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

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

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

Provided that in case where the total income includes any income by way of dividend or income chargeable under clause (b) of sub-section (1) of

section 115AD of the Income-tax Act, the rate of surcharge on the income-tax calculated on that part of income shall not exceed fifteen per cent.;

(b) in the case of every co-operative society except a co-operative society whose income is chargeable to tax under section 115BAD of the Income-tax Act or firm or local authority, at the rate of twelve per cent. of such income-tax, where the total income exceeds one crore rupees;

(c) in the case of every domestic company 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;

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

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

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

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

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

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

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

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

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

Provided also that in case of every individual or Hindu undivided family, whose income is chargeable to tax under section 115BAC of the Income-tax, the income-tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A of Part I of the First Schedule:

Provided also that in case of every resident co-operative society, whose income is chargeable to tax under section 115BAD of the Income-tax Act, the income tax computed under this sub-section shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent. of such "advance 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 115TA or section 115TD of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of twelve per cent. of such tax.

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

(6) In cases in which tax has to be deducted under sections 192A, 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, 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 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;

(aa) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, in case of deduction on income by way of dividend under section 196D of that 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;

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

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

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

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

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

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

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

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

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

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

(b) in the case of every co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the amount or the aggregate of such

amounts collected on likely to be collected and subject to the collection exceeds one crore rupees;

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

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

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from, or paid on, income chargeable under the head "Salaries" under section 192 of the said Act or deducted under section 194P of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in such cases and in such manner as provided therein:

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

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

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

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

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

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

(iii) at the rate of twenty-five per cent. of such "advance tax", where the total income 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;

(aa) in the case of individual or every 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 income under section 115AD of the Income-tax Act,—

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

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

(iii) at the rate of twenty-five per cent. of such "advance tax", where the total income [excluding the income 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 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 calculated on that part of income shall not exceed fifteen per cent.;

(b) in the case of every co-operative society except such co-operative society whose income is chargeable to tax under section 115BAD of the Income-tax Act or firm or local authority at the rate of twelve per cent. of such "advance tax", where the total income exceeds one crore rupees;

(c) in the case of every domestic company 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;

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

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

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

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

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

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

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

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

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

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

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

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

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 under the first proviso shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent. of such "advance tax":

Provided also that in case of every individual or Hindu undivided family, whose income is chargeable to tax under section 115BAC of the Income-tax Act, the advance tax computed under the first proviso shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A of Part III of the First Schedule.

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

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

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

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

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

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

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

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

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

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

(11) The amount of income-tax as specified in sub-sections (1) to (3) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the "Health and Education Cess on income-tax", calculated at the rate of four per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

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

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

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

(a) "domestic company" means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2018, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

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

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

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

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of section 2.

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

(i) in clause (11), in sub-clause (b), after the words "or commercial rights of similar nature,", the words "not being goodwill of a business or profession," shall be inserted;

(ii) in clause (14), after sub-clause (b), the following sub-clause shall be inserted, namely:—

"(c) any unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth proviso thereof;";

(iii) in clause (19AA), after *Explanation* 5, the following *Explanation* shall be inserted, namely:—

"*Explanation 6.*— For the purposes of this clause, the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resulting company and the resulting company—

(i) is a public sector company on the appointed day indicated in such scheme, as may be approved by the Central Government or any other body authorised under the provisions of the Companies Act, 2013 or any other law for the time being in force governing such public sector companies in this behalf; and

18 of 2013.

(ii) fulfils such other conditions as may be notified by the Central Government in the Official Gazette in this behalf;";

(iv) clause (29A) shall be renumbered as clause (29AA) thereof and before clause (29AA) as so renumbered, the following clause shall be inserted, namely:—

'(29A) "liable to tax", in relation to a person, means that there is a liability of tax on such person under any law for the time being in force in any country, and shall include a case where subsequent to imposition of tax liability, an exemption has been provided;';

(v) in clause (42C),—

(I) for the words "undertaking as a result of the sale", the words "undertaking, by any means," shall be substituted;

(II) after *Explanation* 2, the following *Explanation s*hall be inserted, namely:—

'*Explanation* 3.—For the purposes of this clause, "transfer" shall have the meaning assigned to it in clause (47);';

(vi) in clause (48), with effect from the 1st day of April, 2022,—

(I) in sub-clause (a), after the words "infrastructure capital fund or", the words "infrastructure debt fund or" shall be inserted;

(II) in sub-clause (b), after the words "infrastructure capital fund or", the words "infrastructure debt fund or" shall be inserted;

(III) the *Explanation* shall be numbered as *Explanation* 1 thereof and after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely:—

'*Explanation* 2.—For the purposes of this clause, the expression "infrastructure debt fund" shall mean the infrastructure debt fund notified by the Central Government in the Official Gazette under clause (47) of section 10.'.

Amendment of section 9A.

4. In section 9A of the Income-tax Act, after sub-section (8), the following sub-section shall be inserted with effect from the 1st day of April, 2022, namely:—

"(8A) The Central Government may, by notification in the Official Gazette, specify that any one or more of the conditions specified in clauses (a) to (m) of sub-section (3) or clauses (a) to (d) of sub-section (4) shall not apply or shall apply with such modifications, as may be specified in such notification, in case of an eligible investment fund and its eligible fund manager, if such fund manager is located in an International Financial Services Centre, as defined in clause (a) of the *Explanation* to section 80LA, and has commenced its operations on or before the 31st day of March, 2024.".

Amendment of section 10.

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

(a) with effect from the 1st day of April, 2022,—

(i) in clause (4D),—

(I) after the words "attributable to units held by non-resident (not being the permanent establishment of a non-resident in India)", the words "or is attributable to the investment division of offshore banking unit, as the case may be," shall be inserted;

(II) in the *Explanation*,—

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

'(aa) "investment division of offshore banking unit" means an investment division of a banking unit of a non-resident located in an International Financial Services Centre, as referred to in sub-section (1A) of section 80LA and which has commenced its operations on or before the 31st day of March, 2024';

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

'(c) "specified fund" means,—

(i) 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,—

(I) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992; 15 of 1992.

(II) which is located in any International Financial Services Centre; and

(III) of which all the units other than unit held by a sponsor or manager are held by non-residents; or

(ii) investment division of an offshore banking unit, which has been—

(I) granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 or which has commenced its operations on or before the 31st day of March, 2024; and 15 of 1992.

(II) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed;';

(ii) after clause (4D), the following clauses shall be inserted, namely:—

"(4E) any income accrued or arisen to, or received by a non-resident as a result of transfer of non-deliverable forward contracts entered into with an offshore banking unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be prescribed;

(4F) any income of a non-resident by way of royalty, on account of lease of an aircraft in a previous

year, paid by a unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, if the unit—

(i) is eligible for deduction under the said section for that previous year; and

(ii) has commenced its operations on or before the 31st day of March, 2024.";

(b) in clause (5),—

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

"Provided further that for the assessment year beginning on the 1st day of April, 2021, the value in lieu of any travel concession or assistance received by, or due to, such individual shall also be exempt under this clause subject to the fulfillment of such conditions (including the condition of incurring such amount of such expenditure within such period), as may be prescribed.";

(ii) the *Explanation* shall be numbered as *Explanation* 1 thereof and after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely:—

"*Explanation* 2.—For the removal of doubts, it is hereby clarified that where an individual claims exemption and the exemption is allowed under the second proviso in connection with the prescribed expenditure, no exemption shall be allowed under this clause in respect of such prescribed expenditure to any other individual.";

(c) in clause (10D),—

(i) after the third proviso and before *Explanation* 1, the following provisos shall be inserted, namely:—

"Provided also that nothing contained in this clause shall apply with respect to any unit linked insurance policy, issued on or after the 1st day of February, 2021, if the amount of premium payable for any of the previous year during the term of such policy exceeds two lakh and fifty thousand rupees:

Provided also that if the premium is payable, by a person, for more than one unit linked insurance

policies, issued on or after the 1st day of February, 2021, the provisions of this clause shall apply only with respect to those unit linked insurance policies, where the aggregate amount of premium does not exceed the amount referred to in fourth proviso in any of the previous year during the term of any of those policies:

Provided also that the provisions of the fourth and fifth provisos shall not apply to any sum received on the death of a person:

Provided also that if any difficulty arises in giving effect to the provisions of this clause, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty and every guideline issued by the Board under this proviso shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and the assessee.";

(ii) after *Explanation* 2, the following *Explanation* shall be inserted, namely:—

'*Explanation 3*.— For the purposes of this clause, "unit linked insurance policy" means a life insurance policy which has components of both investment and insurance and is linked to a unit as defined in clause (ee) of regulation 3 of the Insurance Regulatory and Development Authority of India (Unit Linked Insurance Products) Regulations, 2019 issued by the Insurance Regulatory and Development Authority under the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999.'; 4 of 1938. 41 of 1999.

(d) with effect from the 1st day of April, 2022,—

(i) in clause (11), the following proviso shall be inserted, namely:—

"Provided that the provisions of this clause shall not apply to the income by way of interest accrued during the previous year in the account of a person to the extent it relates to the amount or the aggregate of amounts of contribution made by that person exceeding two lakh and fifty thousand rupees in any previous year in that fund, on or after the 1st day of April, 2021 and computed in such manner as may be prescribed;";

(ii) in clause (12), the following proviso shall be inserted, namely:—

"Provided that the provisions of this clause shall not apply to the income by way of interest accrued during the previous year in the account of a person to the extent it relates to the amount or the aggregate of amounts of contribution made by that person exceeding two lakh and fifty thousand rupees in any previous year in that fund, on or after the 1st day of April, 2021 and computed in such manner as may be prescribed;";

(iii) in clause (23C),—

(I) in sub-clause (iiiad), for the words "receipts of such university or educational institution do not exceed the amount of annual receipts as may be prescribed", the words "receipts of the person from such university or universities or educational institution or educational institutions do not exceed five crore rupees" shall be substituted;

(II) in sub-clause (iiiae),—

(A) for the words "receipts of such hospital or institution do not exceed the amount of annual receipts as may be prescribed; or", the words "receipts of the person from such hospital or hospitals or institution or institutions do not exceed five crore rupees." shall be substituted;

(B) after sub-clause (iiiae), the following *Explanation* shall be inserted, namely:—

"Explanation.—For the purposes of sub-clauses (iiiad) and (iiiae), it is hereby clarified that if the person has receipts from university or universities or educational institution or institutions as referred to in sub-clause (iiiad), as well as from hospital or hospitals or institution or institutions as referred to in sub-clause (iiiae), the exemptions under these clauses shall not apply, if the aggregate of annual receipts of the person from such university or universities or educational institution or institutions or hospital or hospitals or institution or institutions, exceed five crore rupees; or";

(III) in the third proviso,—

(A) the *Explanation* shall be numbered as *Explanation* 1 thereof and in *Explanation* 1 as so numbered, after the words "medical institution:" occurring at the end, the

words, brackets and figures "subject to the condition that such voluntary contributions are invested or deposited in one or more of the forms or modes specified in sub-section (5) of section 11 maintained specifically for such corpus." shall be inserted;

(B) after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely:—

"*Explanation* 2.—For the purposes of determining the amount of application under this proviso,-

(i) application for charitable or religious purposes from the corpus as referred to in *Explanation* 1, shall not be treated as application of income for charitable or religious purposes:

Provided that the amount not so treated as application or part thereof, shall be treated as application for charitable or religious purposes in the previous year in which the amount, or part thereof, is invested or deposited back, into one or more of the forms or modes specified in sub-section (5) of section 11 maintained specifically for such corpus, from the income of that year and to the extent of such investment or deposit; and

(ii) application for charitable or religious purposes, from any loan or borrowing, shall not be treated as application of income for charitable or religious purposes:

Provided that the amount not so treated as application or part thereof, shall be treated as application for charitable or religious purposes in the previous year in which the loan or borrowing, or part thereof, is repaid from the income of that year and to the extent of such repayment:";

(IV) in the fourteenth proviso, after the figures and letters "12AA", the words, figures and letters "or section 12AB" shall be inserted;

(V) after the twentieth proviso, the *Explanation* shall be numbered as *Explanation* 1 thereof and after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely:—

"*Explanation* 2.—For the purposes of this clause, it is clarified that the calculation of income required to be applied or accumulated during the previous year shall be made without any set off or deduction or allowance of any

excess application of any of the year preceding to the previous year;";

(e) in clause (23FE),—

(A) in sub-clause (iii),—

(i) in item (c),—

(I) for the words "hundred per cent.", the words "not less than fifty per cent." shall be substituted;

(II) after the word, brackets and letter "item (b)", the words, brackets, figures and letter "or in an Infrastructure Investment Trust referred to in sub-clause (i) of clause (13A) of section 2; or" shall be inserted;

(ii) after item (c), the following items shall be inserted, namely:—

"(d) a domestic company, set up and registered on or after the 1st day of April, 2021, having minimum seventy-five per cent. investments in one or more of the companies or enterprises or entities referred to in item (b); or

(e) a non-banking financial company registered as an Infrastructure Finance Company as referred to in notification number RBI/2009-10/316 issued by the Reserve Bank of India or in an Infrastructure Debt Fund, a non-banking finance company, as referred to in the Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011, issued by the Reserve Bank of India, having minimum ninety per cent. lending to one or more of the companies or enterprises or entities referred to in item (b):";

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

"Provided also that in case a Category-I or Category-II Alternative Investment Fund referred to in item (c) of sub-clause (iii) has investment of less than one hundred per cent. in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause or in an Infrastructure Investment Trust referred to in item (c) of the said sub-clause, income accrued or arisen or received or attributable to such investment, directly or indirectly, which is exempt under this clause shall be

calculated proportionately to that investment made in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause or in the Infrastructure Investment Trust referred to in item (c) of the said sub-clause, in such manner as may be prescribed:

Provided also that in case a domestic company referred to in item (d) of sub-clause (iii) has investment of less than one hundred per cent. in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause, income accrued or arisen or received or attributable to such investments, directly or indirectly, which is exempt under this clause shall be calculated proportionately to the investment made in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause, in such manner as may be prescribed:

Provided also that in case a non-banking finance company registered as an Infrastructure Finance Company or Infrastructure Debt Fund, referred to in item (e) of sub-clause (iii), has lending of less than one hundred per cent. in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause, income accrued or arisen or received or attributable to such lending, directly or indirectly, which is exempt under this clause shall be calculated proportionately to the lending made in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause, in such manner as may be prescribed:

Provided also that in case a sovereign wealth fund or pension fund has loans or borrowings, directly or indirectly, for the purposes of making investment in India, such fund shall be deemed to be not eligible for exemption under this clause.";

(C) the *Explanation* shall be numbered as *Explanation* 1 thereof, and in *Explanation 1* as so numbered,—

(i) in clause (b),—

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

"Provided that the provisions of sub-clause (iii) and (iv) shall not apply to any payment made to creditors or depositors for loan taken or

borrowing for the purposes other than for making investment in India;";

(II) in sub-clause (v), for the words "undertake any commercial activity whether within or outside India", the words "participate in the day to day operations of investee but the monitoring mechanism to protect the investment with the investee including the right to appoint directors or executive director shall not be considered as participation in the day to day operations of the investee" shall be substituted;

(ii) in clause (c),—

(I) in sub-clause (ii), after the word "country", the words "or if liable to tax, exemption from taxation for all its income has been provided by such foreign country" shall be inserted;

(II) in sub-clause (iii), for the words "prescribed; and", the word "prescribed;", shall be substituted;

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

"(iiia) it does not participate in the day to day operations of investee but the monitoring mechanism to protect the investment with the investee including the right to appoint directors or executive director shall not be considered as participation in day to day operations of the investee; and";

(D) after *Explanation* 1, the following *Explanations* shall be inserted, namely:—

'Explanation 2.— For the purposes of this clause,—

(i) "investee" means a business trust, or a company, or an enterprise, or an entity, or a Category I or Category II Alternative Investment Fund, or an Infrastructure Investment Trust or a domestic company, or an Infrastructure Finance Company or an Infrastructure Debt Fund referred to in item (e) of sub-clause (iii), in which the sovereign wealth fund or the pension fund, as the case may be, has made the investment, directly or indirectly, under the provisions of this clause;

(ii) "loan and borrowing" means—

(a) any loan taken or borrowing by a sovereign wealth fund from, or any deposit or investment made in a sovereign wealth fund by, any person other than the Government of the country in which the sovereign wealth fund is set up;

(b) any loan taken or borrowing by a pension fund from or any deposit or investment made in a pension fund by, any person but shall not include the deposit or investment which represents statutory obligations and defined contributions of one or more funds or plans established for providing retirement, social security, employment, disability, death benefits or any similar compensation to the participants or beneficiaries of such funds or plans, as the case may be.

Explanation 3.—For the purposes of this clause, the Central Government may prescribe that the method of calculation of "fifty per cent." referred to in item (c) or "seventy-five per cent." referred to in item (d) or "ninety per cent." referred to in item (e), of sub-clause (iii) shall be such as may be prescribed;';

(f) after clause (23FE), the following clause shall be inserted with effect from the 1st day of April, 2022, namely:—

'(23FF) any income of the nature of capital gains, arising or received by a non-resident, which is on account of transfer of share of a company resident in India, by the resultant fund and such shares were transferred from the original fund to the resultant fund in relocation, and where capital gains on such shares were not chargeable to tax if that relocation had not taken place.

Explanation.—For the purposes of this clause, the expressions "original fund", "relocation" and "resultant fund" shall have the meanings respectively assigned to them in the *Explanation* to clause (viiac) and clause (viiad) of section 47;';

(g) in clause (50),—

(I) for the figures "2021", the figures "2020" shall be substituted;

(II) for the *Explanation*, the following *Explanations* shall be substituted, namely:—

'*Explanation* 1.—For the removal of doubts it is hereby clarified that the income referred to in this clause shall not include and shall be deemed never to have been included any income which is chargeable to tax as royalty or fees for technical services in India under this Act read with the agreement notified by the Central Government under section 90 or section 90A.

Explanation 2.—For the purposes of this clause,—

(i) "e-commerce supply or services" shall have the meaning assigned to it in clause (cb) of section 164 of the Finance Act, 2016; 28 of 2016.

(ii) "specified service" shall have the meaning assigned to it in clause (i) of section 164 of the Finance Act, 2016.'. 28 of 2016.

Amendment of section 11.

6. In section 11 of the Income-tax Act, with effect from the 1st day of April, 2022,—

(a) in sub-section (1),—

(i) in clause (d), for the word "institution", the words, brackets and figures "institution, subject to the condition that such voluntary contributions are invested or deposited in one or more of the forms or modes specified in sub-section (5) maintained specifically for such corpus" shall be substituted;

(ii) after *Explanation* 3, the following *Explanations* shall be inserted, namely:—

"*Explanation* 4.—For the purposes of determining the amount of application under clause (a) or clause (b),—

(i) application for charitable or religious purposes from the corpus as referred to in clause (d) of this sub-section, shall not be treated as application of income for charitable or religious purposes:

Provided that the amount not so treated as application, or part thereof, shall be treated as application for charitable or religious purposes in the previous year in which the amount, or part thereof, is invested or deposited back, into one or more of the forms or modes specified in sub-section (5) maintained specifically for such corpus,

from the income of that year and to the extent of such investment or deposit; and

(ii) application for charitable or religious purposes, from any loan or borrowing, shall not be treated as application of income for charitable or religious purposes:

Provided that the amount not so treated as application, or part thereof, shall be treated as application for charitable or religious purposes in the previous year in which the loan or borrowing, or part thereof, is repaid from the income of that year and to the extent of such repayment.

Explanation 5.—For the purposes of this sub-section, it is hereby clarified that the calculation of income required to be applied or accumulated during the previous year shall be made without any set off or deduction or allowance of any excess application of any of the year preceding the previous year.";

(b) in sub-section (2), in the *Explanation*, after the figures and letters "12AA", the words, figures and letters "or section 12AB" shall be inserted;

(c) in sub-section (3), in clause (d), after the figures and letters "12AA", the words, figures and letters "or section 12AB" shall be inserted.

Amendment of section 32.

7. In section 32 of the Income-tax Act, in sub-section (1),—

(a) in clause (ii), after the words, figures and letters, "after the 1st day of April, 1998,", the words "not being goodwill of a business or profession," shall be inserted;

(b) in *Explanation* 3, in clause (b), after the words "or commercial rights of similar nature", the words ", not being goodwill of a business or profession" shall be inserted.

Amendment of section 36.

8. In section 36 of the Income-tax Act, in sub-section (1), in clause (va), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely:—

'Explanation 2.—For the removal of doubts, it is hereby clarified that the provisions of section 43B shall not apply and shall be deemed never to have been applied for the purposes of determining the "due date" under this clause;'.

Amendment of section 43B.

9. In section 43B of the Income-tax Act, after E*xplanation* 4, the following *Explanation* shall be inserted, namely:—

"*Explanation 5.*—For the removal of doubts, it is hereby clarified that the provisions of this section shall not apply and shall be deemed never to have been applied to a sum received by the assessee from any of his employees to which the provisions of sub-clause (x) of clause (24) of section 2 applies.".

Amendment of section 43CA.

10. In section 43CA of the Income-tax Act,—

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

'Provided further that in case of transfer of an asset, being a residential unit, the provisions of this proviso shall have the effect as if for the words "one hundred and ten per cent.", the words "one hundred and twenty per cent." had been substituted, if the following conditions are satisfied, namely:—

(i) the transfer of such residential unit takes place during the period beginning from the 12th day of November, 2020 and ending on the 30th day of June, 2021;

(ii) such transfer is by way of first time allotment of the residential unit to any person; and

(iii) the consideration received or accruing as a result of such transfer does not exceed two crore rupees.';

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

'*Explanation*.—For the purposes of this section, "residential unit" means an independent housing unit with separate facilities for living, cooking and sanitary requirement, distinctly separated from other residential units within the building, which is directly accessible from an outer door or through an interior door in a shared hallway and not by walking through the living space of another household.'.

Amendment of section 44AB.

11. In section 44AB of the Income-tax Act, in clause (a), in the proviso, in long line, for the words "five crore rupees", the words "ten crore rupees" shall be substituted.

Amendment of section 44ADA.

12. In section 44ADA of the Income-tax Act, in sub-section (1), for the words "in the case of an assessee, being a resident in India, who", the words, brackets, letter and figures "in case of an assessee, being an individual, Hindu undivided family or a partnership firm other than a limited liability partnership as defined under clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, who is a resident in India, and" shall be substituted. 6 of 2009.

Amendment of section 44DB.

13. In section 44DB of the Income-tax Act,—

(a) in sub-section (3), after the words "successor co-operative bank", the words "or to the converted banking company" shall be inserted;

(b) in sub-section (4), after the words "a successor co-operative bank", and the words "the successor co-operative bank" the words "or to a converted banking company" and the words "or to the converted banking company" shall, respectively, be inserted;

(c) in sub-section (5),—

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

'(ca) "banking company" shall have the meaning assigned to it in clause (c) of section 5 of Banking Regulation Act, 1949;'; 10 of 1949.

(ii) in clause (d), after the words "a co-operative bank", the words "or conversion of a primary co-operative bank" shall be inserted;

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

'(da) "conversion" means transition of a primary co-operative bank to a banking company under the scheme of the Reserve Bank of India as notified *vide* its circular number DCBR. CO. LS. PCB. Cir. No. 5/07.01.000/2018-19, dated the 27th September, 2018;

(db) "converted banking company" means a banking company formed as a result of conversion from primary co-operative bank;' ;

(iv) in clause (h), after the words "the demerged co-operative bank", the words "or the primary co-operative

bank which has been succeeded as a result of conversion" shall be inserted;

(v) after clause (h), the following clause shall be inserted, namely:—

'(ha) "primary co-operative bank" shall have the meaning assigned to it in clause (ccv) of section 5 of the Banking Regulation Act, 1949;'. 10 of 1949.

Amendment of section 45.

14. In section 45 of the Income-tax Act,—

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

'(1B) Notwithstanding anything contained in sub-section (1), where any person receives at any time during any previous year any amount under a unit linked insurance policy, to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth proviso thereof, including the amount allocated by way of bonus on such policy, then, any profits or gains arising from receipt of such amount by such person shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of such person of the previous year in which such amount was received and the income taxable shall be calculated in such manner as may be prescribed.';

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

'(4) Notwithstanding anything contained in sub-section (1), where a specified person receives during the previous year any capital asset at the time of dissolution or reconstitution of the specified entity, which represents the balance in his capital account in the books of accounts of such specified entity at the time of its dissolution or reconstitution, then any profits or gains arising from receipt of such capital asset by the specified person shall be chargeable to income-tax as income of such specified entity under the head "Capital gains" and shall be deemed to be the income of such specified entity of the previous year in which such capital asset was received by the specified person and notwithstanding anything to the contrary contained in this Act, for the purposes of section 48,—

(a) fair market value of the capital asset on the date of such receipt shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of such capital asset; and

(b) the cost of acquisition of the capital asset shall be determined in accordance with the provisions of this Chapter:

Provided that the balance in the capital account of the specified person in the books of account of the specified entity is to be calculated without taking into account increase in the capital account of the specified person due to revaluation of any asset or due to self-generated goodwill or any other self-generated asset.

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

(i) "specified entity" means a firm or other association of persons or body of individuals (not being a company or a cooperative society);

(ii) "self-generated goodwill" and "self-generated asset" mean goodwill or asset, as the case may be, which has been acquired without incurring any cost for purchase or which has been generated during the course of the business or profession;

(iii) "specified person" means a person who is partner of a firm or member of other association of persons or body of individuals (not being a company or a cooperative society), in any previous year.

(4A) Notwithstanding anything contained in sub-section (1), where a specified person receives during the previous year any money or other asset at the time of dissolution or reconstitution of the specified entity, which is in excess of the balance in his capital account in the books of accounts of such specified entity at the time of its dissolution or reconstitution, then any profits or gains arising from receipt of such money or other asset by the specified person shall be chargeable to income-tax as income of such specified entity under the head "Capital gains" and shall be deemed to be the income of such specified entity of the previous year in which such money or other asset was received by the specified person and notwithstanding anything to the contrary contained in this Act, for the purposes of section 48,—

(a) value of any money or the fair market value of other asset on the date of such receipt shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of such capital asset; and

(b) the balance in the capital account of the specified person in the books of accounts of the specified entity at the

time of its dissolution or reconstitution shall be deemed to be the cost of acquisition:

Provided that the balance in the capital account of the specified person in the books of account of the specified entity is to be calculated without taking into account increase in the capital account of the specified person due to revaluation of any asset or due to self-generated goodwill or any other self-generated asset.

Explanation.—For the purpose of this sub-section, the expressions "specified entity", "self-generated goodwill", "self-generated asset" and "specified person" shall have the meaning respectively assigned to them in sub-section (4).'.

Amendment of section 47.

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

(a) in clause (vica), after the words "successor co-operative bank", the words "or to the converted banking company" shall be inserted;

(b) in clause (vicb),—

(i) after the words "successor co-operative bank", the words "or to the converted banking company" shall be inserted;

(ii) in the *Explanation*, for the words 'expressions "business reorganisation", "predecessor co-operative bank" and', the words 'expressions "business reorganisation", "converted banking company", "predecessor co-operative bank" and' shall be substituted;

(c) after clause (viiab), the following clauses shall be inserted with effect from the 1st day of April, 2022, namely:—

'(viiac) any transfer, in a relocation, of a capital asset by the original fund to the resulting fund;

(viiad) any transfer by a shareholder or unit holder or interest holder, in a relocation, of a capital asset being a share or unit or interest held by him in the original fund in consideration for the share or unit or interest in the resultant fund;

Explanation.— For the purposes of clauses (viiac) and (viiad),—

(a) "original fund" means a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfills the following conditions, namely:—

(i) the fund is not a person resident in India;

(ii) the fund is a resident of a country or a specified territory with which an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A has been entered into; or is established or incorporated or registered in a country or a specified territory as may be notified by the Central Government in this behalf;

(iii) the fund and its activities are subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident; and

(iv) fulfils such other conditions as may be prescribed;

(b) "relocation" means transfer of assets of the original fund to a resultant fund on or before the 31st day of March, 2023, where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund to the shareholder or unit holder or interest holder of the original fund in the same proportion in which the share or unit or interest was held by such shareholder or unit holder or interest holder in such original fund;

(c) "resultant fund" means a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership, which—

(i) has been granted a certificate of registration as a Category I or Category II or Category III Alternative Investment Fund, and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 made under the Securities and exchange Board of India Act, 1992; and 15 of 1992.

(ii) is located in any International Financial Services Centre as referred to in sub-section (1A) of section 80LA;'.

Amendment of section 48.

16. In section 48 of the Income-tax Act, after clause (ii) the following clause shall be inserted, namely: ——

"(iii) in case of specified entity referred to in sub-section (4A) of section 45, the amount included in the total income of such specified entity under sub-section (4A) of section 45 which is attributable to the capital asset being transferred, calculated in the prescribed manner:".

Amendment of section 49.

17. In section 49 of the income-tax Act, in sub-section (1), in clause (iii), in sub-clause (e), after the words, brackets, figures and letters "clause (vicc) or", the words, brackets, figures and letters "clause (viiac) or clause (viiad) or" shall be inserted with effect from the 1st day of April, 2022.

Amendment of section 50.

18. In section 50 of the Income-tax Act, in clause (2), the following proviso shall be inserted, namely:—

"Provided that in a case where goodwill of a business or profession forms part of a block of asset for the assessment year beginning on the 1st day of April, 2020 and depreciation thereon has been obtained by the assessee under the Act, the written down value of that block of asset and short term capital gain, if any, shall be determined in such manner as may be prescribed.".

Amendment of section 54GB.

19. In section 54GB of the Income-tax Act, in sub-section (5), in the proviso, for the figures "2021", the figures "2022" shall be substituted.

Amendment of section 55.

20. In section 55 of the Income-tax Act, in sub-section (2), for clause (a), the following clause shall be substituted, namely:—

"(*a*) in relation to a capital asset, being goodwill of a business or profession, or a trade mark or brand name associated with a business or profession, or a right to manufacture, produce or process any article or thing, or right to carry on any business or profession, or tenancy rights, or stage carriage permits, or loom hours,—

(*i*) in the case of acquisition of such asset by the assessee by purchase from a previous owner, means the amount of the purchase price; and

(ii) in the case falling under sub-clauses (i) to (iv) of sub-section (1) of section 49 and where such asset was acquired by the previous owner (as defined in that

section) by purchase, means the amount of the purchase price for such previous owner; and

(*iii*) in any other case, shall be taken to be *nil*:

Provided that where the capital asset, being goodwill of a business or profession, in respect of which a deduction on account of depreciation under sub-section (1) of section 32 has been obtained by the assessee in any previous year preceding the previous year relevant to the assessment year commencing on or after the 1st day of April, 2021, the provisions of sub-clauses (i) and (ii) shall apply with the modification that the total amount of depreciation obtained by the assessee under sub-section (1) of section 32 before the assessment year commencing on the 1st day of April, 2021 shall be reduced from the amount of purchase price;".

Amendment of section 56.

21. In section 56 the Income-tax Act, in sub-section (2), in clause (x),—

(a) in sub-clause (b), in item (B), after the third proviso, the following proviso shall be inserted, namely:—

"Provided also that in case of property being referred to in the second proviso to sub-section (1) of section 43CA, the provisions of sub-item (ii) of item (B) shall have effect as if for the words "ten per cent.", the words "twenty per cent." had been substituted;";

(b) in the proviso, in clause (IX) after the words, brackets and figures "clause (vii)", the words, brackets, figures and letters "or clause (viiac) or clause (viiad)" shall be inserted with effect from the 1st day of April, 2022.

Amendment of section 72A.

22. In section 72A of the Income-tax Act, in sub-section (1),—

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

"(*c*) one or more public sector company or companies with one or more public sector company or companies; or

(d) an erstwhile public sector company with one or more company or companies, if the share purchase agreement entered into under strategic disinvestment restricted immediate amalgamation of the said public sector company and the amalgamation is carried out within five year from the end of the previous year in

which the restriction on amalgamation in the share purchase agreement ends,";

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

'Provided that the accumulated loss and the unabsorbed depreciation of the amalgamating company, in case of an amalgamation referred to in clause (d), which is deemed to be the loss or, as the case may be, the allowance for unabsorbed depreciation of the amalgamated company, shall not be more than the accumulated loss and unabsorbed depreciation of the public sector company as on the date on which the public sector company ceases to be a public sector company as a result of strategic disinvestment.

Explanation.—For the purposes of clause (d),—

(i) "control" shall have the same meaning as assigned to in clause (27) of section 2 of the Companies Act, 2013; 18 of 2013.

(ii) "erstwhile public sector company" means a company which was a public sector company in earlier previous years and ceases to be a public sector company by way of strategic disinvestment by the Government;

(iii) "strategic disinvestment" means sale of shareholding by the Central Government or any State Government in a public sector company which results in reduction of its shareholding to below fifty-one per cent. along with transfer of control to the buyer.'.

Amendment of section 79.

23. In section 79 of the Income-tax Act, in sub-section (2), after clause (d), the following clause shall be inserted with effect from the 1st day of April, 2022, namely:—

"(e) to a company to the extent that a change in the shareholding has taken place during the previous year on account of relocation referred to in the *Explanation* to clause (*viiac*) and (*viiad*) of section 47.".

Amendment of section 80EEA.

24. In section 80EEA of the Income-tax Act, in sub-section (3), in clause (i), for the figures "2021", the figures "2022" shall be substituted with effect from the 1st day of April, 2022.

Amendment of section 80-IAC.

25. In section 80-IAC of the Income-tax Act, in the *Explanation*, in clause (ii), in sub-clause (a), for the figures "2021", the figures "2022" shall be substituted.

Amendment of section 80-IBA.

26. In section 80-IBA of the Income-tax Act, with effect from the 1st day of April, 2022,—

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

"(1A) Where the gross total income of an assessee includes any profits and gains derived from the business of developing and building rental housing project, there shall be allowed a deduction of an amount equal to hundred per cent. of the profits and gains derived from such business.";

(b) in sub-section (2), in clause (a), for the figures "2021", the figures "2022"shall be substituted;

(c) in sub-section (6), after clause (d), the following clause shall be inserted, namely:—

'(da) "rental housing project" means a project which is notified by the Central Government in the Official Gazette under this clause on or before the 31st day of March, 2022 and fulfils such conditions as may be specified in the said notification;'.

Amendment of section 80LA.

27. In section 80LA of the Income-tax Act, with effect from the 1st day of April, 2022,—

(i) in sub-section (1A), for the words "any other relevant laws was obtained", the words "permission or registration under the International Financial Services Centre Authority Act, 2019 was obtained" shall be substituted; 50 of 2019.

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

"(d) arising from the transfer of an asset, being an aircraft or aircraft engine, which was leased by a unit referred to in clause (c) to a domestic company engaged in the business of operation of aircraft, before such transfer subject to condition that the unit has commenced operation on or before the 31st day of March, 2024.";

(iii) in sub-section (3), for clause (ii), the following clause shall be substituted, namely:—

"(ii) a copy of the permission obtained under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 or copy of permission or registration obtained under the International Financial Services Centre Authority Act, 2019.". 10 of 1949. 50 of 2019.

Insertion of new section 89A.

28. After section 89 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2022, namely:—

Relief from taxation in income from retirement benefit account maintained in a notified country.

'89A. Where a specified person has income accrued in a specified account, such income shall be taxed in such manner and in such year as may be prescribed.

Explanation.—For the purposes of this section,—

(a) "specified person" means a person resident in India who opened a specified account in a notified country while being non-resident in India and resident in that country;

(b) "specified account" means an account maintained in a notified country by the specified person in respect of his retirement benefits and the income from such account is not taxable on accrual basis but is taxed by such country at the time of withdrawal or redemption;

(c) "notified country" means a country as may be notified by the Central Government in the Official Gazette for the purposes of this section.'.

Amendment of section 112A.

29. In section 112A of the Income-tax Act, in the *Explanation*, in clause (a), in the opening portion, after the word and figures "section 10", the words, brackets, figures and letter "or under a scheme of an insurance company comprising unit linked insurance policies to which exemption under clause (10D) of the said section does not apply on account of the applicability of the fourth and fifth proviso thereof" shall be inserted.

Amendment of section 115AD.

30. In section 115AD of the Income-tax Act, with effect from the 1st day of April, 2022,—

(i) in sub-section (1),—

(a) in the opening portion, after the words "a specified fund", the words "or investment division of an offshore banking unit" shall be inserted;

(b) in clause (b), in sub-clause (i), in item (B), after the words "of specified fund", the words "or investment division of an offshore banking unit" shall be inserted;

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

"(1B) Notwithstanding anything contained in sub-section (1), in case of investment division of an offshore banking unit, the provisions of this section shall apply to the extent of income that is attributable to the investment division of such banking units, referred to in sub-clause (ii) of clause(c) to the *Explanation* to clause (4D) of section 10, as a Category-III portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities And Exchange Board of India Act, 1992, 15 of 1992. calculated in such manner as may be prescribed.";

(iii) in sub-section (2), after the words "the specified fund" at both the places where they occur, the words "or investment division of an offshore banking unit" shall be inserted;

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

"(aa) the expression "investment division of offshore banking unit" shall have the meaning assigned to it in clause (aa) of the *Explanation* to clause (4D) of section 10;".

Amendment of section 115JB.

31. In section 115JB of the Income-tax Act, in sub-section (2),—

(a) in *Explanation* 1,—

(i) in clause (fb), in sub-clause (B), for the words "interest, royalty", the words "interest, dividend, royalty" shall be substituted;

(ii) in the long line, in clause (iid), in sub-clause (B), for the words "interest, royalty", the words "interest, dividend, royalty" shall be substituted;

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

"(2D) In the case of an assessee being a company, where there is an increase in book profit of the previous year due to income of past year or years included in the book profit on account of an advance pricing agreement entered into by the assessee under section 92CC or on account of secondary adjustment required to be made under section 92CE, the Assessing Officer shall, on an application made to him in this behalf by the asssessee, recompute the book profit of the past year or years and tax payable, if any, by the assessee during the previous year under sub-section (1), in such manner as may be prescribed and the provisions of section 154 shall, so far as may be, apply and the period of four years specified in sub-section (7) of that section shall be reckoned from the end of the financial year in which the said application is received by the Assessing Officer.".

Amendment of section 139.

32. In section 139 of the Income-tax Act,—

(a) in sub-section (1), in *Explanation* 2,—

(i) in clause (a), in sub-clause (iii), after the words "any other law for the time being in force", the words, figure and letter "or the spouse of such partner if the provisions of section 5A applies to such spouse" shall be inserted;

(ii) in clause (aa), after the words "an assessee", the words ", including the partners of the firm being such assessee," shall be inserted;

(b) in sub-section (4), for the words "return for any previous year at any time before", the words "a return for any previous year at any time within three months prior to" shall be substituted;

(c) in sub-section (5), for the words "he may furnish a revised return at any time", the words "he may furnish a revised return at any time within three months" shall be substituted;

(d) in sub-section (9), in the *Explanation*, the following proviso shall be inserted, namely:—

"Provided that the Board may, by notification in the Official Gazette, specify that any of the conditions specified in clauses (a) to (f) to the *Explanation* shall not apply to such class of assessees or shall apply with such modifications, as may be specified in such notification.".

Amendment of section 142.

33. In section 142 of the Income-tax Act, in sub-section (1), in clause (i), after the existing proviso, the following proviso shall be inserted, namely:—

"Provided further that a notice under this sub-section for the purposes of this clause may also be served by the prescribed income-tax authority,".

Amendment of section 143.

34. In section 143 of the Income-tax Act,—

(a) in sub-section (1),—

(i) in the second proviso, for the words "one year", the words "nine months" shall be substituted;

(ii) in clause (a),—

(I) in sub-clause (iv), for the words "disallowance of expenditure indicated", the words "disallowance of expenditure or increase in income indicated" shall be substituted;

(II) in sub-clause (v), for the words, figures and letters "sections 10AA, 80-IA, 80-IAB, 80-IB, 80-IC, 80-ID or section 80-IE, if", the words, figures and letters 'section 10AA or under any of the provisions of Chapter VI-A under the heading "C.-Deductions in respect of certain incomes", if' shall be substituted;

(b) in sub-section (2), in the proviso, for the word "six", the word "three" shall be substituted.

Substitution of new section for section 147.

35. For section 147 of the Income-tax Act, the following section shall be substituted, namely:—

Income escaping assessment.

"147. If any income chargeable to tax, in the case of an assessee, has escaped assessment for any assessment year, the Assessing Officer may, subject to the provisions of sections 148 to 153, assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for such assessment year (hereafter in this section and in sections 148 to 153 referred to as the relevant assessment year).

Explanation.—For the purpose of assessment or reassessment under this section, the Assessing Officer may assess or reassess the income in respect of any issue, which has escaped assessment, and such issue comes to his notice

subsequently in the course of the proceedings under this section, irrespective of the fact that the provisions of section 148A have not been complied with.".

Substitution of new section for section 148.

36. For section 148 of the Income-tax Act, the following section shall be substituted, namely:—

Issue of notice where income has escaped assessment.

"148**.** Before making the assessment, reassessment or recomputation under section 147, and subject to the provisions of section 148A, the Assessing Officer shall serve on the assessee a notice, along with a copy of the order passed, if required, under clause (d) of section 148A, requiring him to furnish within such period, as may be specified in such notice, a return of his income or the income of any other person in respect of which he is assessable under this Act during the previous year corresponding to the relevant assessment year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed; and the provisions of this Act shall, so far as may be, apply accordingly as if such return were a return required to be furnished under section 139:

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 and the Assessing Officer has obtained prior approval of the specified authority to issue such notice.

Explanation 1.—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 flagged 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;

(ii) any final objection raised by the Comptroller and Auditor General of India 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.

Explanation 2.—For the purposes of this section, where,—

(i) a search is initiated under section 132 or books of account, other documents or any assets are requisitioned

under section 132A, on or after the 1st day of April, 2021, in the case of the assessee; or

(ii) a survey is conducted under section 133A in the case of the assessee on or after the 1st day of April, 2021; or

(iii) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner, that any money, bullion, jewellery or other valuable article or thing, seized or requisitioned in case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or

(iv) the Assessing Officer is satisfied, with the prior approval of Principal Commissioner or Commissioner, that any books of account or documents, seized or requisitioned in case of any other person on or after the 1st day of April, 2021, pertains or pertain to, or any information contained therein, relate to, the assessee,

the Assessing Officer shall be deemed to have information which suggests that the income chargeable to tax has escaped assessment in the case of the assessee for the three assessment years immediately preceding the assessment year relevant to the previous year in which the search is initiated or books of account, other documents or any assets are requisitioned or survey is conducted in the case of the assessee or money, bullion, jewellery or other valuable article or thing or books of account or documents are seized or requisitioned in case of any other person.

Explanation.3—For the purposes of this section, specified authority means the specified authority referred to in section 151.".

Insertion of new section 148A.

37. After section 148 of the Income-tax Act, the following section shall be inserted, namely:—

Conducting inquiry, providing opportunity before issue of notice under section 148.

"148A**.** The Assessing Officer shall, before issuing any notice under section 148, —

(a) conduct any enquiry, if required, with the prior approval of specified authority, with respect to the information which suggests that the income chargeable to tax has escaped assessment;

(b) provide an opportunity of being heard to the assessee, with the prior approval of specified authority, by serving upon him a notice to show cause within such time, as may be specified in the notice, being not less than seven days and but not exceeding thirty days from the date on which such notice is issued, or such time, as may be extended by him on the basis of an application in this behalf, as to why a notice under section 148 should not be issued on the basis of information which suggests that income chargeable to tax has escaped assessment in his case for the relevant assessment year and results of enquiry conducted, if any, as per clause (a);

(c) consider the reply of assessee furnished, if any, in response to the show-cause notice referred to in clause (b);

(d) decide, on the basis of material available on record including reply of the assessee, whether or not it is a fit case to issue a notice under section 148, by passing an order, with the prior approval of specified authority, within one month from the end of the month in which the reply referred to in clause (c) is received by him, or where no such reply is furnished, within one month from the end of the month in which time or extended time allowed to furnish a reply as per clause (b) expires:

Provided that the provisions of this section shall not apply in a case where,—

(a) 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 the assessee on or after the 1st day of April, 2021; or

(b) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any money, bullion, jewellery or other valuable article or thing, seized in a search under section 132 or requisitioned under section 132A, in the case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or

(c) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any books of account or documents, seized in a search under section 132 or requisitioned under section 132A, in case of any other person on or after the 1st day of April, 2021, pertains

or pertain to, or any information contained therein, relate to, the assessee.

Explanation.—For the purposes of this section, specified authority means the specified authority referred to in section 151.".

Substitution of new section for section 149.

38. For section 149 of the Income-tax Act, the following section shall be substituted, namely:—

Time limit for notice.

"149. (1) No notice under section 148 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 ten years, 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 which reveal that the income chargeable to tax, represented in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more for that year:

Provided that no notice under section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April, 2021, if such notice could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of this section, as they stood immediately before the commencement of the Finance Act, 2021:

Provided further that the provisions of this sub-section shall not apply in a case, where a notice under section 153A, or section 153C read with section 153A, is required to be issued in relation to a search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, on or before the 31st day of March, 2021:

Provided also that for the purposes of computing the period of limitation as per this section, the time or extended time allowed to the assessee, as per show-cause notice issued under clause (b) of section 148A or the period during which the proceeding under section 148A is stayed by an order or injunction of any court, shall be excluded:

Provided also that where immediately after the exclusion of the period referred to in the immediately preceding proviso, the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A is less than seven days, such remaining period shall be extended to seven days and the period of limitation in sub-section (1) shall be deemed to be extended accordingly.

(2) The provisions of sub-section (1) as to the issue of notice shall be subject to the provisions of section 151.".

Substitution of new section for section 151.

39. For section 151 of the Income-tax Act, the following section shall be substituted, namely:—

Sanction for issue of notice.

"151**.** Specified authority for the purposes of section 148 and section 148A shall be,—

(i) Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year;

(ii) Principal Chief Commissioner or Principal Director General or where there is no Principal Chief Commissioner or Principal Director General, Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.".

Amendment of section 151A.

40. In section 151A of the Income-tax Act, in sub-section (1), in the opening portion, after the words and figures "issuance of notice under section 148", the words, figures and letter "or conducting of enquiries or issuance of show-cause notice or passing of order under section 148A" shall be inserted.

Amendment of section 153.

41. In section 153 of the Income-tax Act, in sub-section (1), after the second proviso, the following proviso shall be inserted, namely:—

"Provided also that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2021, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "nine months" had been substituted.".

Amendment of section 153A.

42. In section 153A of the Income-tax Act, in sub-section (1), in the opening portion, after the words, figures and letters "after the 31st day of May, 2003", the words, figures and letters "but on or before the 31st day of March, 2021" shall be inserted.

Amendment of section 153C.

43. In section 153C of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Nothing contained in this section shall apply in relation to a 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 April, 2021.".

Amendment of section 194.

44. In section 194 of the Income-tax Act, in the second proviso, after clause (c), the following clauses shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2020, namely:—

'(d) a "business trust", as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the *Explanation* to clause (23FC) of section 10;

(e) any other person as may be notified by the Central Government in the Official Gazette in this behalf.'.

Amendment of section 194A.

45. In section 194A of the Income-tax Act, in sub-section (3), in clause (x), after the words "infrastructure capital fund or", the words "infrastructure debt fund or" shall be inserted.

Amendment of section 194-IB.

46. In section 194-IB of the Income-tax Act, in sub-section (4), for the words, figures and letters "section 206AA, such", the words, figures and letters "section 206AA or section 206AB, such" shall be substituted with effect from the 1st day of July, 2021.

Insertion of new section 194P.

47. After section 194-O of the Income-tax Act, the following section shall be inserted, namely:—

Deduction of tax in case of specified senior citizen.

'194P. (1) Notwithstanding anything contained in the provisions of Chapter XVII-B, in case of a specified senior citizen, the specified bank shall, after giving effect to the deduction allowable under Chapter VI-A and rebate allowable under section 87A, compute the total income of such specified senior citizen for the relevant assessment year and deduct income-tax on such total income on the basis of the rates in force.

(2) The provisions of section 139 shall not apply to a specified senior citizen for the assessment year relevant to the previous year in which the tax has been deducted under sub-section (1).

Explanation.— For the purposes of this section,—

(a) "specified bank" means a banking company as the Central Government may, by notification in Official Gazette, specify;

(b) "specified senior citizen" means an individual, being a resident in India—

(i) who is of the age of seventy-five years or more at any time during the previous year;

(ii) who is having income of the nature of pension and no other income except the income of the nature of interest received or receivable from any account maintained by such individual in the same specified bank in which he is receiving his pension income; and

(iii) has furnished a declaration to the specified bank containing such particulars, in such form and verified in such manner, as may be prescribed.'.

Insertion of new section 194Q.

48. After section 194P of the Income-tax Act, the following section shall be inserted with effect 1st day of July, 2021, namely:—

Deduction of tax at source on payment of certain sum for purchase of goods.

'194Q. (1) Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent. of such sum exceeding fifty lakh rupees as income-tax.

Explanation.—For the purposes of this sub-section, "buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

(2) Where any sum referred to in sub-section (1) is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

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

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

(5) The provisions of this section shall not apply to a transaction on which—

(a) tax is deductible under any of the provisions of this Act; and

(b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.'.

Amendment of section 196D.

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

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

Amendment of section 206AA.

50. In section 206AA of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted with effect from the 1st day of July, 2021, namely:—

'Provided further that where the tax is required to be deducted under section 194Q, the provisions of clause (iii) shall apply as if for the words "twenty per cent.", the words "five per cent." had been substituted.'.

Insertion of new section 206AB.

51. After section 206AA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021, namely:—

Special provision for deduction of tax at source for non-filers of

'206AB. (1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid, or payable or

income-tax return.

credited, by a person (hereafter referred to as deductee) to a specified person, the tax shall be deducted at the higher of the following rates, namely:—

(i) at twice the rate specified in the relevant provision of the Act; or

(ii) at twice the rate or rates in force; or

(iii) at the rate of five per cent..

(2) If the provisions of section 206AA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.

(3) For the purposes of this section "specified person" means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years:

Provided that the specified person shall not include a non-resident who does not have a permanent establishment in India.

Explanation.—For the purposes of this sub-section, the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.'.

Insertion of new section 206CCA.

52. After section 206CC of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021, namely:—

Special provision for collection of tax at source for non-filers of income-tax return.

'206CCA**.** (1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person (hereafter referred to as collectee) from a specified person, the tax shall be collected at the higher of the following two rates, namely:—

(i) at twice the rate specified in the relevant provision of the Act; or

(ii) at the rate of five per cent.

(2) If the provisions of section 206CC is applicable to a specified person, in addition to the provisions of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC.

(3) For the purposes of this section "specified person" means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years:

Provided that the specified person shall not include a non-resident who does not have a permanent establishment in India.

Explanation.—For the purposes of this sub-section, the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.'.

Amendment of section 234C.

53. In section 234C of the Income-tax Act, in sub-section (1),—

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

"(d) the amount of dividend income,";

(ii) the *Explanation* shall be numbered as *Explanation* 1 thereof and after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely: —

'*Explanation* 2.—For the purposes of this sub-section, the term "dividend" shall have the meaning assigned to it in clause (*22*) of section 2, but shall not include sub-clause (*e*) thereof.'.

Amendment of section 245A.

54. In section 245A of the Income-tax Act, with effect from the 1st day of February, 2021,—

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

'(da) "Interim Board" means the Interim Board for Settlement constituted under section 245AA;';

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

'(ea) "Member of the Interim Board" means a Member of the Interim Board;

(eb) "pending application" means an application which was filed under section 245C and which fulfils the following conditions, namely: —

(i) it was not declared invalid under sub-section (2C) of section 245D; and

(ii) no order under sub-section (4) of section 245D was issued on or before the 31st day of January, 2021 with respect to such application;'.

Insertion of new section 245AA.

55. After section 245A of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

Interim Boards for Settlement.

"245AA. (1) The Central Government shall constitute one or more Interim Boards for Settlement, as may be necessary, for the settlement of pending applications.

(2) Every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner, as may be nominated by the Board.".

(3) If the Members of the Interim Board differ in opinion on any point, the point shall be decided according to the opinion of the majority.".

Amendment of section 245B.

56. In section 245B of the Income-tax Act, in sub-section (1), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"Provided that the Income-tax Settlement Commission so constituted shall cease to operate on or after the 1st day of February, 2021.".

Amendment of section 245BC.

57. In section 245BC of the Income-tax Act, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"Provided that the provisions of this section shall not apply on or after the 1st day of February, 2021.".

Amendment of section 245BD.

58. In section 245BD of the Income-tax Act, the following proviso shall be inserted and shall be deemed to have been inserted, with effect from the 1st day of February, 2021, namely:—

"Provided that the provisions of this section shall not apply on or after the 1st day of February, 2021.".

Amendment of section 245C.

59. In section 245C of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"(5) No application shall be made under this section on or after the 1st day of February, 2021.".

Amendment of section 245D.

60. In section 245D of the Income-tax Act, with effect from the 1st day of February, 2021,—

(i) in sub-section (2C), after the second proviso, the following proviso shall be inserted and shall be deemed to have been inserted, namely:—

"Provided also that where in respect of an application, an order, which was required to be passed under this sub-section on or before the 31st day of January, 2021, has not been passed on or before the 31st day of January, 2021, such application shall deemed to be valid.";

(ii) in sub-section (6B), for the words "amend any order passed by it", the words "amend any order passed" shall be substituted and shall be deemed to have been substituted;

(iii) after sub-section (8), the following sub-sections shall be inserted and shall be deemed to have been inserted, namely:—

'(9) On and from the 1st day of February, 2021, the provisions of sub-sections (1), (2), (2B), (2C), (3), (4), (4A), (5), (6) and (6B) shall apply to pending applications allotted to Interim Board with the following modifications, namely:—

(i) for the words "Settlement Commission", wherever they occur, the words "Interim Board" shall be substituted;

(ii) for the word "Bench", the words "Interim Board" shall be substituted;

(iii) for the purposes of this section, the date referred to in sub-section (2) of section 245M shall be deemed to be date on which the application was made under section 245C and received by the Interim Board;

(iv) where the time-limit for amending any order or filing of rectification application as per sub-section (6B) expires on or after the 1st day of February, 2021, in computing the period of limitation, the period commencing from the 1st February, 2021 and ending on the end of the month in which the Interim Board is constituted shall be excluded and where immediately after exclusion of such period, the remaining period available to the Interim Board for amending the order or to the Principal Commissioner or Commissioner or the applicant for filing of application is less than sixty days, such remaining period shall be extended to sixty days and the period of limitation shall be deemed to have been extended accordingly.

(10) On and from the 1st day of February, 2021, the provisions of sub-sections (6A) and (7) shall have effect as if for the words "Settlement Commission", the words "Settlement Commission or Interim Board of Settlement" had been substituted.

(11) The Central Government may by notification in the Official Gazette, make a scheme, for the purposes of settlement in respect of pending applications by the Interim Board, so as to impart greater efficiency, transparency and accountability by—

(a) eliminating the interface between the Interim Board and the assessee in the course of proceedings to the extent technologically feasible;

(b) optimising utilisation of the resources through economies of scale and functional specialisation;

(c) introducing a mechanism with dynamic jurisdiction.

(12) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (11), by notification in the Official Gazette, direct that any of the

provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification:

Provided that no such direction shall be issued after the 31st day of March, 2023.

(13) Every notification issued under sub-section (11) and sub-section (12) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.".

Amendment of section 245DD.

61. In section 245DD of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"(3) On and from the 1st day of February, 2021, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.".

Amendment of section 245F.

62. In section 245F of the Income-tax Act, after sub-section (7), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"(8) On and from the 1st day of February, 2021, the powers and functions of the Settlement Commission under this section shall be exercised or performed, by the Interim Board and all the provisions of this section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.".

Amendment of section 245G.

63. In section 245G of the Income-tax Act, after the first proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"Provided further that on or after the 1st day of February, 2021, functions of the Settlement Commission under this section shall be performed by the Interim Board and the provisions of this section shall *mutatis mutandis* apply to Interim Board as they apply to the Settlement Commission.".

Amendment of section 245H.

64. In section 245H of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

"(3) On and from the 1st day of February, 2021, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.".

Insertion of new section 245M.

65. In the Income-tax Act, after section 245L, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of February, 2021, namely:—

Option to withdraw pending application.

"245M. (1) With respect to a pending application, the assessee who had filed such application may, at his option, withdraw such application within a period of three months from the date of commencement of the Finance Act, 2021 and intimate the Assessing Officer, in the prescribed manner, about such withdrawal.

(2) Where the option under sub-section (1) is not exercised by the assessee within the time allowed under that sub-section, the pending application shall be deemed to have been received by the Interim Board on the date on which such application is allotted or transferred to the Interim Board under sub-section (3).

(3) The Board may, by an order, allot any pending application to any Interim Board and may also transfer, by an order, any pending application from one Interim Board to another Interim Board.

(4) Where the pending application is allotted to an Interim Board under sub-section (3) or transferred to another Interim Board subsequently, all the records, documents or evidences, by whatever name called, with the Settlement Commission shall be transferred to such Interim Board and shall be deemed to be the records before it for all purposes.

(5) Where the assessee exercises the option under sub-section (1) to withdraw his application, the proceedings with respect to the application shall abate on the date on which such application is withdrawn and the Assessing Officer, or, as the case may be, any other income-tax authority before whom the proceeding at the time of making the application was pending, shall dispose of the case in accordance with the provisions of this Act as if no application under section 245C had been made:

Provided that for the purposes of the time-limit under sections 149, 153, 153B, 154 and 155 and for the purposes of payment of interest under section 243 or 244 or, as the case

may be, section 244A, for making the assessment or re-assessment under this sub-section, the period commencing on and from the date of the application to the Settlement Commission under section 245C and ending with the date referred to in this sub-section shall be excluded:

Provided further that the income-tax authority shall not be entitled to use the material and other information produced by the assessee before the Settlement Commission or the results of the inquiry held or evidence recorded by the Settlement Commission in the course of proceedings before it:

Provided also that nothing contained in the first proviso shall apply in relation to the material and other information collected, or results of the inquiry held or evidence recorded by the Assessing Officer, or as the case may be, other income-tax authority during the course of any other proceeding under this Act irrespective of whether such material or other information or results of the inquiry or evidence were also produced by the assessee or the Assessing Officer before the Settlement Commission.".

Insertion of new Chapter XIX-AA.

66. After Chapter XIX-A of the Income-tax Act, the following Chapter shall be inserted, with effect from the 1st day of April, 2021, namely: —

'CHAPTER XIX-AA

DISPUTE RESOLUTION COMMITTEE IN CERTAIN CASES

Dispute Resolution Committee.

245MA. (1) The Central Government shall constitute, one or more Dispute Resolution Committees, as may be necessary, in accordance with the rules made under this Act, for dispute resolution in the case of such persons or class of persons, as may be specified by the Board, who may opt for dispute resolution under this Chapter in respect of dispute arising from any variation in the specified order in his case and who fulfils the specified conditions.

(2) The Dispute Resolution Committee, subject to such conditions, as may be prescribed, shall have the powers to reduce or waive any penalty imposable under this Act or grant immunity from prosecution for any offence punishable under this Act in case of a person whose dispute is resolved under this Chapter.

(3) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of dispute

resolution under this Chapter, so as to impart greater efficiency, transparency and accountability by—

(a) eliminating the interface between the Dispute Resolution Committee and the assessee in the course of dispute resolution proceedings to the extent technologically feasible;

(b) optimising utilisation of the resources through economies of scale and functional specialisation;

(c) introducing a dispute resolution system with dynamic jurisdiction.

(4) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (3), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification:

Provided that no such direction shall be issued after the 31st day of March, 2023.

(5) Every notification issued under sub-sections (3) and (4) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

Explanation.— For the purposes of this section,—

(a) "specified conditions" in relation to a person means a person who fulfils the following conditions, namely:—

(I) where he is not a person,—

(A) 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: 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 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 the said 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;

(B) in respect of whom prosecution for any offence punishable under the provisions of the Indian Penal Code, the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prohibition of *Benami* Transactions Act, 1988, the Prevention of Corruption Act, 1988 or the Prevention of Money Laundering Act, 2002 has been instituted and he has been convicted of any offence punishable under any of those Acts; 45 of 1860. 37 of 1967. 61 of 1985. 45 of 1988. 49 of 1988. 15 of 2003.

(C) in respect of whom prosecution has been initiated by an income-tax authority for any offence punishable under the provisions of this Act or the Indian Penal Code or for the purpose of enforcement of any civil liability under any law for the time being in force, or such person has been convicted of any such offence consequent upon the prosecution initiated by an Income-tax authority; 45 of 1860.

(D) who is notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992; 27 of 1962.

(II) such other conditions, as may be prescribed.

(b) "specified order" means such order, including draft order, as may be specified by the Board, and,—

(i) aggregate sum of variations proposed or made in such order does not exceed ten lakh rupees;

(ii) such order is not based on search initiated under section 132 or requisition under section 132A in the case of assessee or any other person or survey under section 133A or information received under an agreement referred to in section 90 or section 90A;

(iii) where return has been filed by the assessee for the assessment year relevant to such order, total income as per such return does not exceed fifty lakh rupees.'.

Amendment of section 245N.

67. In section 245N of the Income-tax Act,—

(i) in clause (b), sub-clauses (B), (C) and (D) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(ii) in clause (c), after the word "Authority", the words "or the Board for Advance Rulings" shall be inserted;

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

'(ca) "Board for Advance Rulings" means the Board for Advance Rulings constituted by the Central Government under section 245-OB;';

(iv) in clause (f), after the word "Vice-Chairman", the words "or a Member of the Board for Advance Rulings" shall be inserted.

Amendment of section 245-O.

68. In section 245-O of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that the Authority so constituted shall cease to operate on and from such date as the Central Government may, by notification in the Official Gazette, appoint.".

Insertion of new section 245-OB.

69. After section 245-OA of the Income-tax Act, the following section shall be inserted, namely:—

Board for Advance Rulings.

"245-OB. (1) The Central Government shall constitute one or more Boards for Advance Rulings, as may be necessary, for giving advance rulings under this Chapter on

or after such date as the Central Government may, by notification in the Official Gazette, appoint.

(2) The Board for Advance Rulings shall consist of two members, each being an officer not below the rank of Chief Commissioner, as may be nominated by the Board.".

Amendment of section 245P.

70. Section 245P of the Income-tax Act shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

"(2) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, the provisions of this section shall have effect as if for the word "Authority", the words "Board for Advance Rulings" had been substituted.".

Amendment of section 245Q.

71. In section 245Q of the Income-tax Act,—

(a) in sub-section (1), the words, figures and letters "or under Chapter IIIA of the Central Excise Act, 1944 or under Chapter VA of the Finance Act, 1994" shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint; 1 of 1944. 32 of 1994.

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

"(4) Where an application is made under this section before such date as the Central Government may, by notification in the Official Gazette appoint, and in respect of which no order under sub-section (2) of section 245R has been passed or advance ruling under sub-section (4) of section 245R has been pronounced before such date, such application along with all the relevant records, documents or material, by whatever name called, on the file of the Authority shall be transferred to the Board for Advance Rulings and shall be deemed to be the records before the Board for Advance Rulings for all purposes.".

Amendment of section 245R.

72. In section 245R of the Income-tax Act, after sub-section (7), the following sub-sections shall be inserted, namely:—

'(8) On and from such date as the Central Government may, by notification in the Official Gazette, appoint, the provisions of this section shall have effect as if for the word

"Authority", the words "Board for Advance Rulings" had been substituted and the provisions of this section shall apply *mutatis mutandis* to the Board for Advance Rulings as they apply to the Authority.

(9) The Central Government may, by notification in the Official Gazette, make a scheme for the purposes of giving advance rulings under this Chapter by the Board for Advance Rulings, so as to impart greater efficiency, transparency and accountability by—

(a) eliminating the interface between the Board for Advance Rulings and the applicant in the course of proceedings to the extent technologically feasible;

(b) optimising utilisation of the resources through economies of scale and functional specialisation;

(c) introducing a system with dynamic jurisdiction.

(10) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (9), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification:

Provided that no such direction shall be issued after the 31st day of March, 2023.

(11) Every notification issued under sub-section (9) and sub-section (10) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.'.

Amendment of section 245S.

73. In section 245S of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Nothing contained in this section shall apply to any advance ruling pronounced under section 245R on or after such date as the Central Government may, by notification in the Official Gazette, appoint.".

Amendment of section 245T.

74. In section 245T of the Income-tax Act,—

(a) in sub-section (1), the words "by it" shall be omitted;

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

'(3) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, the provisions of this section shall have effect as if for the word "Authority", the words "Board for Advance Rulings" had been substituted.'.

Amendment of section 245U.

75. In section 245U of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) On and from such date as the Central Government may, by notification in the Official Gazette, appoint, the powers of the Authority under this section shall be exercised by the Board for Advance Rulings and the provisions of this section shall *mutatis mutandis* apply to the Board for Advance Rulings as they apply to the Authority.".

Amendment of section 245V.

76. In section 245V of the Income-tax Act, the following proviso shall be inserted, namely:—

"Provided that nothing contained in this section shall apply on or after such date as the Central Government may, by notification in the Official Gazette, appoint.".

Insertion of new section 245W.

77. After section 245V of the Income-tax Act, the following section shall be inserted, namely:—

Appeal.

"245W. (1) The applicant, if he is aggrieved by any ruling pronounced or order passed by the Board for Advance Rulings or the Assessing Officer, on the directions of the Principal Commissioner or Commissioner, may appeal to the High Court against such ruling or order of the Board of Advance Rulings within sixty days from the date of the communication of that ruling or order, in such form and manner, as may be prescribed:

Provided that where the High Court is satisfied, on an application made by the appellant in this behalf, that the appellant was prevented by sufficient cause from presenting the appeal within the period specified in sub-section (1), it may grant further period of thirty days for filing such appeal.

(2) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of filing appeal to the High Court under sub-section (1) by the Assessing Officer, so as to impart greater efficiency, transparency and accountability by—

(a) optimising utilisation of the resources through economies of scale and functional specialisation;

(b) introducing a team-based mechanism with dynamic jurisdiction.

(3) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (2), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification:

Provided that no such direction shall be issued after the 31st day of March, 2023.

(4) Every notification issued under sub-section (2) and sub-section (3) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.".

Amendment of section 255.

78. In section 255 of the Income-tax Act, after sub-section (6), the following sub-sections shall be inserted, namely: —

"(7) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of disposal of appeals by the Appellate Tribunal so as to impart greater efficiency, transparency and accountability by—

(a) eliminating the interface between the Appellate Tribunal and parties to the appeal in the course of appellate proceedings to the extent technologically feasible;

(b) optimising utilisation of the resources through economies of scale and functional specialisation;

(c) introducing an appellate system with dynamic jurisdiction.

(8) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (7), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply to such scheme or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification:

Provided that no such direction shall be issued after the 31st day of March, 2023.

(9) Every notification issued under sub-section (7) and sub-section (8) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.".

Amendment of section 281B.

79. In section 281B of the Income-tax Act, in sub-section (1), after the words "escaped assessment", the words, figures and letters "or for imposition of penalty under section 271AAD where the amount or aggregate of amounts of penalty likely to be imposed under the said section exceeds two crore rupees" shall be inserted.

CHAPTER IV

INDIRECT TAXES

Customs

Amendment of section 2.

80. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 2, after clause (7A), the following clause shall be inserted, namely:— 52 of 1962.

'(7B) "common portal" means the Common Customs Electronic Portal referred to in section 154C;'.

Amendment of section 5.

81. In section 5 of the Customs Act, in sub-section (3), for the words and figures "Chapter XV and section 108", the words, figures, brackets and letter "Chapter XV, section 108 and sub-section (1D) of section 110" shall be substituted.

Amendment of section 25.

82. In section 25 of the Customs Act, after sub-section (4), the following sub-section shall be inserted, namely:—

"(4A) Where any exemption is granted subject to any condition under sub-section (1), such exemption shall, unless otherwise specified or varied or rescinded, be valid upto 31st day of March falling immediately after two years from the date of such grant or variation:

Provided that in respect of any such exemption in force as on the date on which the Finance Bill, 2021 receives the assent of the President, the said period of two years shall be reckoned from the 1st day February, 2021.".

Insertion of new section 28BB.

83. After section 28BA of the Customs Act, the following section shall be inserted, namely:—

Time limit for completion of certain actions.

"28BB. (1) Any inquiry or investigation under this Act, culminating in the issuance of a notice under sub-section (1) or sub-section (4) of section 28 shall be completed by issuing such notice, within a period of two years from the date of initiation of audit, search, seizure or summons, as the case may be:

Provided that the Principal Commissioner of Customs or the Commissioner of Customs may, on sufficient cause being shown and for reasons to be recorded in writing, extend the said period to a further period of one year.

(2) For computing the period under sub-section (1), the period during which stay was granted by an order of a court or tribunal, or the period for seeking information from an overseas authority through a legal process, shall be excluded.

Explanation.—For the removal of doubts, it is hereby declared that nothing contained in this section shall apply to any such proceeding initiated before the date on which the Finance Bill, 2021 receives the assent of the President.".

Amendment of section 46.

84. In section 46 of the Customs Act, in sub-section (3),—

(i) in the opening portion, for the words and brackets "before the end of the next day following the day (excluding holidays)", the words and brackets "before the end of the day (including holidays) preceding the day" shall be substituted;

(ii) for the words "Provided that", the following shall be substituted, namely:—

"Provided that the Board may, in such cases as it may deem fit, prescribe different time limits for presentation of the bill of entry, which shall not be later than the end of the day of such arrival:

Provided further that";

(iii) for the words "Provided further that", the words "Provided also that" shall be substituted.

Amendment of section 110.

85. In section 110 of the Customs Act, after sub-section (1C), the following sub-section shall be inserted, namely:—

"(1D) Where the goods seized under sub-section (1) is gold in any form as notified under sub-section (1A), then, the proper officer shall, instead of making an application under sub-section (1B) to the Magistrate, make such application to the Commissioner (Appeals) having jurisdiction, who shall, as soon as may be, allow the application and thereafter, the proper officer shall dispose of such goods in such manner as the Central Government may determine.".

Amendment of section 113.

86. In section 113 of the Customs Act, after clause (j), the following clause shall be inserted, namely:—

"(ja) any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this Act or any other law for the time being in force;".

Insertion of new section 114AC.

87. After section 114AB of the Customs Act, the following section shall be inserted, namely:—

Penalty for fraudulent utilisation of input tax credit for claiming refund.

'114AC. Where any person has obtained any invoice by fraud, collusion, willful misstatement or suppression of facts to utilise input tax credit on the basis of such invoice for discharging any duty or tax on goods that are entered for exportation under claim of refund of such duty or tax, such person shall be liable for penalty not exceeding five times the refund claimed.

Explanation.—For the purposes of this section, the expression "input tax credit" shall have the same meaning as assigned to it in clause (63) of section 2 of the Central Goods and Services Tax Act, 2017.'. 12 of 2017.

Amendment of section 139.

88. In section 139 of the Customs Act, in the *Explanation*, for the words, brackets, figures and letter "a Magistrate under sub-section (1C) of section 110", the words, brackets, figures and letters "a Magistrate under sub-section (1C), or Commissioner (Appeals) under sub-section (1D), of section 110" shall be inserted.

Amendment of section 149.

89. In section 149 of the Customs Act, after the proviso, the following provisos shall be inserted, namely:—

"Provided further that such authorisation or amendment may also be done electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided also that such amendments, as may be specified by the Board, may be done by the importer or exporter on the common portal.".

Amendment of section 153.

90. In section 153 of the Customs Act, in sub-section (1), after clause (c), the following clause shall be inserted, namely:—

"(ca) by making it available on the common portal;".

Insertion of new section 154C.

91. After section 154B of the Customs Act, the following section shall be inserted, namely:—

Common Customs Electronic Portal.

"154C. The Board may notify a common portal, to be called the Common Customs Electronic Portal, for facilitating registration, filing of bills of entry, shipping bills, other documents and forms prescribed under this Act or under any other law for the time being in force or the rules or regulations made thereunder, payment of duty and for such other purposes, as the Board may, by notification, specify.".

Customs tariff

Amendment of section 8B.

92. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), in section 8B, in sub-section (6),— 51 of 1975.

(i) in clause (*i*), for the word "unit;", the words "unit; or" shall be substituted;

(ii) for the *Explanation*, the following *Explanation* shall be substituted, namely:–

'Explanation.—For the purposes of this sub-section,–

(a) the expression "hundred per cent. export-oriented undertaking" shall have the same meaning as assigned to it in clause (i) of *Explanation* 2 to sub-section (*1*) of section 3 of the Central Excise Act, 1944; 1 of 1944.

(b) the expression "special economic zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005.'. 28 of 2005.

Amendment of section 9.

93. In section 9 of the Customs Tariff Act,—

(i) in sub-section (1A), after the words "such other article also", the words "from such date, not earlier than the date of initiation of the inquiry, as the Central Government may, by notification in the Official Gazette, specify" shall be inserted;

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

'(1B) Where the Central Government, on such inquiry as it considers necessary, is of the opinion that absorption of countervailing duty imposed under sub-section (1) has taken place whereby the countervailing duty so imposed is rendered ineffective, it may modify such duty to counter the effect of such absorption, from such date, not earlier than the date of

initiation of the inquiry, as the Central Government may, by notification in the Official Gazette, specify.

Explanation.—For the purposes of this sub-section, "absorption of countervailing duty" is said to have taken place,–

(a) if there is a decrease in the export price of an article without any commensurate change in the resale price in India of such article imported from the exporting country or territory; or

(b) under such other circumstances as may be provided by rules.';

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

'(2A) Notwithstanding anything contained in sub-sections (1) and (2), a notification issued under sub-section (1) or any countervailing duty imposed under sub-section (2) shall not apply to article imported by a hundred per cent. export-oriented undertaking or a unit in a special economic zone, unless, —

(i) it is specifically made applicable in such notification or to such undertaking or unit; or

(ii) such article is either cleared as such into the domestic tariff area or used in the manufacture of any goods that are cleared into the domestic tariff area, in which case, countervailing duty shall be imposed on that portion of the article so cleared or used, as was applicable when it was imported into India.

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

(a) the expression "hundred per cent. export-oriented undertaking" shall have the same meaning as assigned to it in clause (i) of *Explanation* 2 to sub-section (1) of section 3 of the Central Excise Act, 1944; 1 of 1944.

(b) the expression "special economic zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005.'; 28 of 2005.

(iv) in sub-section (6),—

(a) in the first proviso, for the words "of five years", the words "upto five years" shall be substituted;

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

"Provided also that if the said duty is revoked temporarily, the period of such revocation shall not exceed one year at a time.".

Amendment of section 9A.

94. In section 9A of the Customs Tariff Act,—

(i) in sub-section (1A), after the words "as the case may be", the words ", from such date, not earlier than the date of initiation of the inquiry, as the Central Government may, by notification in the Official Gazette, specify" shall be inserted;

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

'(1B) Where the Central Government, on such inquiry as it may consider necessary, is of the opinion that absorption of anti-dumping duty imposed under sub-section (1) has taken place whereby the anti-dumping duty so imposed is rendered ineffective, it may modify such duty to counter the effect of such absorption, from such date, not earlier than the date of initiation of the inquiry, as the Central Government may, by notification in the Official Gazette, specify.

Explanation.—For the purposes of this sub-section, "absorption of anti-dumping duty" is said to have taken place,—

(a) if there is a decrease in the export price of an article without any commensurate change in the cost of production of such article or export price of such article to countries other than India or resale price in India of such article imported from the exporting country or territory; or

(b) under such other circumstances as may be provided by rules.';

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

'(2A) Notwithstanding anything contained in sub-section (1) and sub-section (2), a notification issued under sub-section (1) or any anti-dumping duty imposed under sub-section (2) shall not apply to articles imported by a hundred per cent. export-oriented undertaking or a unit in a special economic zone, unless,—

(i) it is specifically made applicable in such notification or to such undertaking or unit; or

(ii) such article is either cleared as such into the domestic tariff area or used in the manufacture of any goods that are cleared into the domestic tariff area, in which case, anti-dumping duty shall be imposed on that portion of the article so cleared or used, as was applicable when it was imported into India.

Explanation.—For the purposes of this section,—

(a) the expression "hundred per cent. export-oriented undertaking" shall have the same meaning as assigned to it in clause (i) of *Explanation* 2 to sub-section (1) of section 3 of the Central Excise Act, 1944; 1 of 1944.

(b) the expression "special economic zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005.'; 28 of 2005.

(iv) in sub-section (5),—

(a) in the first proviso, for the words "of five years", the words "upto five years" shall be substituted;

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

*"*Provided also that if the said duty is revoked temporarily, the period of such revocation shall not exceed one year at a time.".

Amendment of First Schedule.

95. In the Customs Tariff Act, the First Schedule shall—

(i) be amended in the manner specified in the Second Schedule;

(ii) with effect from the 1st April, 2021, be also amended in the manner specified in the Third Schedule; and

(iii) with effect from the 1st January, 2022, be also amended in the manner specified in the Fourth Schedule.

Excise

Amendment of Fourth Schedule.

96. In the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), the Fourth Schedule shall,— 1 of 1944.

(i) with effect from the 1st April, 2021, be amended in the manner specified in the Fifth Schedule; and

(ii) with effect from the 1st January, 2022, be also amended in the manner specified in the Sixth Schedule.

Amendment of Chapter 27 of Fourth Schedule.

97. In the Fourth Schedule to the Central Excise Act, in Chapter 27, with effect from the 1st day of January, 2020,—

(i) for the entry in column (2) occurring against tariff item 2710 12 49, the entry "---- M15 Fuel conforming to standard IS 17076" shall be substituted and shall be deemed to have been substituted;

(ii) for the entry in column (4) occurring against tariff item 2710 20 10, the entry "14% + Rs.15.00 per litre" shall be substituted and shall be deemed to have been substituted;

(iii) for the entry in column (4) occurring against tariff item 2710 20 20, the entry "14% + Rs.15.00 per litre" shall be substituted and shall be deemed to have been substituted.

Revised date of effect to amendments made in Fourth Schedule *vide* notification issued under section 3C of Central Excise Act, 1944.

98. Notwithstanding anything contained in paragraph 2 of the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R 978 (E), dated the 31st December, 2019, issued in exercise of the powers conferred under section 3C of the Central Excise Act, 1944, the amendments made in Chapter 27 of the Fourth Schedule thereto by the said notification shall be deemed to have, and always to have had effect, for all purposes, on and from the 1st day of January, 2020. 1 of 1944.

Central Goods and Services Tax

Amendment of section 7.

99. In the Central Goods and Services Tax Act, 2017 (hereinafter referred as the Central Goods and Services Tax Act), in section 7, in sub-section (1), after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:— 12 of 2017.

"(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or *vice-versa*, for cash, deferred payment or other valuable consideration.

Explanation.—For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of

activities or transactions *inter se* shall be deemed to take place from one such person to another;".

Amendment of section 16.

100. In section 16 of the Central Goods and Services Tax Act, in sub-section (2), after clause (a), the following clause shall be inserted, namely:—

"(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;".

Amendment of section 35.

101. In section 35 of the Central Goods and Services Tax Act, sub-section (5) shall be omitted.

Substitution of new section for section 44.

102. For section 44 of the Central Goods and Services Tax Act, the following section shall be substituted, namely:—

Annual return.

"44. Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:

Provided further that nothing contained in this section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.".

Amendment of section 50.

103. In section 50 of the Central Goods and Services Tax Act, in sub-section (1), for the proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:—

"Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in

accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.".

Amendment of section 74.

104. In section 74 of the Central Goods and Services Tax Act, in *Explanation* 1, in clause (ii), for the words and figures "sections 122, 125, 129 and 130", the words and figures "sections 122 and 125" shall be substituted.

Amendment of section 75.

105. In section 75 of the Central Goods and Services Tax Act, in sub-section (12), the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the purposes of this sub-section, the expression "self-assessed tax" shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.'.

Amendment of section 83.

106. In section 83 of the Central Goods and Services Tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed.".

Amendment of section 107.

107. In section 107 of the Central Goods and Services Tax Act, in sub-section (6), the following proviso shall be inserted, namely:—

"Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant.".

Amendment of section 129.

108. In section 129 of the Central Goods and Services Tax Act, —

(i) in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted, namely:—

"(a) on payment of penalty equal to two hundred per cent. of the tax payable on such goods and, in case of

exempted goods, on payment of an amount equal to two per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such penalty;

(b) on payment of penalty equal to fifty per cent. of the value of the goods or two hundred per cent. of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to five per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty;";

(ii) sub-section (2) shall be omitted;

(iii) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) The proper officer detaining or seizing goods or conveyance shall issue a notice within seven days of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of seven days from the date of service of such notice, for payment of penalty under clause (a) or clause (b) of sub-section (1).";

(iv) in sub-section (4), for the words "No tax, interest or penalty", the words "No penalty" shall be substituted;

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

"(6) Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty under sub-section (1) within fifteen days from the date of receipt of the copy of the order passed under sub-section (3), the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable under sub-section (3):

Provided that the conveyance shall be released on payment by the transporter of penalty under sub-section (3) or one lakh rupees, whichever is less:

Provided further that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of fifteen days may be reduced by the proper officer.".

Amendment of section 130.

109. In section 130 of the Central Goods and Services Tax Act,—

(a) in sub-section (1), for the words "Notwithstanding anything contained in this Act, if ", the word "Where" shall be substituted;

(b) in sub-section (2), in the second proviso, for the words, brackets and figures "amount of penalty leviable under sub-section (1) of section 129", the words "penalty equal to hundred per cent. of the tax payable on such goods" shall be substituted;

(c) sub-section (3) shall be omitted.

Substitution of new section for section 151.

110. For section 151 of the Central Goods and Services Tax Act, the following section shall be substituted, namely: —

Power to call for information.

"151. The Commissioner or an officer authorised by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein.".

Amendment of section 152.

111. In section 152 of the Central Goods and Services Tax Act,—

(a) in sub-section (1),—

(i) the words "of any individual return or part thereof" shall be omitted;

(ii) after the words "any proceedings under this Act", the words "without giving an opportunity of being heard to the person concerned" shall be inserted;

(b) sub-section (2) shall be omitted.

Amendment of section 168.

112. In section 168 of the Central Goods and Services Tax Act, in sub-section (2),—

(i) for the words, brackets and figures "sub-section (1) of section 44", the word and figures "section 44" shall be substituted;

(ii) the words, brackets and figures "sub-section (1) of section 151," shall be omitted.

Amendment to Schedule II.

113. In Schedule II of the Central Goods and Services Tax Act, paragraph 7 shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

Integrated Goods and Services Tax

Amendment of section 16.

114. In the Integrated Goods and Services Tax Act, 2017, in section 16, — 13 of 2017.

(a) in sub-section (1), in clause (b), after the words "supply of goods or services or both", the words "for authorised operations" shall be inserted;

(b) for sub-section (3), the following sub-sections shall be substituted, namely:—

"(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

Provided that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed. 42 of 1999.

(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify—

(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;

(ii) a class of goods or services 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.".

CHAPTER V

AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS

Agriculture Infrastructure and Development Cess on imported goods.

115. (1) There shall be levied and collected, in accordance with the provisions of this section, for the purposes of the Union, a duty of customs, to be called Agriculture Infrastructure and Development Cess, on the goods specified in the First Schedule to the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), being the goods imported into India, at the rate not exceeding the rate of customs duty as specified in the said Schedule, for the purposes of financing the agriculture infrastructure and other development expenditure. 51 of 1975.

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

(3) Where the duty is leviable on the goods at any percentage of its value, then, for the purposes of calculating the Agriculture Infrastructure and Development Cess under this section, the value of such goods shall be calculated in the same manner as the value of goods is calculated for the purpose of customs duty under section 14 of the Customs Act, 1962. 52 of 1962.

(4) The Agriculture Infrastructure and Development Cess on imported goods shall be in addition to any other duties of customs chargeable on such goods, under the Customs Act, 1962 or any other law for the time being in force. 52 of 1962.

(5) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refund, exemptions, interest, appeals, offences, and penalties shall, as far as may be, apply in relation to the levy and collection of the Agriculture Infrastructure and Development Cess on imported goods as they apply in relation to the levy and collection of duties of customs on such goods under the said Act, or the rules or regulations, as the case maybe. 52 of 1962.

Agriculture Infrastructure and Development Cess on excisable goods.

116. (1) There shall be levied and collected, in accordance with the provisions of this section, for the purposes of the Union, an additional duty of excise, to be called Agriculture Infrastructure and Development Cess, on the goods specified in the Seventh Schedule (hereinafter referred to as scheduled goods), being the goods manufactured or produced, at the rates specified in column (3) of the said Schedule, for the purposes of

financing the agriculture infrastructure and other development expenditure.

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

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

(4) The provisions of the Central Excise Act, 1944 and the rules and the regulations made thereunder, including those relating to assessment, non-levy, short-levy, refund, exemptions, interest, appeals, offences, and penalties shall, as far as may be, apply in relation to the levy and collection of the cess leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of duties of excise on such goods under the said Act or the rules or regulations, as the case maybe. 1 of 1944.

CHAPTER VI

MISCELLANEOUS

PART I

AMENDMENT TO THE INDIAN STAMP ACT, 1899

Insertion of new section 8G.

117. In the Indian Stamp Act, 1899, after section 8F, the following section shall be inserted, namely:— 2 of 1899.

Strategic sale, disinvestment, etc., of immovable property by Government company not liable to stamp duty.

"8G. Notwithstanding anything contained in this Act or any other law for the time being in force, any instrument for conveyance or transfer of a business or asset or right in any immovable property from a Government company, its subsidiary, unit or joint venture, by way of strategic sale or disinvestment or demerger or any other scheme of arrangement, to another Government company or to the Central Government or any State Government, after the approval of the Central Government, shall not be liable to duty under this Act.

Explanation.—For the purposes of this section, "Government company" shall have the same meaning as assigned to it in clause (45) of section 2 of the Companies Act, 2013.". 18 of 2013.

PART II

AMENDMENT TO THE CONTINGENCY FUND OF INDIA ACT, 1950

Amendment of Act 49 of 1950.

118. In section 2 of the Contingency Fund of India Act, 1950, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) On and from the date on which the Finance Bill, 2021 receives the assent of the President, the sum which shall be paid from and out of the Consolidated Fund of India into the Contingency Fund of India under sub-section (2) shall stand enhanced to thirty thousand crores of rupees.".

PART III

AMENDMENTS TO THE LIFE INSURANCE CORPORATION ACT, 1956

Commencement of this Part.

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

Provided that different dates may be appointed for different provisions of this Part and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of section 2.

120. In the Life Insurance Corporation Act, 1956 (hereinafter in this Part referred to as the principal Act), in section 2,— 31 of 1956.

(i) after clause (1), the following clauses shall be inserted, namely:—

'(1a) "Audit Committee" means the Committee constituted under section 19C;

(1b) "Board of Directors" or "Board" means the collective body of the directors appointed or nominated or deemed as such under section 4;

(1c) "Chairperson" means the Chairperson referred to in clause (a) of sub-section (2) of section 4;

(1d) "Companies Act" means the Companies Act, 2013; 18 of 2013.

(1e) "court" means "Court" as defined in clause (29) of section 2 of the Companies Act, 2013;'; 18 of 2013.

(ii) after clause (4), the following clauses shall be inserted, namely:—

'(4a) "director" means a director appointed or nominated or deemed as such under section 4;

(4b) "financial statement", in relation to the Corporation, includes—

(i) a balance-sheet as at the end of the financial year;

(ii) a profit and loss account for the financial year;

(iii) cash flow statement for the financial year;

(iv) a statement of changes in equity, if applicable; and

(v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv);

(4c) "fully diluted basis" shall mean, in relation to the percentage holding of the Central Government on such basis, the total number of shares held by the Central Government expressed as a percentage of the total number of shares of the Corporation that would be outstanding if all possible sources of conversion are exercised;

(4d) "independent director" means an independent director referred to in clause (f) of sub-section (2) of section 4;';

(iii) after clause (6), the following clause shall be inserted, namely:—

'(6a) "Managing Director" means a Managing Director referred to in clause (b) of sub-section (2) of section 4;';

(iv) for clause (7), the following clauses shall be substituted, namely:—

'(7) "member" means every person holding shares of the Corporation and whose name is entered in the register

of members maintained under clause (a) of sub-section (1) of section 5C;

(7a) "Nomination and Remuneration Committee" means the Committee constituted under section 19B;

(7b) "notification" means a notification published in the Official Gazette, and the expression "notify" shall be construed accordingly;';

(v) after clause (8), the following clause shall be inserted, namely:—

'(8a) "special resolution" means a resolution for which the intention to propose the same as a special resolution has been duly specified in the notice given to members for calling a general meeting, and the votes cast in favour of the resolution by members are not less than three times the number of votes, if any, cast against the resolution;';

(vi) for clause (10), the following clause shall be substituted, namely:—

"(10) unless there is anything repugnant in the subject or context, all the words and expressions used herein but not defined and defined in the Insurance Act, 1938 or in the Companies Act, 2013 shall have the meanings respectively assigned to them in the said Acts.". 4 of 1938. 18 of 2013.

Substitution of section 4.

121. For section 4 of the principal Act, the following sections shall be substituted, namely:—

Board of Directors.

'4. (1) The general superintendence and direction of the affairs and business of the Corporation shall vest in its Board of Directors, which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by this Act expressly directed or required to be done by the Corporation in general meeting.

(2) The Board of Directors of the Corporation shall consist of the following directors, not exceeding fifteen, of whom at least one shall be a woman, namely:—

(a) a Chairperson of the Board, to be appointed by the Central Government, who shall be a whole-time director of the Corporation;

(b) Managing Directors, not exceeding four, to be appointed by the Central Government, who shall be whole-time directors of the Corporation;

(c) not more than two officers of the Central Government not below the rank of a Joint Secretary to the Government of India, to be nominated by the Central Government;

(d) not more than two individuals, to be nominated by the Central Government, who have special knowledge or practical experience in actuarial science, business management, economics, finance, human resources, information technology, insurance, law, risk management, or any other field the special knowledge or practical experience of which would be useful to the Corporation in the opinion of the Central Government or who represent the interests of policyholders;

(e) where the total holding of members other than the Central Government in the paid-up equity capital of the Corporation is—

(i) not more than ten per cent., one individual;

(ii) more than ten per cent. but not more than twenty-five per cent., two individuals; and

(iii) more than twenty-five per cent., three individuals,

elected by such members in such manner as may be specified by regulations, to be appointed by the Board;

(f) such number of independent directors, not exceeding three, to be recommended by the Nomination and Remuneration Committee and appointed by the Board;

(g) at any time when the number of directors to be elected under clause (e) is less than three, either due to the total holding of members other than the Central Government in the paid-up equity capital of the Corporation being not more than twenty-five per cent. or due to vacancy in elected directors, the Board may co-opt such number of individuals as independent directors who taken together with elected directors shall not exceed three:

Provided that such co-opted directors shall be recommended by the Nomination and Remuneration Committee and appointed by the Board, and shall continue to be directors until elected directors assume charge, whereupon

an equal number of such co-opted independent directors shall retire in the order of their co-option.

(3) An independent director of the Corporation shall, in relation to the Corporation, meet the same criteria of independence as an independent director of a company is required to meet in relation to the company under sub-section (6) of section 149 of the Companies Act:

Provided that such a director shall also meet, in addition to the aforesaid criteria, any criteria that the Nomination and Renumeration Committee may formulate regarding qualifications, positive attributes and independence:

Provided further that every such director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence under this sub-section and that he is not aware of any circumstance or situation, which exist or may reasonably be anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

(4) An individual appointed by the Board as a director under clause (e) or clause (f) or clause (g) of sub-section (2) shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier, and shall hold office beyond such date only if his appointment is approved at the annual general meeting.

(5) Before an individual is appointed or nominated as a director under sub-section (2), the Central Government or the Nomination and Remuneration Committee, as the case may be, shall satisfy itself that such an individual as a director shall have no financial or other interest as is likely to affect prejudicially the exercise or performance by him of the functions of a director:

Provided that the Board shall satisfy itself from time to time with respect to every director other than a director nominated under clause (c) of sub-section (2) that he has no such interest:

Provided further that, for the purposes of this sub-section, any individual who is, or whose appointment or nomination or election is proposed and who has consented to

be a director, shall furnish such information as the Central Government or the Nomination and Remuneration Committee or the Board, as the case may be, may require.

(6) Notwithstanding anything contained in sub-section (2), on and from the appointed date, an individual appointed under section 4 who is eligible to be or remain a director under section 4A and who, immediately before such appointed date, held the office of a member of the Corporation—

(i) in the capacity as the Chairman of the Corporation, shall be deemed to be a director and the Chairperson under clause (a) of sub-section (2);

(ii) in the capacity as a Managing Director of the Corporation, shall be deemed to be a director and a Managing Director under clause (b) of sub-section (2);

(iii) and is an officer of the Central Government not below the rank of a Joint Secretary to the Government of India, shall be deemed to be a director nominated under clause (c) of sub-section (2);

(iv) and has been in office for a duration which is the longest or the second longest amongst members other than members referred to in clauses (i), (ii) and (iii), shall be deemed to be a director nominated under clause (d) of sub-section (2):

Provided that every such individual shall hold office until expiry of the term, if any, specified at the time of his appointment as a member of the Corporation, or until a director appointed or nominated, as the case may be, under sub-section (2) in place of such an individual assumes office:

Provided further that any act or proceeding of the collective body of members constituting the Corporation under section 4 before the appointed date, shall be deemed to be an act or proceeding, as the case may be, of the Board.

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

(a) notwithstanding anything contained in clause (7) of section 2, the expression "member" shall mean a member appointed to the Corporation constituted under section 4 [as it stood before the coming into force of section 121 of the Finance Act, 2021];

(b) "appointed date" means the date on which the provisions of section 121 of the Finance Act, 2021 shall come into force.

Disqualification to be director.

4A. An individual shall not be eligible to be or remain a director if,—

(a) he is of unsound mind and stands so declared by a competent court;

(b) he is an undischarged insolvent;

(c) he has applied to be adjudicated as an insolvent and his application is pending;

(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if an individual has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be a director;

(e) an order disqualifying him to be a director has been passed by a court or the National Company Law Tribunal constituted under section 408 of the Companies Act, and the order is in force;

(f) he has been convicted of the offence dealing with related party transactions under section 188 of the Companies Act or under any other law for the time being in force during the preceding five years;

(g) he has not paid any calls in respect of any shares of the Corporation held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of such call;

(h) he has not complied with the provisions of sub-section (i) of section 165 of the Companies Act;

(i) he is disqualified from being appointed as a director of a company under sub-section (2) of section 164 of the Companies Act;

(j) he is a salaried government official, other than an individual nominated director under clause (c) of sub-section (2) of section 4;

(k) he is an insurance agent or an intermediary or an insurance intermediary;

(l) he is an employee of the Corporation, other than the Chairperson or a Managing Director, or of its subsidiary or associate company;

(m) he is a director of a subsidiary or an associate company of the Corporation and is other than the Chairperson or a Managing Director;

(n) he is an employee or a director or a promoter of any insurer carrying on life insurance business anywhere in the world, other than the Corporation or its subsidiary or associate company, or of any holding company, subsidiary or associate company of such an insurer;

(o) he absents himself from all the meetings of the Board held during a period of twelve months, with or without seeking leave of absence of the Board:

Provided that the disqualifications referred to in clauses (d), (e) and (f) shall continue to apply even if an appeal or petition has been filed against the order of conviction or disqualification.

Disclosure of interest by director and senior management.

4B. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year, or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any body corporate, which shall include shareholding, in such manner as may be prescribed.

(2) Every director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by the Corporation—

(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, chief executive officer or trustee of that body corporate, or

(b) with a firm or other entity in which such director is a partner, owner or member, as the case may be,

shall not participate in any meeting of the Board or of its Committee in which such contract or arrangement is deliberated upon, or in any other deliberations or discussions regarding such contract or arrangement, and shall, in the case of such deliberations in a meeting of the Board or its Committee, disclose the nature of his concern or interest to the Board or the Committee, as the case may be:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested, or at the first meeting of the Board held after he becomes so concerned or interested.

(3) A contract or arrangement entered into by the Corporation without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, whether directly or indirectly, in such contract or arrangement, shall be voidable at the option of the Corporation.

(4) Such employees as the Board may specify as constituting the senior management of the Corporation shall make disclosures to the Board relating to all material, financial and commercial transactions, in which they have personal interest that may have a potential conflict with the interest of the Corporation, and the Board shall formulate a policy on such transactions, including any materiality threshold therefore, and shall review such policy at least once every three years.

Explanation.—For the purposes of this sub-section, conflict of interest relates to dealing in the shares of the Corporation or any of its subsidiaries or associate companies, commercial dealings with bodies in which the senior management individual or his relatives have shareholding, etc.

(5) If an individual who is a director contravenes the provisions of sub-section (1) or sub-section (2), or an employee referred to in sub-section (4), contravenes such provisions, such an individual or employee shall be liable to pay penalty of a sum of up to one lakh rupees.

(6) Without prejudice to anything contained in sub-section (5), it shall be open to the Corporation to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract or arrangement.

Explanation.—For the purposes of sections 4B and 4C, the expression "body corporate" shall include a company, a body corporate as defined under clause (11) of section 2 of the Companies Act, a firm, a financial institution or a scheduled bank or a public sector enterprise established or constituted by or under any Central Act or State Act, and any other incorporated association of persons or body of individuals.

Related party transactions.

4C. (1) Except with the consent of the Board and subject to such conditions as may be prescribed, the Corporation shall not enter into any contract or arrangement with a related party with respect to—

(a) sale, purchase or supply of any goods or materials;

(b) selling or otherwise disposing of, or buying, property of any kind;

(c) leasing of property of any kind;

(d) availing or rendering of any services;

(e) appointment of any agent for purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the Corporation, its subsidiary or associate company;

(g) underwriting the subscription of any securities, or derivatives thereof, of the Corporation:

Provided that no contract or arrangement involving transactions exceeding such sums as the Board may specify, shall be entered into except with the prior approval in the general meeting:

Provided further that no member shall vote in such general meeting to approve any contract or arrangement which may be entered into by the Corporation, if such member is a related party:

Provided also that nothing in this sub-section shall apply to any transactions entered into by the Corporation in its ordinary course of business, other than transactions which are not on an arm's length basis:

Provided also that the requirement of approval under the first proviso shall not be applicable for transactions entered into between the Corporation and its wholly owned subsidiary, if any, whose financial statements are consolidated with the Corporation and placed before the members at the general meeting for adoption.

Explanation.—In this sub-section,—

(a) the expression "office or place of profit" means any office or place—

(i) where such office or place is held by a director, if the director holding it receives from the Corporation anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Corporation anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(b) the expression "arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

(2) Every contract or arrangement entered into under sub-section (1) shall be referred to in a report made by the Board to the members, along with the justification for entering into such contract or arrangement.

(3) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting under sub-section (1) and if it is not ratified by the Board or, as the case may be, by the members at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement

shall be voidable at the option of the Board or, as the case may be, of the members and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the Corporation against any loss incurred by it.

(4) Without prejudice to anything contained in sub-section (3), it shall be open to the Corporation to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract or arrangement.

(5) Any director or any other employee of the Corporation who had entered into or authorised a contract or arrangement in violation of the provisions of this section, shall be liable to pay penalty of a sum of up to twenty-five lakh rupees.

Adjudication of penalties.

4D. (1) The Central Government may, by an order published in the Official Gazette, appoint an officer of the Central Government, not below the rank of Joint Secretary to the Government of India or equivalent, as adjudicating officer for adjudging penalties under the provisions of this Act.

(2) The adjudicating officer may, on a complaint made in writing by a person authorised by the Corporation, and after giving a reasonable opportunity of being heard, by an order impose penalty on a director or employee liable to penalty under any provision of this Act on account of any contravention or violation on his part.

(3) The adjudicating officer, for the purposes of discharging his functions under this Act, shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 while trying a suit, to summon and enforce the attendance of any person and examine him on oath and to require the discovery and production of documents or other electronic records, and shall be deemed to be a civil court for purposes of Order XXI of the Civil Procedure Code, 1908.

5 of 1908.

5 of 1908.

(4) A director or employee aggrieved by any order made by the adjudicating officer may prefer an appeal to such officer to the Central Government of a rank higher than that of the adjudicating officer as the Central Government may appoint as appellate authority, within thirty days from the date on which a copy of the order made by the adjudicating officer is received by the aggrieved individual, and the officer so appointed may, after giving the individual an opportunity of being heard, pass such order as he may deem fit, confirming, modifying or setting aside the order appealed

against, or remanding the case to the adjudicating officer for disposal, with such directions as he may deem fit.

(5) Where a director or employee of the Corporation having already been subjected to penalty under this Act for any contravention or violation of any provision of this Act, again commits such contravention or violation within a period of three years from the date of order imposing such penalty passed by the adjudicating officer, he shall be liable for the second or subsequent contravention or violation for twice the amount of penalty provided therefor.'.

Substitution of section 5.

122. For section 5 of the principal Act, the following sections shall be substituted, namely:—

Capital of Corporation.

'5. (1) The authorised share capital of the Corporation shall be twenty-five thousand crore rupees, divided into two thousand and five hundred crore shares of ten rupees each:

Provided that the Central Government may, by notification, increase the authorised share capital or reduce the authorised share capital to such amount not less than the amount of the paid-up equity capital of the Corporation immediately before the coming into force of section 122 of the Finance Act, 2021, as it may deem fit:

Provided further that the Corporation may, with the previous approval of the Central Government, consolidate or reduce the nominal or face value of the shares, divide the authorised share capital into equity share capital or a combination of equity and preference share capital, and divide the nominal or face value of shares into such denomination as the Corporation may decide.

(2) The Corporation shall, with the previous approval of the Central Government, issue equity shares to the Central Government in consideration for the paid-up equity capital provided by the Central Government to the Corporation as it stood before the coming into force of section 122 of the Finance Act, 2021.

(3) The share capital of the Corporation shall consist of equity shares and preference shares, which may be fully paid-up or partly paid-up:

Provided that the Board may determine the terms of issue of partly paid-up shares and payment of calls for such partly paid-up shares.

(4) The Corporation may from time to time increase its issued share capital, with the previous approval of the Central Government, whether by public issue or rights issue or preferential allotment or private placement or issue of bonus shares to existing members holding equity shares, or by issue of shares to employees pursuant to share based employee benefits schemes, or by issue of shares to life insurance policyholders of the Corporation, or otherwise:

Provided that the Central Government shall, on a fully diluted basis hold,—

(a) at all times, not less than fifty-one per cent. of the issued equity share capital of the Corporation;

(b) during a period of five years from the date of first issue of shares to any person other than the Central Government, not less than seventy-five per cent. of the issued equity share capital of the Corporation.

(5) Where the Corporation issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a share premium account, and the provisions of sub-sections (7) and (8) shall, except as provided in sub-section (6), apply as if the share premium account were the paid-up share capital of the Corporation.

(6) The share premium account referred to in sub-section (5) may be applied by the Corporation—

(a) towards the issue of unissued shares of the Corporation to members as fully paid-up bonus shares;

(b) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Corporation;

(c) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures or of any securities of the Corporation; or

(d) for the purchase of its own shares or other securities.

(7) The Corporation may, with the previous approval of the Central Government, by a special resolution, reduce its paid-up equity share capital in such manner as it may determine.

(8) Without prejudice to the generality of the power under sub-section (7), the Corporation may reduce its paid-up equity share capital by—

(a) extinguishing or reducing the liability on any of its equity shares in respect of share capital not paid-up; or

(b) cancelling, with or without extinguishing or reducing liability on any of its paid-up equity shares, any paid-up equity share capital which is either lost or is unrepresented by available assets; or

(c) paying off, with or without extinguishing or reducing liability on any of its paid-up equity shares, any paid-up equity share capital which is in excess of the wants of the Corporation.

(9) Notwithstanding anything contained in any other law for the time being in force—

(a) regarding various categories of persons in favour of whom an issuer may make reservations on a competitive basis, in relation to a public issue, the Corporation may make a reservation on a competitive basis, to an extent of up to ten per cent. out of the issue size, in favour of its life insurance policyholders as one of the reserved categories for such public issue:

Provided that the value of the allotment of equity shares to such a policyholder shall not exceed two lakh rupees, or such higher amount as the Central Government may by notification specify:

Provided further that, in the event of under-subscription in the policyholder reservation portion, the unsubscribed portion may be allotted on a proportionate basis, in excess of the value referred to in the first proviso, subject to the total allotment to a policyholder not exceeding five lakh rupees or such higher amount as the Central Government may by notification specify:

Provided also that the policyholders in favour of whom reservation is made under this sub-section may be offered shares at a price not lower than by more than ten *per cent*. of the price at which net offer to public is made to other categories of applicants;

(b) regarding ineligibility for computation of minimum promoter's contribution, in relation to a public issue by way of an initial public offer, all equity shares of the Corporation

held by the Central Government, including all shares acquired during the period of three years preceding the opening of such public offer, resulting from a bonus issue or otherwise, shall be eligible for such computation;

(c) requiring the holding of paid-up equity shares by the sellers for a minimum holding period as a condition for offering such shares for sale to the public, in relation to a public issue by way of an initial public offer, all fully paid-up equity shares of the Corporation held by the Central Government shall be eligible for such an offer for sale.

Explanation.—Words and expressions used in this sub-section but not defined either in this Act or in the Insurance Act or in the Companies Act shall have the meanings respectively assigned to them in regulations made by the Securities and Exchange Board regarding issue of capital and disclosure requirements, to the extent not repugnant with the provisions of this Act.

(10) The Corporation may issue other securities, including bonds, debentures, notes, commercial paper and other debt instruments, for the purpose of raising funds to meet its business requirements.

Transferability of shares.

5A. (1) Save as otherwise provided in sub-sections (2) and (3), the shares of the Corporation shall be freely transferable:

Provided that any arrangement between two or more persons in respect of transfer of shares shall be enforceable as a contract.

(2) Nothing contained in sub-section (1) shall entitle the Central Government to transfer any shares held by it in the Corporation, if as a result of such transfer, the shares held by it, on a fully diluted basis, shall reduce to less than fifty-one per cent. of the issued equity share capital of the Corporation.

(3) The Corporation shall not register any transfer of its shares where, after the transfer, the total paid-up share capital holding of the transferee in the Corporation is likely to exceed five per cent. of its paid-up share capital, or such higher percentage as the Central Government may by notification specify.

Voting rights.

5B. Subject to the provisions of section 5A, no person, other than the Central Government, acting individually or with persons acting in concert with him, or constituents of a group, shall be entitled to exercise voting rights in respect of

any equity shares held by him in excess of five per cent. of the paid-up share capital, or such higher percentage as the Central Government may by notification specify:

Provided that a member holding preference share capital in the Corporation shall, in respect of such capital, have a right to vote only on resolutions in a general meeting which directly affect the rights attached to his preference shares.

Explanation.—For the purposes of this section,—

(a) the expression "group" shall have the meaning assigned to it in the Competition Act, 2002. 12 of 2003.

(b) the expression "persons acting in concert" shall have the meaning assigned to it in regulations made by the Securities and Exchange Board regarding substantial acquisition of shares and takeovers.

Register of members, etc.

5C. (1) The Corporation shall keep and maintain the following registers, in such form and in such manner as may be specified by regulations, namely:—

(a) register of members, indicating separately each class of equity and preference shares held by each member residing in or outside India;

(b) register of debenture-holders; and

(c) register of any other security holders.

(2) Every register maintained under sub-section (1) shall include an index of the names included therein.

(3) The register and index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall be deemed to be the corresponding register and index for the purposes of this Act. 22 of 1996.

(4) No notice of any trust, whether express or implied or constructive, shall be entered on the register of members or be receivable by the Corporation:

Provided that nothing in this section shall apply to a depository in respect of shares held by it as a registered owner on behalf of the beneficial owners.

Explanation.—For the purposes of this section and section 5D, the expressions "beneficial owner", "depository"

and "registered owner" shall have the meanings respectively assigned to them in clauses (a), (e) and (j) of sub-section (1) of section 2 of the Depositories Act, 1996. 22 of 1996.

Declaration in respect of beneficial interest in shares.

5D. (1) Where the name of a person is entered on the register of members of the Corporation as the holder of shares in the Corporation but he does not hold beneficial interest in such shares, such person shall make, within such time and in such form as may be prescribed for a company under section 89 of the Companies Act, a declaration to the Corporation specifying the name and other particulars of the person who holds beneficial interest in such shares.

(2) Every person who holds or acquires a beneficial interest in shares of the Corporation shall make, within such time and in such form as may be prescribed for a company under section 89 of the Companies Act, a declaration to the Corporation specifying the nature of his interest, particulars of the person in whose name the share stands registered in the books of the Corporation and such other particulars as may be prescribed under the said section.

(3) Where any change occurs in the beneficial interest in shares of the Corporation, the person referred to in sub-section (1) and the beneficial owner specified in sub-section (2) shall, within a period of thirty days from the date of such change, make a declaration to the Corporation in such form and containing such particulars as may be prescribed for a company under section 89 of the Companies Act.

(4) No right in relation to any share in respect of which a declaration is required to be made under this section but has not been made by the beneficial owner, shall be enforceable by him or by any person claiming through him.

(5) For the purposes of this section, beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to—

(a) exercise or cause to be exercised any or all of the rights attached to such share; or

(b) receive or participate in any dividend or other distribution in respect of such share.

(6) Every individual who, acting alone or together or through one or more persons, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed for a company under section 90 of the

Companies Act, in the shares of the Corporation or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of section 2 of the Companies Act, over the Corporation (herein referred to as "significant beneficial owner"), shall make a declaration to the Corporation, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof, as may be prescribed for a company under section 90 of the Companies Act.

(7) The Corporation shall maintain a register of the interest declared by individuals under sub-section (6) and changes therein, which shall include the name of individual, his date of birth, address, details of ownership in the Corporation and such other details as may be prescribed for a company under section 90 of the Companies Act.

Shares to be securities.

5E. Notwithstanding anything contained in the Securities Contracts (Regulation) Act, 1956 or any other law for the time being in force, the shares of the Corporation shall be deemed to be securities as defined under the said Act. 42 of 1956.

Right of registered members to nominate.

5F. (1) Every individual registered member may, at any time, nominate, in such manner as may be specified by regulations, an individual to whom all his rights in the shares shall vest in the event of death of such member.

(2) Where the shares are registered in the name of more than one individual jointly, the joint holders may together nominate, in such manner as may be specified by regulations, an individual to whom all their rights in the shares shall vest in the event of the death of all such joint holders.

(3) Notwithstanding anything contained in any other law for time being in force or in any disposition, whether testamentary or otherwise, where a nomination in respect of shares is made and which purports to confer on the nominee the right to vest the shares, the nominee shall, on the death of the member or, as the case may be, on the death of all the joint holders, become entitled to all the rights of the member or, as the case may be, of all the joint holders, in relation to such shares, and all other persons shall be excluded unless the nomination has been varied or cancelled before death in such manner as may be specified by regulations.

(4) Where the nominee is a minor, it shall be lawful for the individual registered holder of the shares to make nomination to appoint, in such manner as may be specified

by regulations, any person to become entitled to the shares in the event of his death during the minority of the nominee.'.

Substitution of section 19.

123. For section 19 of the principal Act, the following sections shall be substituted, namely:—

Executive Committee.

'19**.** (1) The Board may constitute an Executive Committee of the Board, consisting of—

(i) the Chairperson;

(ii) Managing Directors;

(iii) the directors referred to in clause (c) of sub-section (2) of section 4; and

(iv) four directors nominated by the Board from amongst the directors referred to in clauses (d), (e), (f) and (g) of sub-section (2) of section 4.

(2) The Executive Committee of the Board shall exercise such powers as the Board may entrust to it.".

Investment Committee.

19A**.** The Board may, for such functions relating to investment of the funds of the Corporation as the Board may entrust, constitute an Investment Committee of the Board, consisting of the Chairperson and not more than seven other directors, of which a minimum two shall be directors other than directors appointed under clause (a) or clause (b) of sub-section (2) of section 4:

Provided that the officers of the Corporation heading the functions dealing with finance, risk, investment and law as well as its Appointed Actuary shall be invited to every meeting of the Committee and shall have a right to be heard at the meeting.

Explanation.—For the purposes of this section and section 24B, "Appointed Actuary" means the actuary appointed as such by the Corporation under the regulations made by the Authority under the Insurance Act regarding appointed actuaries.

Nomination and Remuneration Committee.

19B**.** (1) The Board shall constitute a Nomination and Remuneration Committee of the Board, consisting of three or more directors from amongst directors other than those appointed under clauses (a) or (b) of sub-section (2) of section 4, out of whom not less than one-half shall be independent directors at any time when the number of

independent directors in office is sufficient to constitute such proportion of the membership of the Committee:

Provided that the Chairperson may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

(2) The Nomination and Remuneration Committee shall—

(i) formulate the criteria for determining qualifications, positive attributes and independence of a director to be appointed under clause (e) or clause (f) or clause (g) of sub-section (2) of section 4 and recommend the same to the Board;

(ii) in accordance with the criteria referred to in clause (i), identify individuals who are qualified to be appointed as such a director:

Provided that while identifying individuals, the Committee shall have due regard to the requirements under the proviso to sub-section (1) of section 19C;

(iii) give its recommendations to the Board regarding appointment and removal of such an individual, and carry out evaluation of his performance; and

(iv) recommend to the Board a policy relating to the sum payable as sitting fees to a director nominated or appointed under clauses (d) or (e) or (f) or (g) of sub-section (2) of section 4, subject to such fees not exceeding such limit as may apply in respect of sitting fees payable to a director of a company under the Companies Act.

Audit Committee.

19C**.** (1) The Board shall constitute an Audit Committee of the Board, consisting of a minimum of three directors with independent directors forming a majority when the number of independent directors in office is sufficient to constitute such proportion of the membership of the Audit Committee:

Provided that a majority of directors on the Audit Committee, including its chairperson, shall be individuals with ability to read and understand financial statements and at least one individual shall have accounting or related financial management expertise.

(2) The Audit Committee shall act in accordance with the terms of reference specified by the Board, which shall include, *inter alia,*—

(a) recommendations for appointment, remuneration and terms of appointment of the auditors of the Corporation;

(b) review and monitoring of the independence and performance of the auditors, and the effectiveness of the audit process;

(c) examination of financial statements and auditor's report thereon;

(d) approval of transactions of the Corporation with related parties:

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Corporation subject to such conditions as may be prescribed:

Provided further that in case of transaction other than transactions referred to in section 4C, and where the Audit Committee does not approve a transaction, it shall make its recommendations to the Board:

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or an officer of the Corporation without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Corporation with the approval of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the Corporation against any loss incurred by it:

Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 4C, between the Corporation and its wholly owned subsidiary;

(e) scrutiny of inter-corporate loans and investments;

(f) valuation of undertakings or assets of the Corporation, wherever it is necessary;

(g) evaluation of internal financial controls and risk management systems;

(h) monitoring the end use of funds raised through public offers, and related matters.

(3) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the auditors and the management of the Corporation.

(4) The Audit Committee shall have authority to investigate any matter in relation to the items specified in sub-section (2) or referred to it by the Board and, for this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Corporation.

(5) The auditors of the Corporation and such key managerial personnel as the Board may specify shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.

Other Committees.

19D**.** The Board may constitute such other Committees of the Board as it may deem fit, to render advice to the Board on such matters as may be generally or specially referred to them, and to perform such duties as the Board may entrust to them.'.

Substitution of section 20.

124. For section 20 of the principal Act, the following section shall be substituted, namely:—

Chairperson and Managing Directors.

"20**.** (1) The Chairperson shall, subject to the superintendence, control and direction of the Board, be entrusted with substantial powers of management in respect of the whole of the affairs of the Corporation.

(2) The Chairperson shall also perform such other duties in relation to the affairs of the Corporation as the Board may entrust to him from time to time and shall, for this purpose, exercise such powers as may be conferred upon him by the Board:

Provided that the Board may also empower the Chairperson to entrust or delegate such of his duties and powers, as it may deem fit.

(3) Every Managing Director, subject to the general control of the Chairperson, shall perform such duties and exercise such powers as may be entrusted or delegated to him by the Board or, under sub-section (2), by the Chairperson.".

Amendment of section 22.

125. In section 22 of the principal Act,—

(i) in sub-section (1), for the words "a person whether a member or not", the words "an employee of the Corporation other than a whole-time director" shall be substituted;

(ii) sub-section (2) shall be omitted.

Insertion of new section 23A.

126. After section 23 of the principal Act, the following section shall be inserted, namely:—

Annual general meeting and other general meetings.

"23A**.** (1) An annual general meeting or other general meeting of members shall be held in each financial year at such time as the Board may specify, at the central office of the Corporation or at such other place in India as the Central Government may permit on the recommendations of the Board:

Provided that not more than fifteen months shall elapse between the date of one annual general meeting of the Corporation and that of the next:

Provided further that notwithstanding anything contained in this section, general meeting shall be held only when the Corporation has members other than the Central Government who are entitled to vote:

Provided also that until the first annual general meeting or other general meeting is held, the Board shall perform all the functions required to be performed in such meeting.

(2) The members present at an annual general meeting shall be entitled to—

(a) discuss the financial statements of the Corporation as referred to in section 24B and the auditor's report as referred to in section 25B, which shall be accompanied by the report of the Board as referred to in section 24C, and to adopt the financial statements, along with all the documents which are required to be attached to such financial statements under this Act;

(b) discuss and adopt the Annual Report prepared under section 27;

(c) approve a declaration of dividend under sub-section (1) of section 28B;

(d) approve the appointment of directors under sub-section (4) of section 4;

(e) approve the appointment of auditors under sub-sections (1) and (4) of section 25 and fix their remuneration under sub-section (7) of section 25.

(3) Every member shall be entitled to attend a general meeting, whether in person or by proxy or by duly authorised representative:

Provided that every director shall also be entitled to attend a general meeting, whether in person or through electronic means:

Provided further that all notices of, and other communications relating to, any general meeting shall be forwarded to the auditor appointed for the Corporation, and such auditor shall, unless exempted by the Corporation, attend any general meeting either in person or through authorised representative who is qualified to be an auditor, and shall have the right to be heard at such meeting on any part of the business which concerns him as the auditor.

(4) A member who is entitled to vote may exercise his vote at a general meeting in person or by proxy or by duly authorised representative.

(5) Persons entitled to attend and to exercise vote at a general meeting may also do so through electronic means, and the manner of attendance and exercise of vote shall be such as may be prescribed.

(6) No business other than that specified in sub-section (2) shall be transacted or discussed at the annual general meeting, except with the consent of the Chairperson, unless not less than six weeks' notice of the same has been given to the Chairperson either by the Central Government or by at least hundred members who have the right to vote at the meeting:

Provided that such a notice shall be in the form of a definite resolution to be put to the meeting, and that such resolution shall be included in the notice of the meeting.

(7) Save and except with the consent of the Chairperson, no business other than that for which a general meeting has been convened shall be transacted or discussed at the meeting.

(8) No general meeting shall be proceeded with and no business shall be transacted at any general meeting unless members constitute such quorum as may be prescribed:

Provided that where a meeting could not be held for want of quorum, it may be adjourned and held in such manner as may be prescribed.

(9) The Corporation shall cause the minutes of all proceedings of general meetings to be entered in books kept for that purpose.".

Substitution of section 24.

127. For section 24 of the principal Act, the following sections shall be substituted, namely:—

Funds of the Corporation.

'24**.** (1) The Corporation shall have its own fund or funds, and all receipts of the Corporation shall be credited thereto and all payments of the Corporation shall be made therefrom:

Provided that the Board may, in relation to any of the funds of the Corporation or otherwise, establish reserves which may or may not be allocated for a specific purpose, and such sums as the Board may determine, may be transferred to or from such reserves.

(2) The Board shall, for every financial year after the financial year in which the provisions of section 127 of the Finance Act, 2021 come into force, cause to be maintained—

(a) a participating policyholders fund, to which all receipts from participating policyholders shall be credited and from which all payments to such policyholders shall be made; and

(b) a non-participating policyholders fund, to which all receipts from non-participating policyholders shall be credited and from which all payments to such policyholders shall be made:

Provided that the members, by resolution in a general meeting, may exempt maintenance of such funds for one financial year at a time up to two financial years.

Books of account, etc.

24A**.** (1) The Corporation shall prepare and keep at its central office books of account and other relevant books and records and financial statement for every financial year which give a true and fair view of the state of its affairs, including that of its zonal offices, and which explain the transactions effected both at the central office and at its zonal offices.

(2) The Corporation shall prepare and keep at each zonal office of the Corporation, books of account and other relevant books and records and financial statement for every financial year which give a true and fair view of the state of affairs of every divisional office established in the zone corresponding to such zonal office and which explain the transactions effected thereat.

(3) The Corporation shall prepare and keep at each divisional office of the Corporation, books of account and other relevant books and records and financial statement for every financial year which give a true and fair view of the state of affairs of every branch established under such divisional office and which explain the transactions effected thereat.

(4) All or any of the books of account and other relevant books and records referred to in sub-section (1) or sub-section (2) or sub-section (3) may be kept at such other place or places in India as the Board may decide.

(5) The Corporation shall be deemed to have complied with the provisions of sub-section (1) or sub-section (2) or sub-section (3), in respect of a zonal office or a divisional office, other than the central office, or a branch of the Corporation, whether within or outside India, if proper books of account relating to the transactions effected at such office or branch, are kept thereat and proper summarised returns are sent periodically to the central office or the corresponding zonal office or the corresponding divisional office, or to the other place referred to in sub-section (4).

(6) The books of account and other relevant books and records referred to in sub-section (1) or sub-section (2) or sub-section (3) may be kept in electronic form, in such manner as the Board may determine.

(7) The books of account of the Corporation relating to a period of not less than ten financial years immediately preceding a financial year, together with the vouchers relevant to any entry in such books of account, shall be kept in good order:

Provided that where the Central Government has appointed a special auditor under section 25D or is of the opinion that circumstances exist which render it necessary so to do, it may direct the Corporation that the books of account be kept for such longer period as the Central Government may specify.

Financial statements.

24B. (1) The financial statements of the Corporation shall give a true and fair view of the state of affairs of the Corporation and shall be in conformity with the standards on auditing issued by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949, and with the accounting standards issued by the said Institute to the extent such accounting standards are applicable to insurers carrying on life insurance business and subject to any regulations made by the Authority under the Insurance Act relating to preparation of financial statements and auditor's report: 38 of 1949.

Provided that the financial statements shall not be treated as not disclosing a true and fair view of the state of affairs of the Corporation, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by this Act or by the Insurance Act or by the Insurance Regulatory and Development Authority Act, 1999 or by any other law for the time being in force. 38 of 1999.

(2) At every annual general meeting, the Board shall place before such meeting financial statements for the preceding financial year.

(3) The Corporation shall, in addition to financial statements provided under sub-section (2), prepare a consolidated financial statement of the Corporation and of all its subsidiaries and associate companies in conformity with the auditing standards referred to in sub-section (1) and the accounting standards applicable by law, and shall place the same before the annual general meeting, along with the placing of its financial statements under sub-section (2):

Provided that the Corporation shall also attach along with its financial statements, a separate statement containing the salient features of the consolidated financial statement in respect of its subsidiaries and associate companies.

(4) The provisions of this Act applicable to financial statements under sub-section (1) and under section 24C, the inquiry by the auditor into matters referred to in and making of the auditor's report on accounts under section 25B, and adoption of financial statements under section 23A at the annual general meeting, shall, *mutatis mutandis*, apply to the consolidated financial statement referred to in sub-section (3).

(5) Without prejudice to anything contained in sub-section (1) or sub-section (3), where the financial statements are not in conformity with the standards referred to therein,

the Corporation shall disclose in the financial statements the deviation from such standards, the reasons therefor and the financial effects, if any, arising out of such deviation.

(6) Financial statements including consolidated financial statement, if any, shall be approved by the Board before they are signed on behalf of the Board by the Chairperson, a Managing Director, one director other than a whole-time director, the heads of the finance and secretarial functions of the Corporation and its Appointed Actuary, for submission to the auditor for his report thereon.

(7) The auditor's report shall be attached to every financial statement.

(8) A signed copy of every financial statement, including consolidated financial statement, if any, shall be issued, circulated or published, along with a copy each of—

(a) any notes annexed to or forming part of such financial statement;

(b) the auditor's report; and

(c) the Board's report referred to in sub-section (1) of section 24C.

(9) The Central Government may, on its own or on an application by the Corporation, by notification, exempt the Corporation from complying with any of the requirements under this section, if it is considered necessary to grant such exemption in the public interest, and may grant any such exemption either unconditionally or subject to such conditions as it may specify in the notification.

Board's report.

24C**.** (1) There shall be attached to financial statements placed before general meeting, a report by the Board, which shall include—

(a) number of meetings of the Board;

(b) a Directors' Responsibility Statement;

(c) details in respect of frauds reported by auditors;

(d) a statement on declarations given by independent directors under the second proviso to sub-section (3) of section 4;

(e) the Corporation's policy on directors' appointment, including the criteria for determining qualifications, positive attributes and independence of a director, which are referred to in section 19B;

(f) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made in the auditor's report;

(g) particulars in respect of investments in terms of the provisions of section 27A of the Insurance Act as made applicable to the Corporation by notification issued under sub-section (2) of section 43;

(h) particulars of contracts or arrangements with related parties, referred to in sub-section (1) of section 4C;

(i) the state of the Corporation's affairs;

(j) the amounts, if any, which are carried to any reserves;

(k) the amount, if any, which it recommends should be paid by way of dividend;

(l) material changes and commitments, if any, affecting the financial position of the Corporation, which have occurred between the end of the financial year to which the financial statements relate and the date of the report;

(m) a statement indicating the manner in which annual evaluation of the performance of individual directors has been made under section 19B;

(n) such other matters as may be prescribed:

Provided that where disclosures referred to in this sub-section have been included in the financial statements, such disclosures may be referred to instead of being repeated in the Board's report:

Provided further that where the policy referred to in clause (e) is made available on the Corporation's website, it shall be sufficient compliance of the requirement under the said clause if the salient features of the policy and any changes therein are specified in brief in the Board's report and the web-address at which the policy is available is indicated therein.

(2) The Directors' Responsibility Statement referred to in clause (b) of sub-section (1) shall state that—

(a) in the preparation of the annual accounts, the standards referred to in section 24B were followed, along with proper explanation relating to material departures;

(b) accounting policies were selected and applied consistently and the judgements made and estimates were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and of the profit and loss of the Corporation for that period;

(c) proper and sufficient care for the maintenance of adequate accounting records was taken in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;

(d) the annual accounts were prepared on a going concern basis;

(e) the vigilance administration referred to in clause (h) of sub-section (1) of section 8 of the Central Vigilance Commission Act, 2003 was in operation in the Corporation under the superintendence of the Central Vigilance Commission, and in addition, internal financial controls to be followed by the Corporation had been laid down and were operating effectively; and 45 of 2003.

(f) proper systems were devised to ensure compliance with the provisions of applicable laws and were operating effectively.

Explanation.—For the purposes of this sub-section, the expression "internal financial controls" means the policies and procedures adopted for ensuring the orderly and efficient conduct of the Corporation's business, including adherence to its policies, safeguarding of its assets, prevention and detection of errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

(3) The Board's report and any annexures thereto under sub-section (1) shall be signed on behalf of the Board by the Chairperson, a Managing Director and one director other than a whole-time director.

Penalties.

24D**.** If the Chairperson or the Managing Director in charge of finance or the head of the finance function of the Corporation or any other person of the Corporation charged by the Board with the duty of complying with the provisions of section 24A or section 24B or section 24C contravenes any of the said provisions, such Chairperson or Managing Director or head of finance function or other person shall, for each section whose provisions have been contravened, be liable to pay penalty of a sum which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.'.

Substitution of section 25.

128. For section 25 of the principal Act, the following sections shall be substituted, namely:—

Appointment of auditors.

'25**.** (1) The Corporation shall, at its first annual general meeting, appoint as many auditors (which may be individual or firm) as it deems fit, and such auditor shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting thereafter, and shall similarly appoint auditor for subsequent periods of five years at a time, and the manner and procedure of selection of auditors by the members at such a meeting shall be such as may be prescribed:

Provided that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from the auditor that the appointment, if made, shall be in accordance with such conditions as may be prescribed, shall be obtained from the auditor:

Provided further that such certificate shall also declare that the auditor satisfies the criteria provided for eligibility for appointment as an auditor of a company under section 141 of the Companies Act.

(2) The Corporation shall not appoint an auditor for more than one term of five consecutive years:

Provided that an auditor who has completed the term of appointment shall not be eligible for re-appointment or for fresh appointment as auditor for a period of five years from such completion:

Provided further that no audit firm shall be appointed as auditor for a period of five years which, if appointed, as on the date of its appointment, would have a common partner or partners with the audit firm whose term as auditor in the Corporation had expired in the financial year immediately preceding the financial year in which fresh appointment is to

be made, or which is associated with the same network of audit firms as the audit firm whose term had expired as aforesaid:

Provided also that nothing contained in this sub-section shall prejudice the right of the Corporation to remove an auditor or the right of the auditor to resign from such office of the Corporation.

Explanation.—For the purposes of this sub-section, the expression "same network" includes firms operating or functioning under a common brand name or trade name, or under common control, or which are network firms as defined under any guidelines for networking issued by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949. 38 of 1949.

(3) Subject to the provisions of this Act, the Corporation may resolve in a general meeting to provide that—

(a) in the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by members;

(b) the audit shall be conducted by more than one auditor.

(4) Any casual vacancy in the office of an auditor shall be filled by the Board within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the Corporation in a general meeting convened within three months of the Board making recommendations in this behalf, and the auditor so appointed shall hold office till the conclusion of the next annual general meeting.

(5) Where at any annual general meeting, no auditor is appointed, the existing auditor shall continue to be the auditor of the Corporation.

(6) All appointments, including the filling of a casual vacancy of an auditor under this section, shall be made after taking into account the recommendations of the Audit Committee.

(7) The remuneration of the auditor shall be fixed in the general meeting or in such manner as may be determined therein.

(8) Until the first annual general meeting is held, auditors duly qualified to act as auditors of companies under the law for the time being in force relating to companies shall be appointed by the Board with the previous approval of the Central Government, and shall receive such remuneration from the Corporation as the Central Government may fix.

(9) Notwithstanding anything contained in sub-section (1), where an auditor has been appointed previous to the first annual general meeting, either under section 25 [as it stood before the coming into force of section 128 of the Finance Act, 2021] or thereafter under sub-section (8), and the term specified for such auditor's appointment has not expired, and the auditor meets the criteria referred to in sub-section (1), such auditor shall continue till the expiry of the term so specified:

Provided that nothing contained in this sub-section or in section 25A shall prejudice the right of the Corporation to remove such auditor or the right of the auditor to resign from such office of the Corporation.

(10) An auditor appointed under sub-section (1) or sub-section (8) or sub-section (9) shall provide to the Corporation or its subsidiaries such other services as are approved by the Board, but shall not include any of the services, whether rendered directly or indirectly, that are enumerated in section 144 of the Companies Act:

Provided that an auditor who has been performing any non-audit services on or before the coming into force of section 128 of the Finance Act, 2021 shall comply with the provisions of this sub-section before the close of the first financial year in which the said section comes into force.

Explanation.—For the purposes of this section, the word "firm" shall include a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008. 6 of 2009.

Removal and resignation of auditor.

25A**.** (1) The auditor appointed under section 25 may be removed from office before expiry of the term of appointment only by a special resolution:

Provided that before taking any action under this sub-section, an auditor proposed to be removed shall be given a reasonable opportunity of being heard, which shall include the right to represent in writing to the Corporation and, where the auditor requests that such representation be notified to members, to have a copy thereof sent to every member and in

case a copy is not sent as aforesaid because it was received too late, to have the representation read out at the meeting, without prejudice to the right to be heard orally.

(2) The auditor who has resigned from the Corporation shall file within a period of thirty days from the date of resignation, a statement in the prescribed form with the Corporation, indicating the reasons and other facts as may be relevant with regard to the resignation.

(3) Without prejudice to any action under this Act or any other law, if the Central Government is satisfied, in consultation with the Comptroller and Auditor General of India, that any change of auditor is required, it may make an order that the auditor shall not function as such and may appoint another auditor in place of such auditor.

Powers and duties of auditors and auditor's report.

25B. (1) Every auditor of the Corporation shall have a right of access at all times to the books of account and vouchers of the Corporation, and shall be entitled to require from the officers of the Corporation such information and explanation as the auditor may consider necessary for the performance of his duties as auditor, and shall, amongst other matters, inquire into the following matters, namely:—

(a) whether loans and advances made by the Corporation on the basis of security have been properly secured;

(b) whether the terms on which loans and advances have been made are prejudicial to the interests of the Corporation or its members;

(c) whether transactions of the Corporation which are represented merely by book entries are prejudicial to its interests;

(d) whether so much of the assets of the Corporation as consist of shares, debentures and other securities have been sold at a price less than that at which they were purchased;

(e) whether loans and advances made by the Corporation have been shown as deposits;

(f) whether personal expenses have been charged to revenue account;

(g) where it is stated in the books and documents of the Corporation that any shares have been allotted for

cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance-sheet is correct, regular and not misleading:

Provided that the auditor shall also have the right of access to the records of all the subsidiaries and associate companies of the Corporation, in so far as they relate to consolidation of the Corporation's financial statements with those of such subsidiaries and associate companies.

(2) The auditor shall make a report to the members on the accounts examined by the auditor and on every financial statement which is required by or under law to be placed in general meeting, and such report shall, after taking into account applicable provisions of this Act and any other law for the time being in force, the standards referred to in section 24B, and matters that are required to be included in the audit report under the provisions of this Act or any other law for the time being in force, and to the best of the information and knowledge of the auditor, state that the said accounts and financial statements give a true and fair view of the state of the Corporation's affairs as at the end of its financial year and profit or loss and cash flow for the year.

(3) The auditor's report shall also state—

(a) whether the auditor has sought and obtained all the information and explanations which to the best of the auditor's knowledge and belief were necessary for the purpose of audit and if not, the details thereof and the effect of such information on the financial statements;

(b) whether, in the auditor's opinion, proper books of account as required by law have been kept by the Corporation so far as appears from the auditor's examination of those books and proper returns adequate for the purposes of audit have been received from branches not visited by the auditor;

(c) whether any report referred to in the proviso to sub-section (6) has been sent to the Corporation's auditor, and the manner in which the Corporation's auditor has dealt with it in preparing the auditor's report;

(d) whether the Corporation's balance-sheet and profit and loss account dealt within the report are in agreement with the books of account and returns;

(e) whether, in the auditor's opinion, the financial statements comply with applicable standards;

(f) the observations or comments of the auditor on financial transactions and matters which have any adverse effect on the functioning of the Corporation;

(g) whether any director is disqualified to be or remain a director under clause (i) of section 4A;

(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and matters connected therewith;

(i) whether the Corporation has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

(j) such other matters as may be prescribed.

(4) Where any of the matters required to be included in the audit report under this section is answered in the negative or with a qualification, the report shall state the reasons therefor.

(5) All qualifications, observations or comments mentioned in the report of the auditor appointed for the Corporation, in respect of financial transactions or matters that have any adverse effect on the functioning of the Corporation, shall be read out in general meeting and shall be open to inspection by any member.

(6) In respect of a branch or an office of the Corporation, the accounts shall be audited either by the auditor appointed for the Corporation (herein referred to as Corporation's auditor) in this section or by any other person qualified for appointment as an auditor of the Corporation and appointed as such under section 25, or where the branch or office is situated in a country outside India, the accounts of the branch or office shall be audited either by the Corporation's auditor or by an accountant or by any other person duly qualified to act as an auditor of the accounts of the branch or office in accordance with the laws of that country, and the duties and powers of the Corporation's auditor with reference to the audit of the branch or office and the auditor thereof, if any, shall be such as may be prescribed:

Provided that the auditor for a branch or office shall prepare a report on the accounts of the branch or office, examined by such auditor and shall send it to the

Corporation's auditor, who shall deal with it in the Corporation's auditor's report in such manner as the Corporation's auditor may consider necessary.

Internal auditor.

25C. (1) The Board shall, on the recommendation of the Audit Committee, appoint an internal auditor, who shall either be a chartered accountant or a cost accountant, or such other professional as may be determined by the Board to conduct the internal audit of the functions and activities of the Corporation.

(2) The Audit Committee shall—

(a) recommend to the Board for the appointment, remuneration and terms of appointment of the internal auditor;

(b) in consultation with the internal auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;

(c) review and monitor the internal auditor's performance and effectiveness of audit process.

Special auditor.

25D. Notwithstanding anything contained in sections 19C, 23A, 25, 25A and 25B, the Central Government may, at any time, appoint such auditor as it deems fit as a special auditor to examine and report on the accounts of the Corporation, and such auditor shall have the same rights of access to the books of account and vouchers of the Corporation and entitlement to require information and explanation from the officers of the Corporation as an auditor of the Corporation has under section 25B.'.

Amendment of section 26.

129. In section 26 of the principal Act,—

(i) for the words "The Corporation", the words "The Board" shall be substituted;

(ii) for the words "Central Government", the word "Board" shall be substituted.

Amendment of section 27.

130. In section 27 the principal Act, the words "and the report shall also give an account of the activities, if any, which are likely to be undertaken by the Corporation in the next financial year" shall be omitted.

Amendment of section 28.

131. For section 28 of the principal Act, the following section shall be substituted, namely:—

Surplus from life insurance business, how to be utilised.

"28. (1) If as a result of any investigation undertaken by the Board under section 26, any surplus emerges,—

(a) for every financial year previous to the financial year for which the funds referred to in sub-section (2) of section 24 are to be maintained, and for any subsequent financial year for which members may exempt the maintenance of such funds,—

(i) ninety per cent., or such higher percentage as the Board may approve, of such surplus shall be allocated to or reserved for the life insurance policyholders of the Corporation; and

(ii) such percentage of the remaining surplus as the Board may approve, shall be allocated to or reserved for members and may either be credited to a separate account maintained by the Corporation or be transferred to such reserve or reserves as the Board may specify;

(b) for every financial year other than that referred to in clause (a),—

(i) in respect of participating policyholders,—

(I) ninety per cent., or such higher percentage as the Board may approve, of surplus relating to such policyholders, shall be transferred to the participating policyholders fund, and shall be allocated to or reserved for the life insurance participating policyholders of the Corporation; and

(II) such percentage of the remaining surplus as the Board may approve, shall be allocated to or reserved for members and may either be credited to a separate account maintained by the Corporation or be transferred to such reserve or reserves as the Board may specify;

(ii) in respect of non-participating policyholders, one hundred per cent. of surplus relating to such policyholders shall be allocated to or reserved for members and may either be credited to a separate account maintained by the Corporation or be transferred to such reserve or reserves as the Board may specify.

(2) The remaining surplus referred to in sub-clause (ii) of clause (a) of sub-section (1) or in item (II) of sub-clause (i) of clause (b) of sub-section (1), as the case may be, and the surplus referred to in sub-clause (ii) of clause (b) of sub-section (1), and the profits allocated to or reserved for the members under section 28A, shall be utilised for such purposes as the Board may approve, including for the purpose of declaration or payment of dividend, the issue of fully paid-up bonus shares to members and crediting any of the reserves that the Board may create for any purpose.

(3) The Corporation shall, with the approval of the Board, publish on its website its surplus distribution policy at least once in five years, or such shorter period not less than three years as the Board may deem fit, and such policy shall specify, among other things, the percentages referred to in sub-section (1).".

Amendment of section 28A.

132. In section 28A of the principal Act, for the words "paid to the Central Government", the words "allocated to or reserved for the members" shall be substituted.

Insertion of new sections 28B and 28C.

133. In the principal Act, after section 28A, the following sections shall be inserted, namely:—

Declaration of dividend.

"28B**.** (1) No dividend shall be declared or paid by the Corporation for any financial year except out of the surpluses and profits referred to in sub-section (2) of section 28 (after excluding any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value) for such year arrived at after providing for depreciation, or for any previous financial year or years arrived at after providing for depreciation and remaining undistributed, or out of both the aforesaid surpluses and profits:

Provided that no dividend shall be declared or paid by the Corporation from its reserves other than free reserves:

Provided further that no dividend shall be declared or paid by the Corporation unless any losses carried over from previous years and any depreciation not provided for in previous years are set off against the surpluses and profits referred to in sub-section (2) of section 28 for the financial year for which the dividend is proposed to be declared or paid.

(2) The Board may, during any financial year or at any time during the period from the close of a financial year till

the holding of the annual general meeting for that financial year, declare interim dividend out of the surpluses and profits referred to in sub-section (2) of section 28 of the financial year for which such interim dividend is sought to be declared, or out of the surpluses and profits referred to in sub-section (2) generated in the current financial year till the close of the quarter preceding the date of declaration of such interim dividend:

Provided that in case the Corporation has incurred loss during the current financial year up to the close of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average of the dividends declared by the Corporation during the immediately preceding three financial years.

(3) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

(4) No dividend shall be paid by the Corporation in respect of any share of the Corporation except to the member in whose name such share is entered on the register of members referred to in section 5C, or to his order, or to his banker, and shall be payable in cash and not in stock or other form of value:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalisation of the surpluses and profits referred to in sub-section (2) of section 28 for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any share held by members:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the member entitled to such payment.

Unpaid Dividend Account.

28C. (1) Where a dividend has been declared by the Corporation but has not been paid or claimed within thirty days from the date of declaration to any member entitled to payment thereof, the Corporation shall, within seven days from the expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Corporation in that behalf in any scheduled bank, to be called the Unpaid Dividend Account.

(2) The Corporation shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the name and last known address of, and the amount of the unpaid dividend payable to, each member entitled to such unpaid dividend, and shall place such statement on its website and on any other website as the Central Government may specify.

(3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account, the Corporation shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at such rate as is specified in section 123 of the Companies Act, and the interest accruing on such amount shall ensure to the benefit of the members in proportion to the amount remaining unpaid to them.

(4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account may apply to the Corporation for payment of the money claimed.

(5) The amount remaining unclaimed and unpaid for a period of seven year from the date it became due for payment in the Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund established under sub-section (1) of section 125 of the Companies Act and shall be deemed to be an amount credited to the said Fund under sub-section (2) of the said section.".

Substitution of sections 46 and 47.

134. For sections 46 and 47 of the principal Act, the following sections shall be substituted, namely:—

Defects in constitution of Corporation or Committees or in appointment or nomination of directors not to invalidate acts or proceedings.

'46**.** (1) No act or proceeding of the Corporation or of its Board or any Committee thereof shall be called in question on the ground merely of the existence of any vacancy or defect in the constitution of the Corporation or the Board or such Committee, as the case may be.

(2) No act done by an individual as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment or nomination, as the case may be, was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act:

Provided that nothing in this sub-section shall be deemed to give validity to any act done by such individual as director after his appointment or nomination, as the case may be, has been noticed by the Corporation to be invalid or to have terminated.

Protection of action taken under this Act.

47. (1) No suit, prosecution or other legal proceeding shall lie against any director or employee of the Corporation for anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or regulations made thereunder.

(2) A director who is not a whole-time director shall be held liable only in respect of such acts of omission or commission of the Corporation which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

Explanation.—For the purposes of this sub-section, the reference to "Board" shall include Committees of the Board.'.

Amendment of section 48.

135. In section 48 of the principal Act, in sub-section (2),—

(i) in clause (a), for the word "members", the word "directors" shall be substituted;

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

"(aa) the manner of disclosure of interest by a director under section 4B;

(ab) the conditions subject to which the Board may consent to related party transactions under section 4C;

(ac) the securities and instruments which may be issued under section 5;

(ad) the manner of reservation in favour of life insurance policyholders and allotment against such reservation, in relation to a public issue, under clause (a) of sub-section (9) of section 5;";

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

"(g) the conditions under the first proviso to clause (d) of sub-section (2) of section 19C;";

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

"(ha) the manner in which general meetings shall be held, and the business to be transacted and procedure to be followed thereat;

(hb) the quorum for a general meeting, and the manner of holding the meeting if it could not be held for want of quorum and was adjourned under section 23A;

(hc) the manner in which persons may attend a general meeting and exercise their vote;

(hd) the manner in which notices may be served on behalf of the Corporation upon members or other persons;

(he) the form and manner in which the financial statements referred to in sub-section (8) of section 24B may be issued, circulated or published;

(hf) matters that may be prescribed under clause (n) of sub-section (1) of section 24C;

(hg) the manner and procedure of selection and conditions of appointment of auditors under sub-section (1) of section 25;

(hh) the form in which an auditor who has resigned shall indicate the reasons and other facts relevant to the resignation under sub-section (2) of section 25A;

(hi) the matters to be prescribed under clause (j) of sub-section (3) of section 25B;

(hj) the duties and powers of the Corporation's auditor with reference to the audit of a branch or office of the Corporation and the auditor thereof, under sub-section (6) of section 25B;".

Amendment of section 49.

136. In the principal Act, in section 49,—

(i) in sub-section (1), for the word "Corporation", the word "Board" shall be substituted;

(ii) in sub-section (2),—

(a) in clause (a), for the word "Corporation", the word "Board" shall be substituted;

(b) clause (c) shall be omitted;

(c) in clause (e), for the word "Fund", the words "fund or funds" shall be substituted;

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

"(h) the manner in which meetings of the Board and its Committees shall be held, the business to be transacted and procedure to be followed thereat, and the quorum therefor;";

(e) clause (i) shall be omitted;

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

"(n) the manner of election of directors under clause (e) of sub-section (2) of section 4;

(o) the form and manner of registers to be kept and maintained under sub-section (1) of section 5C;

(p) the manner of nomination by an individual registered member or joint holder of shares, the manner of variation or cancellation of such nomination, and the manner of nomination in favour of a minor, under section 5F;

(q) the manner in which and the conditions subject to which shares, including partly paid-up shares, may be issued, held, transferred and registered;

(r) the maintenance and operation of the funds and reserves under section 24;

(s) the form and manner in which the books and records referred to in section 24A may be kept;";

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

"(2A) Any reference in the regulations as in force immediately before the coming into force of section 123 of the Finance Act, 2021 to "Investment Committee" shall be construed as a reference to the Investment Committee of the Board referred to in section 19A.".

Insertion of sections 50 and 51.

137. After section 49 of the principal Act, the following sections shall be inserted, namely:—

Form, manner etc. for companies to apply with modifications.

"50**.** Where this Act provides that the form or manner or period or details in respect of any declaration to be made or the particulars to be included in any register to be maintained shall be such as may be prescribed for a company under the Companies Act, such prescribed form or manner or period or details or particulars, as the case may be, shall apply subject to such modifications, exceptions and conditions that the Central Government may by notification specify.

Power to remove difficulties.

51**.** (1) If any difficulty arises in giving effect to the provisions of this Act as amended by Part III of Chapter VI of the Finance Act, 2021, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of Part III of Chapter VI of the Finance Act, 2021.

(2) Every order made under this section shall, as soon as may be after it is made, be laid on the table of each House of Parliament.".

PART IV

AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

Commencement of this Part.

138. The provisions of this Part shall come into force on the 1st day of April, 2021.

Amendment of section 2.

139. In the Securities Contracts (Regulation) Act, 1956 (hereafter in this Part referred to as the principal Act), in section 2,— 42 of 1956.

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

'(da) "pooled investment vehicle" means a fund established in India in the form of a trust or otherwise, such as mutual fund, alternative investment fund, collective investment scheme or a business trust as defined in sub-section (13A) of section 2 of the Income-tax Act, 1961 and registered with the Securities and Exchange Board of India, or such other fund, which 43 of 1961.

raises or collects monies from investors and invests such funds in accordance with such regulations as may be made by the Securities and Exchange Board of India in this behalf;';

(ii) in clause (h),—

(a) in sub-clause (i), for the words "other body corporate", the words "or a pooled investment vehicle or other body corporate" shall be substituted;

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

"(ida) units or any other instrument issued by any pooled investment vehicle;".

Insertion of new section 30B.

140. After section 30A of the principal Act, the following section shall be inserted, namely:—

Special provisions related to pooled investment vehicle.

"30B. (1) Notwithstanding anything contained in the Indian Trust Act, 1882 or in any other law for the time being in force or in any judgment, decree or order of any Court, Tribunal or any other authority, a pooled investment vehicle, whether constituted as a trust or otherwise, and registered with the Securities and Exchange Board of India shall be eligible to borrow and issue debt securities in such manner and to such extent as may be specified under the regulations made by Securities and Exchange Board of India in this behalf. 2 of 1882.

(2) Every pooled investment vehicle referred to in sub-section (1) shall, subject to the provisions of the trust deed, be permitted to provide security interest to lenders in terms of the facility documents entered into by such pooled investment vehicle.

(3) Where any pooled investment vehicle referred to in sub-section (1) defaults in repayment of principal amount or payment of interest or any such amount due to the lender, the lender shall recover the defaulted amount and enforce security interest, if any, against the trust assets, by initiating proceedings against the trustee acting on behalf of such pooled investment vehicle in accordance with the terms and conditions specified in the facility documents:

Provided that on initiation of the proceedings against the trust assets, the trustee shall not be personally liable and his assets shall not be utilised towards recovery of such debt.

(4) The trust assets, which remain after recovery of defaulted amount, shall be remitted to the unit holders on proportionate basis.".

PART V

AMENDMENT TO THE CENTRAL SALES TAX ACT, 1956

Amendment of Act 74 of 1956.

141. In the Central Sales Tax Act, 1956, in section 8, in sub-section (3), for clause (b), the following clause shall be substituted, namely:—

"(b) are goods of the class or classes specified in the certificate of registration of the registered dealer purchasing the goods as being intended for re-sale by him or subject to any rules made by the Central Government in this behalf, for use by him in the manufacture or processing for sale of goods specified under clause (d) of section 2;".

PART VI

AMENDMENTS TO THE PROHIBITION OF *BENAMI* PROPERTY TRANSACTION ACT, 1988

Commencement of this Part.

142. The provisions of this Part shall come into force on the 1st day of July, 2021.

Amendment of section 2.

143. In the Prohibition of *Benami* Property Transactions Act, 1988 (hereinafter in this Part referred to as the principal Act), in section 2, in clause (1), for the words "appointed under", the words "referred to in" shall be substituted. 45 of 1988.

Substitution of section 7.

144. For section 7 of the principal Act, the following section shall be substituted, namely:—

Adjudicating Authority.

"7. The competent authority authorised under sub-section (1) of section 5 of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 shall be the Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under this Act.". 13 of 1976.

Omission of sections 8 to 17.

145. Sections 8 to 17 of the principal Act, shall be omitted.

Amendment of section 26.

146. In section 26 of the principal Act, in sub-section (7), after the proviso to the *Explanation,* the following proviso shall be inserted, namely:—

"Provided that where the time limit for passing order under this sub-section expires during the period beginning from the 1st day of July, 2021 and ending on the 29th day

of September, 2021, the time limit for passing such order shall be extended to the 30th day of September, 2021.".

Amendment of section 68.

147. In section 68 of the principal Act, in sub-section (2), clauses (b) and (c) shall be omitted.

PART VII

AMENDMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

Amendment of Act 15 of 1992.

148. In the Securities and Exchange Board of India Act, 1992, in section 12, after sub-section (1B), the following sub-section shall be inserted with effect from the 1st day of April, 2021, namely:—

"(1C) No person shall sponsor or cause to be sponsored or carry on or cause to be carried on the activity of an alternative investment fund or a business trust as defined in clause (13A) of section 2 of the Income-tax Act, 1961, unless a certificate of registration is granted by the Board in accordance with the regulations made under this Act.". 43 of 1961.

PART VIII

AMENDMENT TO THE RECOVERY OF DEBTS DUE TO BANKS AND FINANCIAL INSTITUTIONS ACT, 1993

Amendment of Act 51 of 1993.

149. In the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, in section 2, in clause (g), after the words "from any person", the words, brackets, letters and figures "or a pooled investment vehicle as defined in clause (da) of section 2 of the Securities Contracts (Regulation) Act, 1956," shall be inserted with effect from the 1st day of April, 2021. 42 of 1956.

PART IX

AMENDMENT TO THE FINANCE ACT, 2001

Amendment of Seventh Schedule.

150. In the Seventh Schedule to the Finance Act, 2001,— 14 of 2001.

(a) for the brackets, words and figures "(*See* section 138)", the brackets, words and figures "(*See* section 136)" shall be substituted;

(b) after tariff item 2403 99 90 and the entries relating thereto, the following tariff items and entries shall be inserted with effect from the 1st day of January, 2022, namely:—

" 2404 11 00	-- containing tobacco or reconstituted tobacco	Kg.	25%
2404 19 00	-- Other	Kg.	25% ".

PART X

AMENDMENT TO THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002

Amendment of Act 54 of 2002.

151. In the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in section 2, in sub-section (1) with effect from the 1st day of April, 2021—

(i) in clause (f),—

(a) for the words "any person who", the words "any person who, or a pooled investment vehicle as defined in clause (da) of section 2 of the Securities Contracts (Regulation) Act, 1956 which," shall be substituted; 42 of 1956.

(b) for the words "and includes a person who", the words " and includes a person who, or a pooled investment vehicle which," shall be substituted;

(ii) in clause (zd), in sub-clause (iv), for the words "the Board appointed by any company", the words "the Board and appointed" shall be substituted.

PART XI

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK (TRANSFER OF UNDERTAKING AND REPEAL) ACT, 2003

Commencement of this Part.

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

Amendment of section 3.

153. In the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003, in section 3, in sub-section (2), 53 of 2003.—

(i) in the opening paragraph, the words "in addition to the business which may be carried on and transacted by the Development Bank" shall be omitted;

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

"Provided further that the provisions of clause (a) to the proviso, shall cease to be applicable immediately after the commencement of Part….. of the Finance Act, 2021, and from such commencement, the Company shall be deemed to have obtained licence under section 22 of the Banking Regulation Act, 1949.". 10 of 1949.

PART XII

AMENDMENTS TO THE FINANCE (NO.2) ACT, 2004

Commencement of this Part.

154. The provisions of this Part shall come into force and shall be deemed to have come into force on the 1st day of February, 2021.

Amendment of section 97.

155. In section 97 of the Finance Act (No.2) Act, 2004, (hereafter in this Part referred to as the Principal Act), 23 of 2004.—

(i) in clause (13), in sub-clause (b), for the words "*Mutual Fund;*", the following shall be substituted, namely:––

"Mutual Fund; or

(ba) sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after the 1st day of February, 2021;";

(ii) after clause (13), the following clause shall be inserted, namely:—

'(13A) "unit linked insurance policy" shall have the meaning assigned to it in Explanation 3 of clause (10D) of section 10 of the Income-tax Act, 1961;' 43 of 1961.

Amendment of section 98.

156. In section 98 of the Principal Act, in the Table, after serial number 5 and the entries relating thereto, the following shall be inserted, namely:—

"5A.	Sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked	[0.001] per cent.	Seller"

insurance policy issued by such insurance company on or after the first day of February, 2021

Amendment of section 100.

157. In section 100 of the Principal Act, after the words "Mutual Fund" wherever they occur, the words "or insurance company" shall be inserted.

Amendment of section 101.

158. In section 101 of the Principal Act, after the words "Mutual Fund" at both places where they occur, the words "or insurance company" shall be inserted.

PART XIII

AMENDMENT TO THE FINANCE ACT, 2016

Amendment of Act 28 of 2016.

159. In the Finance Act, 2016,—

(a) the following amendments shall be made and shall be deemed to have been made with effect from the 1st day of April, 2020, namely:—

(i) in section 163, in sub-section (3), the following proviso shall be inserted, namely:—

"Provided that the consideration received or receivable for specified services and for e-commerce supply or services shall not include the consideration, which are taxable as royalty or fees for technical services in India under the Income-tax Act, read with the agreement notified by the Central Government under section 90 or section 90A of the said Act.";

(ii) in section 164, in clause (cb), the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the purposes of this clause, "online sale of goods" and "online provision of services" shall include one or more of the following online activities, namely:—

(a) acceptance of offer for sale; or

(b) placing of purchase order; or

(c) acceptance of the purchase order; or

(d) payment of consideration; or

(e) supply of goods or provision of services, partly or wholly;';

(iii) in section 165A, in sub-section (3),—

(A) in the opening portion, for the words 'section, "specified circumstances" mean—', the following shall be substituted, namely:—

'section,—

(a) "specified circumstances" mean—';

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

"(b) consideration received or receivable from e-commerce supply or services shall include—

(i) consideration for sale of goods irrespective of whether the e-commerce operator owns the goods;

(ii) consideration for provision of services irrespective of whether service is provided or facilitated by the e-commerce operator.".

(b) in section 191, in the proviso, after the word "refundable", the words "without any interest" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2016.

PART XIV

AMENDMENT TO THE DIRECT TAX *VIVAD SE VISHWAS* ACT, 2020

Amendment of Act 3 of 2020.

160. In the Direct Tax *Vivad se Vishwas* Act, 2020, the following amendments shall be made and shall be deemed to have been made with effect from the 17th day of March, 2020, namely:—

(a) in section 2, in sub-section (1),—

(i) in clause (a), the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the removal of doubts, it is hereby clarified that the expression "appellant" shall not include and shall be deemed never to have been included a person in whose case a writ petition or special leave petition or any other proceeding has been filed either by him or by the income-tax authority or by both before an appellate forum, arising out of an order of the Settlement Commission under Chapter XIX-A of the Income-tax Act, and such petition or appeal is either pending or is disposed of.';

(ii) in clause (j), after the second proviso, the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the removal of doubts, it is hereby clarified that the expression "disputed tax", in relation to an assessment year or financial year, as the case may be, shall not include and shall be deemed never to have been included any sum payable either by way of tax, penalty or interest pursuant to an order passed by the Settlement Commission under Chapter XIX-A of the Income-tax Act.';

(iii) in clause (o), the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the removal of doubts, it is hereby clarified that the expression "tax arrear" shall not include and shall be deemed never to have been included any sum payable either by way of tax, penalty or interest pursuant to an order passed by the Settlement Commission under Chapter XIX-A of the Income-tax Act.'.

Declaration under the Provisional Collection of Taxes Act, 1931

It is hereby declared that it is expedient in the public interest that the provisions of clauses 95 (i), 115 and 116 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931. 16 of 1931.

THE FIRST SCHEDULE
(*See* section 2)

PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 2,50,000	Nil;
(2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs.12,500 *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. 1,12,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

(1) where the total income does not exceed Rs. 3,00,000	Nil;
(2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 3,00,000;

(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs.10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

(1) where the total income does not exceed Rs. 5,00,000	Nil;
(2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(3) where the total income exceeds Rs. 10,00,000	Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A or the provision of section 115BAC of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

(a) having a total income (including the income by way of dividend or income under the provisions of section 111A 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 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 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 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 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 chargeable under section 111A 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 the case of persons mentioned above having total income exceeding,—

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

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

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

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

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs.10,000	10 per cent. of the total income;
(2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000	Rs.1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2018-19 does not exceed four hundred crore rupees;	25 per cent. of the total income;
(ii) other than that referred to in item (i)	30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,— 50 per cent.;

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976, and where such agreement has, in either case, been approved by the Central Government .

(ii) on the balance, if any, of the total income 40 per cent..

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or 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, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:–

	Rate of income-tax
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than "Interest on securities"	10 per cent.;
(ii) on income by way of winnings from lotteries, puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on income by way of insurance commission	5 per cent.;
(v) on income by way of interest payable on—	10 per cent.;
(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	

(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	
(C) any security of the Central or State Government;	
(vi) on any other income	10 per cent.;
(b) where the person is not resident in India—	
(i) in the case of a non-resident Indian—	
(A) on any investment income	20 per cent.;
(B) on income by way of long-term capital gains referred to in section 115E or sub-clause (iii) of clause (c) of sub-section (1)of section 112	10 per cent.;
(C) on income by way of long-term capital gains referred to in section 112A	10 per cent.;
(D) on other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10] referred to in section 112A exceeding one lakh rupees	20 per cent.;
(E) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(F) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;

(G)	on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(H)	on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(G)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 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 relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;

(J) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(K) on income by way of winnings from horse races	30 per cent.;
(L) on the income by way of dividend	20 per cent.;
(M) on the whole of the other income	30 per cent.;

(ii) in the case of any other person—

(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement	10 per cent.;

is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	
(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(F) on income by way of winnings from horse races	30 per cent.;
(G) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(H) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(I) on income by way of long-term capital gains referred to in section 112A exceeding one lakh rupees	10 per cent.;
(J) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36)of section 10]	20 per cent.;
(K) on income by way of dividend	20 per cent.;

(L) 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 — 30 per cent.;

(iii) on income by way of winnings from horse races — 30 per cent.;

(iv) on any other income — 10 per cent.;

(b) where the company is not a domestic company—

(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort — 30 per cent.;

(ii) on income by way of winnings from horse races — 30 per cent.;

(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) — 20 per cent.;

(iv) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first — 10 per cent.;

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

(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in with that policy—

(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;

(vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vii) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(viii) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(ix) on income by way of long-term capital gains referred to in section 112A exceeding one lakh rupees	10 per cent.;
(x) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10]	20 per cent.;
(xa) on income by way of dividend	20 per cent.;
(xi) on any other income	40 per cent.

Explanation.— For the purposes of item 1(b)(i) of this Part, "investment income" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for the purposes of the Union,—

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

I. at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A 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 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 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 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 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 chargeable under sections 111A 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.;

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

(ii) Item 2 of this Part shall be increased by a surcharge, for the purposes of the Union, in the case of every company other than a domestic company, calculated,—

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

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

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head "Salaries" under section 192 of the said Act or 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 Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BAA or section 115BAB or section 115BAD or section 115BB or section 115BBA or section 115BBC or section 115BBD or section 115BBE or section 115BBF or section 115BBG or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 2,50,000	*Nil*;
(2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;

(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 12,500 *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. 1,12,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

(1) where the total income does not exceed Rs. 3,00,000	*Nil;*
(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

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 or the provisions of section 115BAC of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

(a) having a total income (including the income by way of dividend or income under the provisions of section 111A 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 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 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; and

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

(e) having a total income (including the income by way of dividend or income under the provisions of section 111A 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 chargeable under section 111A 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 the case of persons mentioned above having total income exceeding,—

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

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

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

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

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs.10,000	10 per cent. of the total income;
(2)where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30 per cent.;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total

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

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2019-2020 does not exceed four hundred crore rupees;	25 per cent. of the total income;
(ii) other than that referred to in item (i)	30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,— 50 per cent.;

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

(ii) on the balance, if any, of the total income 40 per cent..

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section

111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated,—

(i) in the case of every domestic company,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

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

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

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV

[*See* section 2(*13*)(*c*)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be

construed as not including a reference to sub-sections (3), (3A) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3), (3A) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2021, 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, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019, or the 1st day of April, 2020, 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, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural

income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(iv) 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,

(v) 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,

(vi) 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,

(vii) 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,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020,

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, 2021.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2022, 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, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021, 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, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021,

(iii) 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,

(iv) 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,

(v) 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,

(vi) 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 or the 1st day of April, 2020 or the 1st day of April, 2021,

(vii) 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,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021,

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, 2022.

(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, 2013 (17 of 2013) or the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) or the First Schedule to the Finance Act, 2015 (20 of 2015) or the First Schedule to the Finance Act, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) or the First Schedule to the Finance act, 2018 (13 of 2018) or the First Schedule of the Finance (No. 2) Act, 2019 (23 of 2019) or the First Schedule of the Finance Act, 2020 (12 of 2020) 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 95 (i)]

In the First Schedule to the Customs Tariff Act, –

(1) in Chapter 28, for the entry in column (4) occurring against tariff item 2803 00 10, the entry "7.5%" shall be substituted;

(2) in Chapter 39, for the entry in column (4) occurring against all tariff items of heading 3925, the entry "15%" shall be substituted;

(3) in Chapter 70, for the entry in column (4) occurring against all the tariff items of heading 7007, the entry "15%" shall be substituted;

(4) in Chapter 71, for the entry in column (4) occurring against tariff item 7104 90 90, the entry "15%" shall be substituted;

(5) in Chapter 84,—

(i) for the entry in column (4) occurring against tariff item 8414 30 00, the entry "15%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 8414 40, the entry "15%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-heading 8414 80, the entry "15%" shall be substituted;

(6) in Chapter 85,—

(i) for the entry in column (4) occurring against all the tariff items of sub-heading 8501 10, the entry "15%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 8501 20 00, the entry "15%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-headings 8501 31, 8501 32, 8501 33, 8501 34, 8501 40, 8501 51, 8501 52 and 8501 53, the entry "15%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 8504 90 90, the entry "15%" shall be substituted;

(v) for the entry in column (4) occurring against tariff items 8512 90 00, 8536 41 00 and 8536 49 00, the entry "15%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of heading 8537, the entry "15%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 8544 30 00, the entry "15%" shall be substituted;

(7) in Chapter 90,—

(i) for the entry in column (4) occurring against tariff item 9031 80 00, the entry "15%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub heading 9032 89, the entry "15%" shall be substituted;

(8) in Chapter 91, for the entry in column (4) occurring against tariff item 9104 00 00, the entry "15%" shall be substituted.

THE THIRD SCHEDULE

[*See* section 95 (ii)]

In the First Schedule to the Customs Tariff Act, in Chapter 27, for heading 2709, tariff items 2709 10 00 and 2709 20 00 and the entries relating thereto, the following shall be substituted with effect from the 1st day of April, 2021, namely:–

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
“2709	PETROLEUM OILS AND OILS OBTAINED FROM BITUMINOUS MINERALS, CRUDE			
2709 00	-- *Petroleum oils and oils obtained from bituminous minerals, crude*			
2709 00 10	--- Petroleum crude	kg.	5%	-
2709 00 90	--- Other	kg.	5%	-”.

THE FOURTH SCHEDULE

[*See* section 95 (iii)]

In the First Schedule to the Customs Tariff Act, –

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(1) in Chapter 2, in the Note—

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

"(b) edible, non-living insects (heading 0410);";

(ii) the existing clauses (b) and (c) shall respectively be re-lettered as clauses (c) and (d);

(2) in Chapter 3, —

(i) after Note 2, the following Note shall be inserted, namely :—

"3. Headings 0305 to 0308 do not cover flours, meals and pellets, fit for human consumption (heading 0309).";

(ii) in heading 0302, for the entry in column (2), —

(a) occurring after tariff item 0302 29 00 and the entries relating thereto, the following entry shall be substituted, namely :—

" - *Tunas (of the genus Thunnus), skipjack tuna (stripe-bellied bonito) (Katsuwonus pelamis), excluding edible fish offal of sub-headings 0302 91 to 0302 99 :*";

(b) occurring against tariff item 0302 33 00, the following entry shall be substituted, namely :—

"- - Skipjack tuna (stripe-bellied bonito) (*Katsuwonus pelamis*)";

(c) occurring against tariff item 0302 55 00, the following entry shall be substituted, namely :—

"- - Alaska Pollock (*Theragra chalcogramma*)";

(iii) in heading 0303, for the entry in column (2), —

(a) occurring after tariff item 0303 39 00 and the entries relating thereto, the following entry shall be substituted, namely :—

" - *Tunas (of the genus Thunnus), skipjack tuna (stripe-bellied bonito) (Katsuwonus pelamis), excluding edible fish offal of sub-headings 0303 91 to 0303 99 :*";

(b) occurring against tariff item 0303 43 00, the following entry shall be substituted, namely :—

"- - Skipjack tuna (stripe-bellied bonito) (*Katsuwonus pelamis*)";

(c) occurring against tariff item 0303 67 00, the following entry shall be substituted, namely :—

"- - Alaska Pollock (*Theragra chalcogramma*)";

(iv) in heading 0304, for the entry in column (2),—

(a) occurring against tariff item 0304 75 00, the following entry shall be substituted, namely :—

"- - Alaska Pollock (*Theragra chalcogramma*)";

(b) occurring against tariff item 0304 87 00, the following entry shall be substituted, namely :—

"- - Tunas (of the genus *Thunnus*), skipjack tuna (stripe-bellied bonito) (*Katsuwonus pelamis*)";

(c) occurring against tariff item 0304 94 00, the following entry shall be substituted, namely :—

"- - Alaska Pollock (*Theragra chalcogramma*)";

(d) occurring against tariff item 0304 95 00, the following entry shall be substituted, namely :—

"- - Fish of the families (*Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae,*) other than Alaska Pollock (*Theragra chalcogramma*)";

(v) in heading 0305, —

(a) for the entry in column (2) occurring against the heading 0305, the following entry shall be substituted, namely :—

"FISH, DRIED, SALTED OR IN BRINE; SMOKED FISH, WHETHER OR NOT COOKED BEFORE OR DURING THE SMOKING PROCESS";

(b) tariff item 0305 10 00 and the entries relating thereto shall be omitted;

(vi) in heading 0306, for the entry in column (2),—

(a) occurring against the heading 0306, the following entry shall be substituted, namely :—

"CRUSTACEANS, WHETHER IN SHELL OR NOT, LIVE, FRESH, CHILLED, FROZEN, DRIED, SALTED OR IN BRINE; SMOKED CRUSTACEANS, WHETHER IN SHELL OR NOT, WHETHER OR NOT COOKED BEFORE OR DURING THE SMOKING PROCESS; CRUSTACEANS, IN SHELL, COOKED BY STEAMING OR BY BOILING IN WATER, WHETHER OR NOT CHILLED, FROZEN, DRIED, SALTED OR IN BRINE";

(b) occurring against tariff item 0306 19 00, the following entry shall be substituted, namely :—

"- - Other";

(c) occurring against tariff item 0306 39 00, the following entry shall be substituted, namely :—

"- - Other";

(d) occurring against tariff item 0306 99 00, the following entry shall be substituted, namely :—

"- - Other";

(vii) in heading 0307, for the entry in column (2), —

(a) occurring against the heading 0307, the following entry shall be substituted, namely :—

"MOLLUSCS, WHETHER IN SHELL OR NOT, LIVE, FRESH, CHILLED, FROZEN, DRIED, SALTED OR IN BRINE; SMOKED MOLLUSCS, WHETHER IN SHELL OR NOT, WHETHER OR NOT COOKED BEFORE OR DURING THE SMOKING PROCESS";

(b) occurring after tariff item 0307 19 00 and the entries relating thereto, the following entry shall be substituted, namely :—

"- Scallops and other molluscs of the family *Pectinidae* :";

(c) occurring after tariff item 0307 88 00 and the entries relating thereto, the following entry shall be substituted, namely :—

"- Other";

(viii) in the heading 0308, for the entry in column (2) occurring against the heading 0308, the following entry shall be substituted, namely :—

"AQUATIC INVERTEBRATES OTHER THAN CRUSTACEANS AND MOLLUSCS, LIVE, FRESH, CHILLED, FROZEN, DRIED, SALTED OR IN BRINE; SMOKED AQUATIC INVERTEBRATES OTHER THAN CRUSTACEANS AND MOLLUSCS, WHETHER OR NOT COOKED BEFORE OR DURING THE SMOKING PROCESS";

(ix) after tariff item 0308 90 00 and the entries relating thereto, the following shall be inserted, namely :—

"0309	FLOURS, MEALS AND PELLETS OF FISH, CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTEBRATES, FIT FOR HUMAN CONSUMPTION			
0309 10	- *Of fish:*			
0309 10 10	- - - Fresh or chilled	kg.	30%	-
0309 10 20	- - - Frozen	kg.	30%	-
0309 10 30	- - - Salted, in brine, dried or smoked	kg.	30%	-
0309 10 90	- - - Other	kg.	30%	-
0309 90	- *Other:*			
	- - - *Of crustaceans, fresh or chilled:*			
0309 90 11	- - - - Vannamei shrimp (*Litopenaeus vannamei*)	kg.	30%	-
0309 90 12	- - - - Indian white shrimp (*Fenneropenaeus indicus*)	kg.	30%	-
0309 90 13	- - - - Black tiger shrimp (*Penaeus monodon*)	kg.	30%	-
0309 90 14	- - - - Flower shrimp (*Penaeus semisulcatus*)	kg.	30%	-
0309 90 19	- - - - Other	kg.	30%	-
	- - - *Of crustaceans, frozen:*			
0309 90 21	- - - - Vannamei shrimp (*Litopenaeus vannamei*)	kg.	30%	-
0309 90 22	- - - - Indian white shrimp (*Fenneropenaeus indicus*)	kg.	30%	-
0309 90 23	- - - - Black tiger shrimp (*Penaeus monodon*)	kg.	30%	-
0309 90 24	- - - - Flower shrimp (*Penaeus semisulcatus*)	kg.	30%	-
0309 90 29	- - - - Other	kg.	30%	-
	- - - *Of crustaceans, salted, in brine, dried or smoked:*			
0309 90 31	- - - - Vannamei shrimp (*Litopenaeus vannamei*)	kg.	30%	-
0309 90 32	- - - - Indian white shrimp (*Fenneropenaeus indicus*)	kg.	30%	-
0309 90 33	- - - - Black tiger shrimp (*Penaeus monodon*)	kg.	30%	-
0309 90 34	- - - - Flower shrimp (*Penaeus semisulcatus*)	kg.	30%	-
0309 90 39	- - - - Other	kg.	30%	-
0309 90 40	- - - Of crustaceans, other	kg.	30%	-
0309 90 50	- - - Of molluscs, fresh or chilled	kg.	30%	-
0309 90 60	- - - Of molluscs, frozen	kg.	30%	-

0309 90 70	- - - Of molluscs, salted, in brine, dried or smoked	kg.	30%	-
0309 90 80	- - - Of molluscs, other	kg.	30%	-
0309 90 90	- - - Other	kg.	30%	-”;

(3) in Chapter 4, —

(i) after Note 1, the following Note shall be inserted, namely :—

“2. For the purposes of heading 0403, yogurt may be concentrated or flavoured and may contain added sugar or other sweetening matter, fruit, nuts, cocoa, chocolate, spices, coffee or coffee extracts, plants, parts of plants, cereals or bakers’ wares, provided that any added substance is not used for the purpose of replacing, in whole or in part, any milk constituent, and the product retains the essential character of yogurt.”;

(ii) the existing Notes 2 and 3 shall respectively be re-numbered as Notes 3 and 4;

(iii) for existing Note 4, the following Notes shall be substituted, namely:—

“5. This Chapter does not cover:

(a) non-living insects, unfit for human consumption (heading 0511);

(b) products obtained from whey, containing by weight more than 95 % lactose, expressed as anhydrous lactose, calculated on the dry matter (heading 1702);
(c) products obtained from milk by replacing one or more of its natural constituents (for example, butyric fats) by another substance (for example, oleic fats) (heading 1901 or 2106); or

(d) Albumins (including concentrates of two or more whey proteins, containing by weight more than 80 % whey proteins, calculated on the dry matter) (heading 3502) or globulins (heading 3504).

6. For the purposes of heading 0410, the term “insects” means edible non-living insects, whole or in parts, fresh, chilled, frozen, dried, smoked, salted or in brine, as well as flours and meals of insects, fit for human consumption. However, it does not cover edible non-living insects otherwise prepared or preserved (generally Section IV).”;

(iv) in heading 0403, —

(a) for the entry in column (2) occurring against the heading 0403, the following entry shall be substituted, namely :—

“YOGURT; BUTTERMILK, CURDLED MILK AND CREAM, KEPHIR AND OTHER FERMENTED OR ACIDIFIED MILK AND CREAM, WHETHER OR NOT CONCENTRATED OR CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER OR FLAVOURED OR CONTAINING ADDED FRUIT, NUTS OR COCOA ”;

(b) for tariff item 0403 10 00 and the entries relating thereto, the following shall be substituted, namely :—

"0403 20 00	- Yogurt	kg.	30%	-";

(v) for heading 0410, sub-heading 0410 00, tariff items 0410 00 10 to 0410 00 90 and the entries relating thereto, the following shall be substituted, namely:—

"0410	INSECTS AND OTHER EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED			
0410 10	- *Insects:*			
0410 10 10	- - - Fresh, chilled or frozen	kg.	30%	-
0410 10 20	- - - Salted, in brine, dried or smoked	kg.	30%	-
0410 10 90	- - - Other	kg.	30%	-
0410 90	- *Other:*			
0410 90 10	- - - Of wild animals	kg.	30%	-
0410 90 20	- - - Turtle eggs and Salanganes' nests ("birds' nests")	kg.	30%	-
0410 90 90	- - - Other	kg.	30%	-";

(4) in Chapter 7, —

(i) after Note 4, the following Note shall be inserted, namely :—

"5. Heading 0711 applies to vegetables which have been treated solely to ensure their provisional preservation during transport or storage prior to use (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), provided they remain unsuitable for immediate consumption in that state.";

(ii) in heading 0704, for the entry in column (2) occurring against tariff item 0704 10 00, the following entry shall be substituted, namely :—

"- Cauliflowers and broccoli";

(iii) in heading 0709, after tariff item 0709 51 00 and the entries relating thereto, the following shall be inserted, namely:—

"0709 52 00	- - Mushrooms of the genus *Boletus*	kg.	30%	20%
0709 53 00	- - Mushrooms of the genus *Cantharellus*	kg.	30%	20%

0709 54 00	- - Shiitake (*Lentinus edodes*)	kg.	30%	20%
0709 55 00	- - Matsutake (*Tricholoma matsutake, Tricholoma magnivelare, Tricholoma anatolicum, Tricholoma dulciolens, Tricholoma caligatum*)	kg.	30%	20%
0709 56 00	- - Truffles (*Tuber spp.*)	kg.	30%	20%”;

(iv) in heading 0711, for the entry in column (2) occurring against the heading 0711, the following entry shall be substituted, namely:—

“VEGETABLES PROVISIONALLY PRESERVED, BUT UNSUITABLE IN THAT STATE FOR IMMEDIATE CONSUMPTION”;

(v) in heading 0712, after tariff item 0712 33 00 and the entries relating thereto, the following shall be inserted, namely:—

“0712 34 00	- - Shiitake (*Lentinus edodes*)	kg.	30%	20%”;

(5) in Chapter 8, —

(i) after Note 3, the following Note shall be inserted, namely :—

“4. Heading 0812 applies to fruit and nuts which have been treated solely to ensure their provisional preservation during transport or storage prior to use (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), provided they remain unsuitable for immediate consumption in that state.”;

(ii) in heading 0802, for tariff item 0802 90 00 and the entries relating thereto, the following shall be substituted, namely:—

	“- *Other:*			
0802 91 00	- - Pine nuts, in shell	kg.	100%	90%
0802 92 00	- - Pine nuts, shelled	kg.	100%	90%
0802 99 00	- - Other	kg.	100%	90%”;

(iii) in heading 0805, for the entry in column (2) occurring against tariff item 0805 40 00, the following entry shall be substituted, namely:—

“- Grapefruit and pomelos”;

(iv) in heading 0812, for the entry in column (2) occurring against the heading 0812, the following entry shall be substituted, namely:—

"FRUIT AND NUTS PROVISIONALLY PRESERVED, BUT UNSUITABLE IN THAT STATE FOR IMMEDIATE CONSUMPTION";

(6) in Chapter 10, in Note 1, for clause (B), the following clause shall be substituted, namely :—

"(B) This Chapter does not cover grains which have been hulled or otherwise worked. However, rice, husked, milled, polished, glazed, parboiled or broken remains classified in heading 1006. Similarly, quinoa from which the pericarp has been wholly or partly removed in order to separate the saponin, but which has not undergone any other processes, remains classified in heading 1008.";

(7) in Chapter 12, in heading 1211, after tariff item 1211 50 00 and the entries relating thereto, the following shall be inserted, namely :—

"1211 60 00	- Bark of African cherry (*Prunus africana*)	kg.	30%	-";

(8) in Section III, for the Section heading, the following Section heading shall be substituted, namely:—

"ANIMAL, VEGETABLE OR MICROBIAL FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES";

(9) in Chapter 15, —

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

"Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes";

(ii) for Sub-heading Note, the following Sub-heading Notes shall be substituted, namely:—

"Sub-heading Notes:
1. For the purposes of sub-heading 1509 30, virgin olive oil has a free acidity expressed as oleic acid not exceeding 2.0 g/ 100 g and can be distinguished from the other virgin olive oil categories according to the characteristics indicated in the Codex Alimentarius Standard 33-1981.

2. For the purposes of sub-headings 1514 11 and 1514 19, the expression "low erucic acid rape or colza oil" means the fixed oil which has an erucic acid content of less than 2% by weight.";

(iii) in heading 1509, for the tariff item 1509 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“1509 20 00	- Extra virgin olive oil	kg.	45%	35%
1509 30 00	- Virgin olive oil	kg.	45%	35%
1509 40 00	- Other virgin olive oils	kg.	45%	35%”;

(iv) for heading 1510, sub-heading 1510 00, tariff items 1510 00 10 to 1510 00 99 and the entries relating thereto, the following shall be substituted, namely:—

“1510	OTHER OILS AND THEIR FRACTIONS, OBTAINED SOLELY FROM OLIVES, WHETHER OR NOT REFINED, BUT NOT CHEMICALLY MODIFIED, INCLUDING BLENDS OF THESE OILS OR FRACTIONS WITH OILS OR FRACTIONS OF HEADING 1509			
1510 10 00	- Crude olive pomace oil	kg.	45%	35%
1510 90	- *Other:*			
1510 90 10	- - - Refined olive pomace oil	kg.	45%	35%
1510 90 90	- - - Other	kg.	45%	35%”;

(v) in heading 1515, —

(a) in the entry in column (2) occurring against the heading 1515, for the words “VEGETABLE FATS” the words “VEGETABLE OR MICROBIAL FATS” shall be substituted;

(b) after tariff item 1515 50 99 and the entries relating thereto, the following shall be inserted, namely:—

“1515 60 00	- Microbial fats and oils and their fractions	kg.	100%	90%”;

(vi) in heading 1516, —

(a) in the entry in column (2) occurring against the heading 1516, for the words “ OR VEGETABLE FATS” the words “, VEGETABLE OR MICROBIAL FATS” shall be substituted;

(b) after tariff item 1516 20 99 and the entries relating thereto, the following shall be inserted, namely:—

"1516 30 00	- Microbial fats and oils and their fractions	kg.	30%	-";

(vii) in heading 1517, for the entry in column (2) occurring against the heading 1517, the following entry shall be substituted, namely:—

"MARGARINE; EDIBLE MIXTURES OR PREPARATIONS OF ANIMAL, VEGETABLE OR MICROBIAL FATS OR OILS OR OF FRACTIONS OF DIFFERENT FATS OR OILS OF THIS CHAPTER, OTHER THAN EDIBLE FATS AND OILS OR THEIR FRACTIONS OF HEADING 1516";

(viii) in heading 1518, —

(a) for the entry in column (2) occurring against the heading 1518, the following entry shall be substituted, namely:—

"ANIMAL, VEGETABLE OR MICROBIAL FATS AND OILS AND THEIR FRACTIONS, BOILED, OXIDISED, DEHYDRATED, SULPHURISED, BLOWN, POLYMERISED BY HEAT IN VACUUM OR IN INERT GAS OR OTHERWISE CHEMICALLY MODIFIED, EXCLUDING THOSE OF HEADING 1516; INEDIBLE MIXTURES OR PREPARATIONS OF ANIMAL, VEGETABLE OR MICROBIAL FATS OR OILS OR OF FRACTIONS OF DIFFERENT FATS OR OILS OF THIS CHAPTER, NOT ELSEWHERE SPECIFIED OR INCLUDED";

(b) sub-heading 1518 00 and the entries relating thereto shall be omitted;

(10) in Section IV, for the Section heading, the following Section heading shall be substituted, namely:—

"PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES; PRODUCTS, WHETHER OR NOT CONTAINING NICOTINE, INTENDED FOR INHALATION WITHOUT COMBUSTION; OTHER NICOTINE CONTAINING PRODUCTS INTENDED FOR THE INTAKE OF NICOTINE INTO THE HUMAN BODY";

(11) in Chapter 16, —

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

"Preparations of meat, of fish, crustaceans, molluscs or other aquatic invertebrates, or of insects";

(ii) for Note 1, the following Note shall be substituted, namely:—

"1. This Chapter does not cover meat, meat offal, fish, crustaceans, molluscs or other aquatic invertebrates, as well as insects, prepared or preserved by the processes specified in Chapter 2 or 3, Note 6 to Chapter 4 or in heading 0504.";

(iii) in Note 2, for the words "blood, fish", the words "blood, insects, fish" shall be substituted;

(iv) in Sub-heading Note 1,–

(a) for the words "preparations of meat, meat offal or blood", the words "preparations of meat, meat offal, blood or insects" shall be substituted;

(b) for the words "visible pieces of meat or meat offal", the words "visible pieces of meat or meat offal or insects" shall be substituted;

(v) for the entry in column (2) occurring against tariff item 1601 00 00, the following entry shall be substituted, namely:—

"sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products";

(vi) in heading 1602, for the entry in column (2) occurring against the heading 1602, the following entry shall be substituted, namely:—

"OTHER PREPARED OR PRESERVED MEAT, MEAT OFFAL, BLOOD OR INSECTS";

(vii) in heading 1604, for the entry in column (2) occurring against sub-heading 1604 14, the following entry shall be substituted, namely:—

"- - *Tunas, skipjack tuna and bonito (Sarda spp.):*";

(12) in Chapter 18, for Note 1, the following Note shall be substituted, namely:—

"1. This Chapter does not cover:

(a) food preparations containing more than 20 % by weight of sausage, meat, meat offal, blood, insects, fish or crustaceans, molluscs or other aquatic invertebrates, or any combination thereof (Chapter 16);

(b) preparations of headings 0403, 1901, 1902, 1904, 1905, 2105, 2202, 2208, 3003 or 3004.";

(13) in Chapter 19, in Note 1, in clause (a), for the words "blood, fish", the words "blood, insects, fish" shall be substituted;

(14) in Chapter 20, —

(i) in Note 1, —

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

"(b) vegetable fats and oils (Chapter 15);

(c) food preparations containing more than 20 % by weight of sausage, meat, meat offal, blood, insects, fish or crustaceans, molluscs or other aquatic invertebrates, or any combination thereof (Chapter 16);";

(B) the existing clauses (c) and (d) shall respectively be re-lettered as clauses (d) and (e);

(ii) in heading 2008, for the entry in column (2) occurring against tariff item 2008 93 00, the following entry shall be substituted, namely:—

"- - Cranberries (*Vaccinium macrocarpon, Vaccinium oxycoccos*); lingonberries (*Vaccinium vitis-idaea*)";

(iii) in heading 2009, for the entry in column (2), —

(a) occurring against the heading 2009, the following entry shall be substituted, namely:—

"FRUIT OR NUT JUICES (INCLUDING GRAPE MUST AND COCONUT WATER) AND VEGETABLE JUICES, UNFERMENTED AND NOT CONTAINING ADDED SPIRIT, WHETHER OR NOT CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER";

(b) occurring after tariff item 2009 19 00 and the entries relating thereto, the following entry shall be substituted, namely:—

"- *Grapefruit juice; pomelo juice :*";

(c) occurring after tariff item 2009 79 00 and the entries relating thereto, the following entry shall be substituted, namely:—

"- *Juice of any other single fruit, nut or vegetable* :";

(d) occurring against tariff item 2009 81 00, the following entry shall be substituted, namely:—

"- - Cranberry (*Vaccinium macrocarpon, Vaccinium oxycoccos*) juice; lingonberry (*Vaccinium vitis-idaea*) juice";

(15) in Chapter 21, in Note 1, —

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

"(f) products of heading 2404;";

(B) the existing clauses (f) and (g) shall respectively be re-lettered as clauses (g) and (h);

(16) in Chapter 22, in heading 2202, in the entry in column (2) occurring against the heading 2202, for the words "INCLUDING FRUIT OR", the words "INCLUDING FRUIT, NUT OR" shall be substituted;

(17) in Chapter 23, in heading 2306, in the entry in column (2) occurring against the heading 2306, for the words "VEGETABLE FATS", the words "VEGETABLE OR MICROBIAL FATS" shall be substituted;

(18) in Chapter 24, —

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

"Tobacco and manufactured tobacco substitutes; products, whether or not containing nicotine, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body";

(ii) for the Note, the following Notes shall be substituted, namely:—

"Notes:

1. This Chapter does not cover medicinal cigarettes (Chapter 30);

2. Any products classifiable in heading 2404 and any other heading of the Chapter are to be classified in heading 2404.

3. For the purposes of heading 2404, the expression "inhalation without combustion" means inhalation through heated delivery or other means, without combustion.";

(iii) after tariff item 2403 99 90 and the entries relating thereto, the following shall be inserted, namely :—

"2404	PRODUCTS CONTAINING TOBACCO, RECONSTITUTED TOBACCO, NICOTINE, OR TOBACCO OR NICOTINE SUBSTITUTES, INTENDED FOR INHALATION WITHOUT COMBUSTION; OTHER NICOTINE CONTAINING PRODUCTS INTENDED FOR THE INTAKE OF NICOTINE INTO THE HUMAN BODY			
	- Products intended for inhalation without combustion:			
2404 11 00	- - Containing tobacco or reconstituted tobacco	kg.	30%	-

2404 12 00	- - Other, containing nicotine	kg.	30%	-
2404 19 00	- - Other	kg.	30%	-
	- *Other:*			
2404 91 00	- - For oral application	kg.	30%	-
2404 92 00	- - For transdermal application	kg.	30%	-
2404 99 00	- - Other	kg.	30%	-”;

(19) in Chapter 25, —

(i) in Note 2, after clause (d), the following clause shall be inserted, namely :—

“(e) dolomite ramming mix (heading 3816);”;

(ii) the existing clauses (e), (f), (g), (h) and (ij) shall respectively be re-lettered as clauses (f), (g), (h), (ij) and (k);

(iii) in heading 2518, —

(a) in the entry in column (2) occurring against the heading 2518, the words “DOLOMITE RAMMING MIX” shall be omitted;

(b) tariff item 2518 30 00 and the entries relating thereto shall be omitted;

(20) in Chapter 27, in Sub-heading Note 5, for the words “animal or vegetable fats”, the words “animal, vegetable or microbial fats” shall be substituted;

(21) in Section VI, after Note 3, the following Note shall be inserted, namely:—

“4. Where a product answers to a description in one or more of the headings in Section VI by virtue of being described by name or function and also to heading 3827, then it is classifiable in a heading that references the product by name or function and not under heading 3827.”;

(22) in Chapter 28, —

(i) in heading 2844, for the tariff item 2844 40 00 and the entries relating thereto, the following shall be substituted, namely:—

	“- Radioactive elements and isotopes and compounds other than those of subheading 2844 10, 2844 20 or 2844 30; alloys, dispersions (including cermets), ceramic products and mixtures containing these elements, isotopes or compounds; radioactive residues:			
2844 41 00	- - Tritium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing tritium or its compounds	kg.	10%	-

2844 42 00	- - Actinium-225, actinium-227, californium-253, curium-240, curium-241, curium-242, curium-243, curium-244, einsteinium-253, einsteinium-254, gadolinium-148, polonium-208, polonium-209, polonium-210, radium-223, uranium-230 or uranium-232, and their compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing these elements or compounds	kg.	10%	-
2844 43 00	- - Other radioactive elements and isotopes and compounds; other alloys, dispersions (including cermets), ceramic products and mixtures containing these elements, isotopes or compounds	kg.	10%	-
2844 44 00	- - Radioactive residues	kg.	10%	-”;

(ii) in heading 2845, after tariff item 2845 10 00 and the entries relating thereto, the following shall be inserted, namely:—

“2845 20 00	- Boron enriched in boron-10 and its compounds	kg.	10%	-
2845 30 00	- Lithium enriched in lithium-6 and its compounds	kg.	10%	-
2845 40 00	- Helium-3	kg.	10%	-”;

(23) in Chapter 29, —

(i) in Note 1, in clause (g), after the words “odoriferous substance”, the words “or an emetic” shall be inserted;

(ii) in Note 4, for the portion beginning with the words “For the purposes” and ending with the words and figures “heading 2905 to 2920”, the following shall be substituted, namely :—

‘For the purposes of headings 2911, 2912, 2914, 2918 and 2922, “oxygen function”, the characteristic organic oxygen-containing group of those respective headings, is restricted to the oxygen-functions referred to in headings 2905 to 2920.’;

(iii) in heading 2903, for tariff items 2903 29 00 to 2903 31 00, sub-heading 2903 39, tariff items 2903 39 11 to 2903 76 30, the following shall be substituted, namely :—

“2903 29 00	- - Other	kg.	10%	-

	- *Saturated fluorinated derivatives of acyclic hydrocarbons :*			
2903 41 00	- - Trifluoromethane (HFC-23)	kg.	10%	-
2903 42 00	- - Difluoromethane (HFC-32)	kg.	10%	-
2903 43 00	- - Fluoromethane (HFC-41), 1,2-difluoroethane (HFC-152) and 1,1-difluoroethane (HFC-152a)	kg.	10%	-
2903 44 00	- - Pentafluoroethane (HFC-125), 1,1,1-trifluoroethane (HFC-143a) and 1,1,2-trifluoroethane (HFC-143)	kg.	10%	-
2903 45 00	- - 1,1,1,2-Tetrafluoroethane (HFC-134a) and 1,1,2,2-tetrafluoroethane (HFC-134)	kg.	10%	-
2903 46 00	- - 1,1,1,2,3,3,3-Heptafluoropropane (HFC-227ea), 1,1,1,2,2,3-hexafluoropropane (HFC-236cb), 1,1,1,2,3,3-hexafluoropropane (HFC-236ea) and 1,1,1,3,3,3-hexafluoropropane (HFC-236fa)	kg.	10%	-
2903 47 00	- - 1,1,1,3,3-Pentafluoropropane (HFC-245fa) and 1,1,2,2,3-pentafluoropropane (HFC-245ca)	kg.	10%	-
2903 48 00	- - 1,1,1,3,3-Pentafluorobutane (HFC-365mfc) and 1,1,1,2,2,3,4,5,5,5-decafluoropentane (HFC-43-10mee)	kg.	10%	-
2903 49 00	- - Other	kg.	10%	-
	- *Unsaturated fluorinated derivatives of acyclic hydrocarbons :*			
2903 51	- - 2,3,3,3-Tetrafluoropropene (HFO-1234yf), 1,3,3,3-tetrafluoropropene (HFO-1234ze) and (Z)-1,1,1,4,4,4-hexafluoro-2-butene (HFO-1336mzz)	kg.	10%	-
2903 59	- - *Other :*			
2903 59 10	- - - 1,1,3,3,3-pentafluoro-2-(trifluoromethyl)prop-1-ene [Perfluoroisobutene (PFIB)]	kg.	10%	-
2903 59 90	- - - Other	kg.	10%	-
	- *Brominated or iodinated derivatives of acyclic hydrocarbons*:			

2903 61 00	- - Methyl bromide (bromomethane)	kg.	10%	-
2903 62 00	- - Ethylene dibromide (ISO) (1,2-dibromoethane)	kg.	10%	-
2903 69 00	- - Other	kg.	10%	-
	- *Halogenated derivatives of acyclic hydrocarbons containing two or more different halogen:*			
2903 71 00	- - Chlorodifluoromethane (HCFC-22)	kg.	10%	-
2903 72 00	- - Dichlorotrifluoroethanes (HCFC-123)	kg.	10%	-
2903 73 00	- - Dichlorofluoroethanes (HCFC-141, 141b)	kg.	10%	-
2903 74 00	- - Chlorodifluoroethanes (HCFC-142, 142b)	kg.	10%	-
2903 75 00	- - Dichloropentafluoropropanes (HCFC-225, 225ca, 225cb)	kg.	10%	-
2903 76	- - *Bromochlorodifluoromethane (Halon-1211), bromotrifluoromethane (Halon-1301) and dibromotetrafluoroethanes (Halon-2402):*			
2903 76 10	- - - Bromochlorodifluoromethane (Halon-1211)	kg.	10%	-
2903 76 20	- - - Bromotrifluoromethane (Halon-1301)	kg.	10%	-
2903 76 30	- - - Dibromotetrafluoroethanes (Halon-2402)	kg.	10%	-”;

(iv) in heading 2909, in the entry in column (2) occurring against the heading 2909, for the words “ETHER PEROXIDES”, the words “ETHER PEROXIDES, ACETAL AND HEMIACETAL PEROXIDES” shall be substituted;

(v) in heading 2930, —

(a) after the entry in column (2) occurring against the heading 2930, the following shall be inserted, namely :—

“2930 10 00	- 2-(N,N-Dimethylamino) ethanethiol	kg.	10%	-”;

(b) tariff item 2930 90 92 and the entries relating thereto shall be omitted;

(c) tariff item 2930 90 94 and the entries relating thereto shall be omitted;

(vi) for heading 2931, sub-heading 2931 10, tariff items 2931 10 10 to 2931 39 00, sub-heading 2931 90, tariff items 2931 90 10 and 2931 90 90 and the entries relating thereto, the following shall be substituted, namely:—

"2931	OTHER ORGANO-INORGANIC COMPOUNDS			
2931 10	- *Tetramethyl lead and tetraethyl lead:*			
2931 10 10	- - - Tetramethyl lead	kg.	10%	-
2931 10 90	- - - Tetraethyl lead	kg.	10%	-
2931 20 00	- Tributyltin compounds	kg.	10%	-
	- *Non-halogenated organo-phosphorous derivatives:*			
2931 41 00	- - Dimethyl methylphosphonate	kg.	10%	-
2931 42 00	- - Dimethyl propylphosphonate	kg.	10%	-
2931 43 00	- - Diethyl ethylphosphonate	kg.	10%	-
2931 44 00	- - Methylphosphonic acid	kg.	10%	-
2931 45 00	- - Salt of methylphosphonic acid and (aminoiminomethyl)urea (1 : 1)	kg.	10%	-
2931 46 00	- - 2,4,6-Tripropyl-1,3,5,2,4,6-trioxatriphosphinane 2,4,6-trioxide	kg.	10%	-
2931 47 00	- - (5-Ethyl-2-methyl-2-oxido-1,3,2-dioxaphosphinan-5-yl) methyl methyl methylphosphonate	kg.	10%	-
2931 48 00	- - 3,9-Dimethyl-2,4,8,10-tetraoxa-3,9-diphosphaspiro[5.5] undecane 3,9-dioxide	kg.	10%	-
2931 49	- - *Other:*			
2931 49 10	- - - Sodium 3-(trihydroxysilyl)propyl methylphosphonate	kg.	10%	-
2931 49 20	- - - Bis[(5-ethy1-2-methy1-2-oxido-1,3,2-dioxaphosphinan-5-yl)methyl] methylphosphonate	kg.	10%	-
2931 49 90	- - - Other	kg.	10%	-
	- *Halogenated organo-phosphorous derivatives:*			
2931 51 00	- - Methylphosphonic dichloride	kg.	10%	-

2931 52 00	- - Propylphosphonic dichloride	kg.	10%	-
2931 53 00	- - O-(3-chloropropyl) O-[4-nitro-3-(trifluoromethyl)phenyl] methylphosphonothionate	kg.	10%	-
2931 54 00	- - Trichlorfon (ISO)	kg.	10%	-
2931 59 00	- - Other	kg.	10%	-
2931 90	- *Other:*			
	- - - *Organo-arsenic compounds:*			
2931 90 11	- - - - Methylarsonic acid and its salt	kg.	10%	-
2931 90 12	- - - - Cacodylic acid and its salt	kg.	10%	-
2931 90 13	- - - - p-Aminophenylarsonic acid and its salt	kg.	10%	-
2931 90 14	- - - - Amino-hydroxyphenylarsonic acids, their formyl and acetyl derivatives and their salts	kg.	10%	-
2931 90 15	- - - - Arsenobenzene and its derivatives	kg.	10%	-
2931 90 19	- - - - Other	kg.	10%	-
2931 90 20	- - - Organo-silicon compounds	kg.	10%	-
2931 90 30	- - - o-Iodosobenzoic acid	kg.	10%	-
2931 90 90	- - - Other	kg.	10%	-”;

(vii) in heading 2932, after tariff item 2932 95 00 and the entries relating thereto, the following shall be inserted, namely :—

“2932 96 00	- - Carbofuran (ISO)	kg.	10%	-”;

(viii) in heading 2933, —

(a) for tariff item 2933 33 00 and the entries relating thereto, the following shall be inserted, namely :—

“2933 33	- - *Alfentanil (INN), anileridine (INN), bezitramide (INN), bromazepam (INN), carfentanil (INN), difenoxin (INN), diphenoxylate (INN), dipipanone (INN), fentanyl (INN), ketobemidone (INN), methylphenidate (INN), pentazocine (INN), pethidine (INN), pethidine (INN) intermediate A, phencyclidine (INN) (PCP), phenoperidine (INN), pipradrol (INN), piritramide (INN), propiram (INN), remifentanil (INN)*

	and trimeperidine (INN); salts thereof:			
	- - - *Alfentanil (INN), anileridine (INN), bezitramide (INN), bromazepam (INN), carfentanil (INN), difenoxin (INN), diphenoxylate (INN), dipipanone (INN); salts thereof:*			
2933 33 11	- - - - Alfentanil (INN) and its salt	kg.	10%	-
2933 33 12	- - - - Anileridine (INN) and its salt	kg.	10%	-
2933 33 13	- - - - Bezitramide (INN) and its salt	kg.	10%	-
2933 33 14	- - - - Bromazepam (INN) and its salt	kg.	10%	-
2933 33 15	- - - - Carfentanil (INN) and its salt	kg.	10%	-
2933 33 16	- - - - Difenoxin (INN) and its salt	kg.	10%	-
2933 33 17	- - - - Diphenoxylate (INN) and its salt	kg.	10%	-
2933 33 18	- - - - Dipipanone (INN) and its salt	kg.	10%	-
	- - - *Fentanyl (INN), ketobemidone (INN), methylphenidate (INN), pentazocine (INN), pethidine (INN), pethidine (INN) intermediate A, phencyclidine (INN) (PCP), phenoperidine (INN); salts thereof*			
2933 33 21	- - - - Fentanyl (INN) and its salt	kg.	10%	-
2933 33 22	- - - - Ketobemidone (INN) and its salt	kg.	10%	-
2933 33 23	- - - - Methylphenidate (INN) and its salt	kg.	10%	-
2933 33 24	- - - - Pentazocine (INN) and its salt	kg.	10%	-
2933 33 25	- - - - Pethidine (INN) and its salt	kg.	10%	-
2933 33 26	- - - - Pethidine (INN) intermediate A and its salt	kg.	10%	-
2933 33 27	- - - - Phencyclidine (INN) (PCP) and its salt	kg.	10%	-
2933 33 28	- - - - Phenoperidine (INN) and its salt	kg.	10%	-
	- - - *Pipradrol (INN), piritramide (INN), propiram (INN), remifentanil (INN) and trimeperidine (INN); salts thereof:*			
2933 33 31	- - - - Pipradrol (INN) and its salt	kg.	10%	-
2933 33 32	- - - - Piritramide (INN) and its salt	kg.	10%	-
2933 33 33	- - - - Propiram (INN) and its salt	kg.	10%	-
2933 33 34	- - - - Remifentanil (INN) and its salt	kg.	10%	-
2933 33 35	- - - - Trimeperidine (INN) and its salt	kg.	10%	-
2933 34 00	- - Other fentanyls and their derivatives	kg.	10%	-
2933 35 00	- - 3-Quinuclidinol	kg.	10%	-
2933 36 00	- - 4-Anilino-N-phenethylpiperidine (ANPP)	kg.	10%	-
2933 37 00	- - N-Phenethyl-4-piperidone (NPP)	kg.	10%	-”;

(b) tariff items 2933 39 20 and 2933 39 30 and the entries relating thereto shall be omitted;

(ix) in heading 2934, after tariff item 2934 91 00 and the entries relating thereto, the following shall be inserted, namely :—

"2934 92 00	- -	Other fentanyls and their derivatives	kg.	10%	-";

(x) in heading 2936, for the entry in column (2) occurring against tariff item 2936 24 00, the following entry shall be substituted, namely :—

"- - D- or DL-Pantothenic acid (Vitamin B5) and its derivatives";

(xi) in heading 2939, —

(a) for sub-headings and tariff items from 2939 30 00 to 2939 49 00 and the entries relating thereto, the following shall be substituted, namely :—

"2939 30 00	- Caffeine and its salts	kg.	10%	10%
	- Alkaloids of ephedra and their derivatives; salts thereof:			
2939 41 00	- - Ephedrine and its salts	kg.	10%	10%
2939 42 00	- - Pseudoephedrine (INN) and its salts	kg.	10%	10%
2939 43 00	- - Cathine (INN) and its salts	kg.	10%	10%
2939 44 00	- - Norephedrine and its salts	kg.	10%	-
2939 45 00	- - Levometamfetamine, metamfetamine (INN), metamfetamine racemate and their salts	kg.	10%	10%
2939 49 00	- - Other	kg.	10%	10%";

(b) for tariff items 2939 69 00 and 2939 71 00, sub-heading 2939 79, tariff items 2939 79 10 and 2939 79 90 and the entries relating thereto, the following shall be substituted, namely :—

"2939 69 00	- - Other	kg.	10%	-
	- Other, of vegetal origin:			
2939 72 00	- - Cocaine, ecgonine; salts, esters and other derivatives thereof	kg.	10%	-
2939 79 00	- - Other	kg.	10%	-";

(24) in Chapter 30, —

(i) in Note 1, —

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

"(b) products, such as tablets, chewing gum or patches (transdermal systems), containing nicotine and intended to assist tobacco use cessation (heading 2404);";

(B) in clause (g), the word "or" shall be omitted;

(C) in clause (h), for the brackets, word and figures "(heading 3502).", the brackets, words and figures"(heading 3502); or" shall be substituted;

(D) after clause (h), the following clause shall be inserted, namely :—

"(ij) diagnostic reagents of heading 3822.";

(ii) in Note 4, for clause (e), the following clause shall be substituted, namely :—

"(e) placebos and blinded (or double-blinded) clinical trial kits for use in recognised clinical trials, put up in measured doses, even if they might contain active medicaments;";

(iii) in heading 3002, —

(a) in the entry in column (2) occurring against the heading 3002, for the words "SIMILAR PRODUCTS", the words "ETHER SIMILAR PRODUCTS; CELL CULTURES, WHETHER OR NOT MODIFIED" shall be substituted;

(b) tariff item 3002 11 00 and the entries relating thereto shall be omitted;

(c) for sub-heading 3002 13, tariff item 3002 13 10, sub-heading 3002 14, tariff items 3002 14 10 to 3002 19 00, sub-heading 3002 20, tariff items 3002 20 11 to 3002 30 00, sub-heading 3002 90, tariff items 3002 90 10 to 3002 90 90 and the entries relating thereto, the following shall be substituted, namely :—

"3002 13 00	- - Immunological products, unmixed, not put up in measured doses or in forms or packings for retail sale	kg.	10%	10%
3002 14 00	- - Immunological products, mixed, not put up in measured doses or in forms or packings for retail sale	kg.	10%	10%
3002 15 00	- - Immunological products, put up in measured doses or in forms or packings for retail sale	kg.	10%	10%
	- *Vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products:*			
3002 41	- - *Vaccines for human medicine:*			
	- - - *Single vaccines for:*			

3002 41 11	- - - - Cholera and typhoid	kg.	10%	10%
3002 41 12	- - - - Hepatitis	kg.	10%	10%
3002 41 13	- - - - Tetanus	kg.	10%	10%
3002 41 14	- - - - Polio	kg.	10%	10%
3002 41 15	- - - - Tuberculosis	kg.	10%	10%
3002 41 16	- - - - Rabies	kg.	10%	10%
3002 41 17	- - - - Japanese encephalitis	kg.	10%	10%
3002 41 18	- - - - Whopping cough (pertussis)	kg.	10%	10%
3002 41 19	- - - - Other	kg.	10%	10%
	- - - *Mixed vaccines for:*			
3002 41 21	- - - - Diphtheria, pertussis and tetanus (DPT)	kg.	10%	10%
3002 41 22	- - - - Diphtheria and tetanus (DT)	kg.	10%	10%
3002 41 23	- - - - Measles, mumps and rubella (MMR)	kg.	10%	10%
3002 41 24	- - - - Typhoid-paratyphoid (TAB)	kg.	10%	10%
3002 41 25	- - - - Typhoid- paratyphoid-cholera (TABC)	kg.	10%	10%
3002 41 29	- - - - Other	kg.	10%	10%
3002 42 00	- - Vaccines for veterinary medicine	kg.	10%	10%
3002 49	- - Other			
3002 49 10	- - - Cultures of micro-organisms (excluding yeast)	kg.	10%	10%
3002 49 20	- - - Toxins	kg.	10%	10%
3002 49 90	- - - Other	kg.	10%	10%
	- *Cell cultures, whether or not modified :*			
3002 51 00	- - Cell therapy products	kg.	10%	10%
3002 59 00	- - Other	kg.	10%	10%
3002 90	- *Other:*			
3002 90 10	- - - Human blood	kg.	10%	10%
3002 90 20	- - - Animal blood prepared for therapeutic, prophylactic or diagnostic uses	kg.	10%	10%
3002 90 90	- - - Other	kg.	10%	10%”;

(iv) in heading 3006, —

(a) tariff item 3006 20 00 and the entries relating thereto shall be omitted;

(b) after tariff item 3006 92 00 and the entries relating thereto, the following shall be inserted, namely: —

“3006 93 00	- - Placebos and blinded (or double-blinded) clinical trial kits for a recognised clinical trial, put up in measured doses”	kg.	10%	-”;

(25) in Chapter 32, in heading 3204, after tariff item 3204 17 90 and the entries relating thereto, the following shall be inserted, namely: —

"3204 18 00	- - Carotenoid colouring matters and preparations based thereon	kg.	10%	-";

(26) in Chapter 34, —

(i) in Note 1, for clause (a), the following clause shall be substituted, namely: —

"(a) edible mixtures or preparations of animal, vegetable or microbial fats or oils of a kind used as mould release preparations (heading 1517);";

(ii) in heading 3402, for the entry in column (2) occurring after heading 3402 and the entry relating thereto, sub-heading 3402 11, tariff items 3402 11 10 to 3402 19 00, sub-heading 3402 20, tariff items 3402 20 10 to 3402 20 90 and the entries relating thereto, the following shall be substituted, namely :—

	"- *Anionic organic surface active agents, whether or not put up for retail sale :*			
3402 31 00	- - Linear alkylbenzene sulphonic acids and their salts	kg.	10%	10%
3402 39 00	- - Other	kg.	10%	10%
	- Other organic surface active agents, whether or not put up for retail sale:			
3402 41 00	- - Cationic	kg.	10%	10%
3402 42 00	- - Non-ionic	kg.	10%	10%
3402 49 00	- - Other	kg.	10%	10%
3402 50 00	- Preparations put up for retail sale	kg.	10%	-";

(27) in Chapter 36, for heading 3603, sub-heading 3603 00, tariff items 3603 00 11 to 3603 00 59 and the entries relating thereto, the following shall be substituted, namely :—

"3603	SAFETY FUSES; DETONATING CORDS; PERCUSSION OR DETONATING CAPS; IGNITERS; ELECTRIC DETONATORS

3603 10 00	- Safety fuses	kg.	10%	-
3603 20 00	- Detonating cords	kg.	10%	-
3603 30 00	- Percussion caps	kg.	10%	-
3603 40 00	- Detonating caps	kg.	10%	-
3603 50 00	- Igniters	kg.	10%	-
3603 60 00	- Electric detonators	kg.	10%	-”;

(28) in Chapter 37, in Note 2, for the words “photosensitive surfaces”, the words “photosensitive, including thermosensitive, surfaces” shall be substituted;

(29) in Chapter 38, —

(i) in Note 1, —

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

“(c) products of heading 2404;”;

(B) the existing clauses (c), (d) and (e) shall respectively be re-lettered as clauses (d), (e), and (f);

(ii) in Note 4, for clause (a), the following clause shall be substituted, namely :—

“(a) individual materials or articles segregated from the waste, for example wastes of plastics, rubber, wood, paper, textiles, glass or metals, electrical and electronic waste and scrap (including spent batteries) which fall in their appropriate headings of the Nomenclature;”;

(iii) in Note 7, for the words “vegetable fats”, the words “vegetable or microbial fats” shall be substituted;

(iv) for Sub-heading Note 1, the following Sub-heading Note shall be substituted, namely:—

“1. Sub-headings 3808 52 and 3808 59 cover only goods of heading 3808, containing one or more of the following substances : alachlor (ISO); aldicarb (ISO); aldrin (ISO); azinphos-methyl (ISO); binapacryl (ISO); camphechlor (ISO) (toxaphene); captafol (ISO); carbofuran (ISO); chlordane (ISO); chlordimeform (ISO); chlorobenzilate (ISO); DDT (ISO) (clofenotane (INN), 1,1,1-trichloro-2,2-bis(p-chlorophenyl)ethane); dieldrin (ISO, INN); 4,6-dinitro-o-cresol (DNOC (ISO)) or its salts; dinoseb (ISO), its salts or its esters; endosulfan (ISO); ethylene dibromide (ISO) (1,2-dibromoethane); ethylene dichloride (ISO) (1,2-dichloroethane); fluoroacetamide (ISO); heptachlor (ISO); hexachlorobenzene (ISO); 1,2,3,4,5,6-hexachlorocyclohexane (HCH (ISO)),

including lindane (ISO, INN); mercury compounds; methamidophos (ISO); monocrotophos (ISO); oxirane (ethylene oxide); parathion (ISO); parathion-methyl (ISO) (methyl-parathion); pentachlorophenol (ISO), its salts or its esters; perfluorooctane sulphonic acid and its salts; perfluorooctane sulphonamides; perfluorooctane sulphonyl fluoride; phosphamidon (ISO); 2,4,5-T (ISO) (2,4,5-trichlorophenoxyacetic acid), its salts or its esters; tributyltin compounds; trichlorfon (ISO).";

(v) for Sub-heading Note 3, the following Sub-heading Note shall be substituted, namely:—

"3. Sub-headings 3824 81 to 3824 89 cover only mixtures and preparations containing one or more of the following substances : oxirane (ethylene oxide); polybrominated biphenyls (PBBs); polychlorinated biphenyls (PCBs); polychlorinated terphenyls (PCTs); tris(2,3-dibromopropyl) phosphate; aldrin (ISO); camphechlor (ISO) (toxaphene); chlordane (ISO); chlordecone (ISO); DDT (ISO) (clofenotane (INN); 1,1,1-trichloro-2,2-bis(p-chlorophenyl)ethane); dieldrin (ISO, INN); endosulfan (ISO); endrin (ISO); heptachlor (ISO); mirex (ISO); 1,2,3,4,5,6-hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN); pentachlorobenzene (ISO); hexachlorobenzene (ISO); perfluorooctane sulphonic acid, its salts; perfluorooctane sulphonamides; perfluorooctane sulphonyl fluoride; tetra-, penta-, hexa-, hepta- or octabromodiphenyl ethers; short-chain chlorinated paraffins.

Short-chain chlorinated paraffins are mixtures of compounds, with a chlorination degree of more than 48 % by weight, with the following molecular formula : $C_xH_{(2x-y+2)}Cl_y$, where x=10 - 13 and y= 1 – 13.";

(vi) for the entry in column (2) occurring against tariff item 3816 00 00, the following entry shall be substituted, namely :—

"refractory cements, mortars, concretes and similar compositions, including dolomite ramming mix, other than products of heading 3801";

(vii) for heading 3822, sub-heading 3822 00, tariff items 3822 00 11 to 3822 00 90 and the entries relating thereto, the following shall be substituted, namely :—

"3822		DIAGNOSTIC OR LABORATORY REAGENTS ON A BACKING, PREPARED DIAGNOSTIC OR LABORATORY REAGENTS WHETHER OR NOT ON A BACKING, WHETHER OR NOT PUT UP IN THE FORM OF KITS, OTHER THAN THOSE OF HEADING 3006; CERTIFIED REFERENCE MATERIALS
		- *Diagnostic or laboratory reagents on a backing, prepared diagnostic or*

	laboratory reagents whether or not on a backing, whether or not put up in the form of kits:			
3822 11 00	- - For malaria	kg.	10%	-
3822 12 00	- - For Zika and other diseases transmitted by mosquitoes of the genus Aedes	kg.	10%	-
3822 13 00	- - For blood-grouping	kg.	10%	-
3822 19	- - *Other:*			
3822 19 10	- - - Pregnancy test kit	kg.	10%	-
3822 19 90	- - - Other	kg.	10%	-
3822 90	- *Other:*			
3822 90 10	- - - Certified reference materials	kg.	30%	-
3822 90 90	- - - Other	kg.	30%	-”;

(viii) in heading 3824, —

(a) for tariff items 3824 60 90 to 3824 79 00 and the entries relating thereto, the following shall be substituted, namely :—

“3824 60 90	- - - Other	kg.	30%	-”;

(b) in the entry in column (2) occurring against tariff item 3824 88 00, for the words “hexa, hepta –”, the words “hexa-, hepta-” shall be substituted;

(c) after tariff item 3824 88 00 and the entries relating thereto, the following shall be inserted, namely :—

“3824 89 00	- - Containing short-chain chlorinated paraffins	kg.	10%	-”;

(d) after tariff item 3824 91 00 and the entries relating thereto, the following shall be inserted, namely :—

“3824 92 00	- - Polyglycol esters of methylphosphonic acid	kg.	10%	-”;

(ix) after tariff item 3826 00 00 and the entries relating thereto, the following shall be inserted, namely :—

“3827	MIXTURES CONTAINING HALOGENATED DERIVATIVES OF

	METHANE, ETHANE OR PROPANE, NOT ELSEWHERE SPECIFIED OR INCLUDED			
	- *Containing chlorofluorocarbons (CFCs), whether or not containing hydrochlorofluorocarbons (HCFCs), perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs); containing hydrobromofluorocarbons (HBFCs); containing carbon tetrachloride; containing 1,1,1-trichloroethane (methyl chloroform):*			
3827 11 00	- - Containing chlorofluorocarbons (CFCs), whether or not containing hydrochlorofluorocarbons (HCFCs), perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs)	kg.	10%	-
3827 12 00	- - Containing hydrobromofluorocarbons (HBFCs)	kg.	10%	-
3827 13 00	- - Containing carbon tetrachloride	kg.	10%	-
3827 14 00	- - Containing 1,1,1-trichloroethane (methyl chloroform)	kg.	10%	-
3827 20 00	- Containing bromochlorodifluoromethane (Halon-1211), bromotrifluoromethane (Halon-1301) or dibromotetrafluoroethanes (Halon-2402)	kg.	10%	-
	- *Containing hydrochlorofluorocarbons (HCFCs), whether or not containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (CFCs):*			
3827 31 00	- - Containing substances of subheadings 2903.41 to 2903.48	kg.	10%	-
3827 32 00	- - Other, containing substances of subheadings 2903.71 to 2903.75	kg.	10%	-
3827 39 00	- - Other	kg.	10%	-
3827 40 00	- Containing methyl bromide (bromomethane) or bromochloromethane	kg.	10%	-
	- *Containing trifluoromethane (HFC-23) or perfluorocarbons (PFCs) but not containing chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs):*			
3827 51 00	- - Containing trifluoromethane (HFC-23)	kg.	10%	-
3827 59 00	- - Other	kg.	10%	-
	- Containing other hydrofluorocarbons (HFCs) but not containing			

	chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs) :			
3827 61 00	- - Containing 15 % or more by mass of 1,1,1-trifluoroethane (HFC-143a)	kg.	10%	-
3827 62 00	- - Other, not included in the subheading above, containing 55 % or more by mass of pentafluoroethane (HFC- 125) but not containing unsaturated fluorinated derivatives of acyclic hydrocarbons (HFOs)	kg.	10%	-
3827 63 00	- - Other, not included in the subheadings above, containing 40 % or more by mass of pentafluoroethane (HFC-125)	kg.	10%	-
3827 64 00	-- Other, not included in the subheadings above, containing 30 % or more by mass of 1,1,1,2-tetrafluoroethane (HFC-134a) but not containing unsaturated fluorinated derivatives of acyclic hydrocarbons (HFOs)	kg.	10%	-
3827 65 00	- - Other, not included in the subheadings above, containing 20 % or more by mass of difluoromethane (HFC-32) and 20 % or more by mass of pentafluoroethane (HFC-125)	kg.	10%	-
3827 68 00	- - Other, not included in the subheadings above, containing substances of subheadings 2903 41 to 2903 48	kg.	10%	-
3827 69 00	- - Other	kg.	10%	-
3827 90 00	- Other	kg.	10%	-.”;

(30) in Section VII, for Note 2, the following Note shall be substituted, namely :—

“2. Except for the goods of heading 3918 or 3919, plastics, rubber, and articles thereof, printed with motifs, characters or pictorial representations, which are not merely subsidiary to the primary use of the goods, fall in Chapter 49.”;

(31) in Chapter 39, —

(i) in Note 2, in clause (x), for the words “lamps and lighting fittings”, the words “luminaires and lighting fittings” shall be substituted;

(ii) in heading 3907, for sub-heading 3907 20, tariff items 3907 20 10 and 3907 20 90 and the entries relating thereto, the following shall be substituted, namely: —

“ - *Other polyethers:*

3907 21 00	- - Bis (polyoxyethylene) methylphosphonate	kg.	10%	-
3907 29	- - *Other:*			
3907 29 10	- - - Poly (ether alcohols)	kg.	10%	-
3907 29 90	- - - Other	kg.	10%	-";

(iii) in heading 3911, after tariff item 3911 10 90 and the entries relating thereto, the following shall be inserted, namely:—

"3911 20 00	- Poly (1,3-phenylene methylphosphonate)	kg.	10%	-";

(32) in Chapter 40, in heading 4015, for tariff items 4015 11 00 and the entries relating thereto, the following shall be substituted, namely: —

"4015 12 00	- - Of a kind used for medical, surgical, dental or veterinary purposes	pa	10%	-";

(33) in Chapter 42, in Note 2, in clause (k), for the words "lamps and lighting fittings", the words "luminaires and lighting fittings" shall be substituted;

(34) in Chapter 44, —

(i) in Note 1, in clause (o), for the words "lamps and lighting fittings", the words "luminaires and lighting fittings" shall be substituted;

(ii) after Sub-heading Note 1, the following Sub-heading Notes shall be inserted, namely: —

'2. For the purposes of sub-heading 4401 32, the expression "wood briquettes" means by products such as cutter shavings, saw dust or chips, of the mechanical wood processing industry, furniture making or other wood transformation activities, which have been agglomerated either directly by compression or by addition of a binder in a proportion not exceeding 3% by weight. Such briquettes are in the form of cubiform, polyhedral or cylindrical units with the minimum cross-sectional dimension greater than 25 mm.";

3. For the purposes of sub-heading 4407 13, "S-P-F" refers to wood sourced from mixed stands of spruce, pine and fir where the proportion of each species varies and is unknown.

4. For the purposes of sub-heading 4407 14, "Hem-fir" refers to wood sourced from mixed stands of Western hemlock and fir where the proportion of each species varies and is unknown.';

(iii) in heading 4401, —

(a) in the entry in column (2) occurring after the tariff item 4401 22 00, for the words "agglomerated, in logs", the words "agglomerated in logs" shall be substituted;

(b) after tariff item 4401 31 00 and the entries relating thereto, the following shall be inserted, namely: —

"4401 32 00	- - Wood briquettes	mt	5%	-";

(c) for the tariff item 4401 40 00 and the entries relating thereto, the following shall be substituted, namely: —

	"- *Sawdust and wood waste and scrap, not agglomerated:*			
4401 41 00	- - Sawdust	mt	5%	-
4401 49 00	- - Other	mt	5%	-";

(iv) in heading 4402, for sub-heading 4402 90, tariff items 4402 90 10 and 4402 90 90 and the entries relating thereto, the following shall be substituted, namely: —

"4402 20	-	*Of shell or nut:*			
4402 20 10	- - -	Of coconut shell	mt	5%	-
4402 20 90	- - -	Other	mt	5%	-
4402 90 00	-	Other	mt	5%	-";

(v) in heading 4403, —

(a) for the entry in column (2) occurring against sub-heading 4403 21, the following shall be substituted, namely: —

"- - *Of pine (Pinus spp.), of which the smallest cross-sectional dimension is 15 cm or more:*";

(b) for the entry in column (2) occurring against sub-heading 4403 23, the following shall be substituted, namely: —

"- - Of *fir (Abies spp.) and spruce (Picea spp.), of which the smallest cross-sectional dimension is 15 cm or more:*";

(c) for the entry in column (2) occurring against sub-heading 4403 25, the following shall be substituted, namely: —

" - - *Other, of which the smallest cross-sectional dimension is 15 cm or more:*";

(d) for sub-heading 4403 49, tariff items 4403 49 10 and 4403 49 90 and the entries relating thereto, the following shall be substituted, namely: —

"4403 42 00	- -	Teak	m^3	5%	-

4403 49 00	- -	Other	m^3	5%	-”;

(e) for the entry in column (2) occurring against tariff item 4403 93 00, the following entry shall be substituted, namely: —

“ - - Of beech (*Fagus spp.*), of which the smallest cross-sectional dimension is 15 cm or more”;

(f) for the entry in column (2) occurring against tariff item 4403 95 00, the following entry shall be substituted, namely: —

“- - Of birch (*Betula spp.*), of which the smallest cross-sectional dimension is 15 cm or more”;

(vi) in heading 4407, —

(a) after the tariff item 4407 12 00 and the entries relating thereto, the following shall be inserted, namely: —

“4407 13 00	- -	Of S-P-F (spruce (*Picea spp.*), pine (*Pinus spp.*) and fir (*Abies spp.*))	m^3	10%	-
4407 14 00	- -	Of Hem-fir (Western hemlock (*Tsuga heterophylla*) and fir (*Abies spp.*))	m^3	10%	-”;

(b) after the tariff item 4407 22 00 and the entries relating thereto, the following shall be inserted, namely: —

“4407 23 00	- -	Teak	m^3	10%	-”;

(c) for sub-heading 4407 29, tariff items 4407 29 10 and 4407 29 90 and the entries relating thereto, the following shall be substituted, namely: —

“4407 29 00	- -	Other	m^3	10%	-”;

(vii) in heading 4412, for the tariff items 4412 39 90 and 4412 94 00, sub-headings 4412 99, tariff items 4412 99 10 to 4412 99 90 and the entries relating thereto, the following shall be substituted, namely: —

“4412 39 90	- - -	Other	m^3	10%	-
	-	*Laminated veneered lumber (LVL):*			
4412 41 00	- -	With at least one outer ply of tropical wood	m^3	10%	-
4412 42 00	- -	Other, with at least one outer ply of non-coniferous wood	m^3	10%	-
4412 49 00	- -	Other, with both outer plies of coniferous wood	m^3	10%	-
	-	*Blockboard, laminboard and battenboard:*			
4412 51 00	- -	With at least one outer ply of tropical wood	m^3	10%	-

4412 52 00	- - Other, with at least one outer ply of non-coniferous wood	m^3	10%	-
4412 59 00	- - Other, with both outer plies of coniferous wood	m^3	10%	-
	- *Other:*			
4412 91	- - *With at least one outer ply of tropical wood:*			
4412 91 10	- - - Decorative plywood	m^3	10%	-
4412 91 20	- - - Tea chest panel or shooks, packed in sets	m^3	10%	-
4412 91 30	- - - Marine and aircraft plywood	m^3	10%	-
4412 91 40	- - - Cuttings and trimmings of plywood of which not exceeding 5cm	m^3	10%	-
4412 91 90	- - - Other	m^3	10%	-
4412 92	- - *Other, with at least one outer ply of non-coniferous wood:*			
4412 92 10	- - - Decorative plywood	m^3	10%	-
4412 92 20	- - - Tea chest panel or shooks, packed in sets	m^3	10%	-
4412 92 30	- - - Marine and aircraft plywood	m^3	10%	-
4412 92 40	- - - Cuttings and trimmings of plywood of which not exceeding 5cm	m^3	10%	-
4412 92 90	- - - Other	m^3	10%	-
4412 99	- - *Other, with both outer plies of coniferous wood:*			
4412 99 10	- - - Decorative plywood	m^3	10%	-
4412 99 20	- - - Tea chest panel or shooks, packed in sets	m^3	10%	-
4412 99 30	- - - Marine and aircraft plywood	m^3	10%	-
4412 99 40	- - - Cuttings and trimmings of plywood of which not exceeding 5cm	m^3	10%	-
4412 99 90	- - - Other	m^3	10%	-”;

(viii) for tariff item 4414 00 00 and the entries relating thereto, the following shall be substituted, namely: —

“4414	WOODEN FRAMES FOR PAINTINGS, PHOTOGRAPHS, MIRRORS OR SIMILAR OBJECTS			
4414 10 00	- Of tropical wood	kg.	10%	-
4414 90 00	- Other	kg.	10%	-”;

(ix) in heading 4418, —

(a) for tariff item 4418 10 00, sub-heading 4418 20 and tariff items 4418 20 10 to 4418 20 90 and the entries relating thereto, the following shall be substituted, namely: —

		“- *Windows, French-windows and their frames:*			
4418 11 00	- -	Of tropical wood	kg.	10%	-
4418 19 00	- -	Other	kg.	10%	-

	-	*Doors and their frames and thresholds*:			
4418 21	- -	*Of tropical wood:*			
4418 21 10	- - -	Flush doors	kg.	10%	-
4418 21 20	- - -	Frames and thresholds of flush doors	kg.	10%	-
4418 21 90	- - -	Other	kg.	10%	-
4418 29	- -	*Other:*			
4418 29 10	- - -	Flush doors	kg.	10%	-
4418 29 20	- - -	Frames and thresholds of flush doors	kg.	10%	-
4418 29 90	- - -	Other	kg.	10%	-
4418 30 00	-	Posts and beams other than products of sub-headings 4418 81 to 4418 89	kg.	10%	-”;

(b) tariff item 4418 60 00 and the entries relating thereto shall be omitted”;

(c) after tariff item 4418 79 00 and the entries relating thereto, the following shall be inserted, namely: —

“	-	*Engineered structural timber products :*			
4418 81 00	- -	Glue-laminated timber (glulam)	kg.	10%	-
4418 82 00	- -	Cross-laminated timber (CLT or X-lam)	kg.	10%	-
4418 83 00	- -	I beams	kg.	10%	-
4418 89 00	- -	Other	kg.	10%	-”;

(d) after tariff item 4418 91 00 and the entries relating thereto, the following shall be inserted, namely: —

“4418 92 00	- -	Cellular wood panels	kg.	10%	-”;

(x) after tariff item 4419 19 00 and the entries relating thereto, the following shall be inserted, namely: —

“4419 20 00	-	of tropical wood	kg.	10%	-”;

(xi) for tariff item 4420 10 00 and the entries relating thereto, the following shall be substituted, namely: —

	“-	*Statuettes and other ornaments:*			
4420 11 00	- -	Of tropical wood	kg.	10%	-
4420 19 00	- -	Other	kg.	10%	-”;

(xii) after tariff item 4421 10 00 and the entries relating thereto, the following shall be inserted, namely: —

“4421 20 00	-	Coffins	kg.	10%	-”;

(35) in Chapter 46, in Note 2, in clause (e), for the words “lamps and lighting fittings” , the words “luminaires and lighting fittings” shall be substituted;

(36) in Chapter 48, —

(i) in Note 2, for clause (q), the following clause shall be substituted, namely: —

“(q) articles of Chapter 96 (for example, buttons, sanitary towels (pads) and tampons, napkins (diapers) and napkin liners).”;

(ii) in Note 4, for the word “apply”, the word “applies” shall be substituted;

(iii) in Note 5,—

(a) for the words, figures and letters “For paper or paperboard weighing not more than 150 g/m^2:”, the following shall be substituted, namely:–

“(A) For paper or paperboard weighing not more than 150 g/m^2 :”;

(b) for the words, figures and letters “For papers or paperboard weighing more than 150 g/m^2:”, the following shall be substituted, namely:–

“(B) For paper or paperboard weighing more than 150 g/m^2 :”;

(c) for the brackets and words “(including tea-bag paper) or felt paper of paperboard, occurring at the end, the brackets and words “(including tea-bag paper) or felt paper or paperboard” shall be substituted;

(iv) in Note 12, for the word “ incidental”, the word “subsidiary” shall be substituted;

(37) in Chapter 49, in heading 4905, for tariff items 4905 10 00 and 4905 91 00, sub-heading 4905 99, tariff items 4905 99 10 and 4905 99 90 and the entries relating thereto, the following shall be substituted, namely: —

“4905 20 00	- In book form	kg.	Free	-
4905 90	- *Other:*			
4905 90 10	- - - Geographical, hydrological, astronomical maps or charts	kg.	Free	-
4905 90 20	- - - Globe	kg.	Free	-
4905 90 90	- - - Other	kg.	Free	-”;

(38) in Section XI, —

(i) in Note 1, —

(A) in clause (s), for the words “lamps and lighting fittings” , the words “luminaires and lighting fittings” shall be substituted;

(B) in clause (u), the words “for babies” shall be omitted:

(ii) after Note 14, the following Note shall be inserted, namely: —

“15. Subject to Note 1 of Section XI, textiles, garments and other textile articles, incorporating chemical, mechanical or electronic components for additional functionality, whether incorporated as built-in components or within the fibre or fabric, are classified in their respective headings in Section XI provided that they retain the essential character of the goods of this Section.”;

(39) in Chapter 55, in heading 5501, for tariff item 5501 10 00 and the entries relating thereto, the following shall be substituted, namely: —

	“ -	*Of nylon or other polyamides :*			
5501 11 00	- -	Of aramids	kg.	20%	-
5501 19 00	- -	Other	kg.	20%	-”;

(40) in Chapter 56, in Note 1, in clause (f), the words “for babies” shall be omitted;

(41) in Chapter 57, for heading 5703, sub-heading 5703 10, tariff items 5703 10 10 to 5703 10 90, sub-heading 5703 20, tariff items 5703 20 10 to 5703 20 90, sub-heading 5703 30, tariff items 5703 30 10 to 5703 30 90, sub-heading 5703 90, tariff items 5703 90 10 to 5703 90 90 and the entries relating thereto, the following shall be substituted, namely: —

“5703	CARPETS AND OTHER TEXTILE FLOOR COVERINGS (INCLUDING TURF), TUFTED, WHETHER OR NOT MADE UP			
570310	*- Of wool or fine animal hair:*			
5703 10 10	- - - Carpets	m^2	25%	-
5703 10 20	- - - Mats and matting	m^2	25%	-
5703 10 90	- - - Other	m^2	25%	-
	- Of nylon or other polyamides:			
5703 21 00	- - Turf	m^2	25% or Rs. 70 per sq. metre, whichever is higher	-

5703 29	- - *Other:*			
5703 29 10	- - - Carpets, carpeting and rugs	m^2	25% or Rs. 70 per sq. metre, whichever is higher	-
5703 29 20	- - - 100% polyamide tufted velour, cut pile or loop pile carpet mats with jute, rubber latex or PU foam backing	m^2	25% or Rs. 70 per sq. metre, whichever is higher	-
5703 29 90	- - - Other	m^2	25% or Rs. 70 per sq. metre, whichever is higher	-
	- *Of other man-made textile materials:*			
5703 31 00	- - Turf	m^2	25% or Rs. 55 per sq. metre, whichever is higher	-
5703 39	- - *Other :*			
5703 39 10	- - - Carpets, carpeting and rugs	m^2	25% or Rs. 55 per sq. metre, whichever is higher	-
5703 39 20	- - - 100%polypropylene carpet mats with jute, rubber, latex or PU foam backing	m^2	25% or Rs. 55 per sq. metre, whichever is higher	-
5703 39 90	- - - Other	m^2	25% or Rs. 55 per sq. metre, whichever is higher	-
5703 90	- *Of other textile materials :*			
5703 90 10	- - - Carpets and other floor coverings, of cotton, other than durries	m^2	25%	-
5703 90 20	- - - Carpets and floor coverings of coir	m^2	25%	-
5703 90 90	- - - Other	m^2	25%	-”;

(42) in Chapter 58, for heading 5802, tariff item 5802 11 00, sub-heading 5802 19, tariff items 5802 19 10 to 5802 19 90 and the entries relating thereto, the following shall be substituted, namely: —

“5802	TERRY TOWELLING AND SIMILAR WOVEN TERRY FABRICS, OTHER			

	THAN NARROW FABRICS OF HEADING 5806; TUFTED TEXTILE FABRICS, OTHER THAN PRODUCTS OF HEADING 5703			
5802 10	*- Terry towelling and similar woven terry fabrics, of cotton:*			
5802 10 10	- - - Unbleached	m^2	25%	-
5802 10 20	- - - Bleached	m^2	25% or Rs. 60 per sq. meter, whichever is higher	-
5802 10 30	- - - Piece dyed	m^2	25% or Rs. 60 per sq. meter, whichever is higher	-
5802 10 40	- - - Yarn dyed	m^2	25% or Rs. 60 per sq. meter, whichever is higher	-
5802 10 50	- - - Printed	m^2	25% or Rs. 60 per sq. meter, whichever is higher	-
5802 10 60	- - - Of Handloom	m^2	25% or Rs. 60 per sq. meter, whichever is higher	-
5802 10 90	- - - Other	m^2	25% or Rs. 60 per sq. meter, whichever is higher	- ”;

(43) in Chapter 59, —

(i) after Note 2, the following Note shall be inserted, namely: —

“3. For the purposes of heading 5903, “textile fabrics laminated with plastics” means products made by the assembly of one or more layers of fabrics with one or more sheets or film of plastics which are combined by any process that bonds the layers together, whether or not the sheets or film of plastics are visible to the naked eye in the cross-section.”;

(ii) the existing Notes 3, 4, 5, 6 and 7 shall respectively be re-numbered as Notes 4, 5, 6, 7 and 8 and in Note 8 as so re-numbered, in clause (a), for sub-clause (iii), the following sub-clause shall be substituted, namely: —

“(iii) filtering or straining cloth of a kind used in oil presses or the like, of textile material or of human hair;”;

(iii) in heading 5911 ,—

(a) in the entry in column (2) occurring against heading 5911, for the word and figure “Note 7”, the word and figure “Note 8” shall be substituted;

(b) for the entry in column (2) occurring against tariff item 5911 40 00, the following shall be substituted, namely: —

"- Filtering or straining cloth of a kind used in oil presses or the like, including that of human hair";

(44) in Chapter 61,—

(i) for Note 4, the following Note shall be substituted, namely: —

'4. Headings 6105 and 6106 do not cover garments with pockets below the waist, with a ribbed waistband or other means of tightening at the bottom of the garment, or garments having an average of less than 10 stitches per linear centimeter in each direction counted on an area measuring at least 10 cm x 10 cm. Heading 6105 does not cover sleeveless garments.

"Shirts" and "shirt-blouses" are garments designed to cover the upper part of the body, having long or short sleeves and a full or partial opening starting at the neckline. "Blouses" are loose-fitting garments also designed to cover the upper part of the body but may be sleeveless and with or without an opening at the neckline. "Shirts", "shirt-blouses" and "blouses" may also have a collar.';

(ii) in heading 6116, for the entry in column (2) occurring against tariff item 6116 10 00, the following entry shall be substituted, namely: —

"6116 10 00 - Impregnated, coated, covered or laminated with plastics or rubber";

(45) in Chapter 62,—

(i) after Note 3, the following Note shall be inserted, namely: —

4. Headings 6205 and 6206 do not cover garments with pockets below the waist, with a ribbed waistband or other means of tightening at the bottom of the garment. Heading 6205 does not cover sleeveless garments.

"Shirts" and "shirt-blouses" are garments designed to cover the upper part of the body, having long or short sleeves and a full or partial opening starting at the neckline. "Blouses" are loose-fitting garments also designed to cover the upper part of the body but may be sleeveless and with or without an opening at the neckline. "Shirts", "shirt-blouses" and "blouses" may also have a collar.';

(ii) the existing Notes 4, 5, 6, 7, 8 and 9 shall respectively be re-numbered as Notes 5, 6, 7, 8, 9 and 10;

(iii) for heading 6201, tariff item 6201 11 00, sub-heading 6201 12, tariff items 6201 12 10 and 6201 12 90, sub-heading 6201 13, tariff items 6201 13 10 and 6201 13 90, sub-heading 6201 19, tariff item 6201 19 10 to 6201 93 00, sub-heading 6201 99, tariff

items 6201 99 10 and 6201 99 90 and the entries relating thereto, the following shall be substituted, namely: —

"6201		MEN'S OR BOYS' OVERCOATS, CAR-COATS, CAPES, CLOAKS, ANORAKS (INCLUDING SKI-JACKETS), WIND-CHEATERS, WIND-JACKETS AND SIMILAR ARTICLES, OTHER THAN THOSE OF HEADING 6203			
6201 20	-	*Of wool or fine animal hair :*			
6201 20 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25% or Rs. 385 per piece, whichever is higher	-
6201 20 90	- - -	Other	u	25% or Rs.220 per piece, whichever is higher	
6201 30	-	*Of cotton :*			
6201 30 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25% or Rs. 385 per piece, whichever is higher	-
6201 30 90	- - -	Other	u	25% or Rs. 210 per piece, whichever is higher	-
6201 40	-	*Of man-made fibres :*			
6201 40 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25% or Rs. 320 per piece, whichever is higher	-
6201 40 90	- - -	Other	u	25% or Rs.180 per piece,	-

				whichever is higher	
6201 90	-	*Of other textile materials :*			
6201 90 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25%	-
6201 90 90	- - -	Other	u	25%	-”;

(iv) for heading 6202, sub-heading 6202 11, tariff items 6202 11 10 to 6202 13 00, sub-heading 6202 19, tariff items 6202 19 10 to 6201 19 90, sub-heading 6202 91, tariff item 6202 91 10 and 6202 91 90, sub-heading 6202 92, tariff items 6202 92 10 and 6202 92 90, sub-heading 6202 93, tariff items 620293 10 and 6202 93 90, sub-heading 6202 99, tariff items 6202 99 11 to 6202 99 90 and the entries relating thereto, the following shall be substituted, namely: —

“6202		WOMEN’S OR GIRLS’ OVERCOATS, CAR-COATS, CAPES, CLOAKS, ANORAKS (INCLUDING SKI-JACKETS), WIND-CHEATERS, WIND-JACKETS AND SIMILAR ARTICLES, OTHER THAN THOSE OF HEADING 6204			
6202 20	-	*Of wool or fine animal hair :*			
6202 20 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25% or Rs. 385 per piece, whichever is higher	-
6202 20 90	- - -	Other	u	25% or Rs.220 per piece, whichever is higher	-
6202 30	-	*Of cotton :*			
6202 30 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25% or Rs. 210 per piece, whichever is higher	-

6202 30 90	- - -	Other	u	25% or Rs. 160 per piece, whichever is higher	-
6202 40	-	*Of man-made fibres :*			
6202 40 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25% or Rs. 385 per piece, whichever is higher	-
6202 40 90	- - -	Other	u	25% or Rs.220 per piece, whichever is higher	-
6202 90	-	*Of other textile materials :*			
6202 90 10	- - -	Overcoats, raincoats, car-coats, capes, cloaks and similar articles	u	25%	-
6202 90 90	- - -	Other	u	25%	-”;

(v) in heading 6210, for the entry in column (2),–

(a) occurring against sub-heading 6210 20, the following entry shall be substituted, namely :—

“- Other garments, of the type described in heading 6201”;

(b) occurring against sub-heading 6210 30, the following entry shall be substituted, namely:—

“- Other garments, of the type described in heading 6202”;

(46) in Chapter 63, in heading 6306, for the entry in column (2), —

(a) occurring against heading 6306, the following shall be substituted, namely: —

“TARPAULINS, AWNINGS AND SUNBLINDS; TENTS (INCLUDING TEMPORARY CANOPIES AND SIMILAR ARTICLES); SAILS FOR BOATS, SAILBOARDS OR LANDCRAFT; CAMPING GOODS”;

(b) occurring after tariff item 6306 19 90, the following entry shall be substituted, namely: —

“ - *Tents (including temporary canopies and similar articles) :*”;

(47) in Chapter 68, —

(i) in Note 1, in clause (k), for the words “lamps and lighting fittings”, the words “luminaires and lighting fittings” shall be substituted;

(ii) in heading 6802, for words “largest surface area”, the words “largest face” shall be substituted;

(iii) in heading 6812, sub-heading 6812 92, tariff items 6812 92 11 to 6812 93 00 and the entries relating thereto shall be omitted;

(iv) in heading 6815, —

(a) for sub-heading 6815 10, tariff items 6815 10 10 to 6815 10 90 and the entries relating thereto, the following shall be substituted, namely: —

	“- *Carbon fibres; articles of carbon fibres for non-electrical uses; other articles of graphite or other carbon for non-electrical uses :*			
6815 11 00	- - Carbon fibres	kg.	10%	-
6815 12 00	- - Fabrics of carbon fibres	kg.	10%	-
6815 13 00	- - Other articles of carbon fibres	kg.	10%	-
6815 19 00	- - Other	kg.	10%	-”;

(b) for the entry in column (2) occurring against tariff item 6815 91 00, the following entry shall be substituted, namely: —

“- - Containing magnesite, magnesia in the form of periclase, dolomite including in the form of dolime, or chromite”;

(48) in Chapter 69,—

(i) for Note 1, the following Note shall be substituted, namely: —

“1. This Chapter applies only to ceramic products which have been fired after shaping:
(a) headings 6904 to 6914 apply only to such products other than those classifiable in headings 6901 to 6903;

(b) articles heated to temperatures less than 800 °C for purposes such as curing of resins, accelerating hydration reactions, or for the removal of water or other volatile components, are not considered to be fired. Such articles are excluded from Chapter 69; and

(c) Ceramic articles are obtained by firing inorganic, non-metallic materials which have been prepared and shaped previously at, in general, room temperature. Raw materials comprise, *inter*

alia, clays, siliceous materials including fused silica, materials with a high melting point, such as oxides, carbides, nitrides, graphite or other carbon, and in some cases binders such as refractory clays or phosphates.";

(ii) in Note 2, in clause (ij), for the words "lamps and lighting fittings", the words "luminaires and lighting fittings" shall be substituted;

(iii) in heading 6903, —

(a) in the entry in column (2) occurring against heading 6903, for the words "SHEATHS AND RODS", the words "SHEATHS, RODS AND SLIDGE GATES" shall be substituted;

(b) for sub-heading 6903 10, tariff items 6903 10 10 and 6903 10 90 and the entries relating thereto, the following shall be substituted, namely: —

"6903 10 00 - Containing, by weight, more than 50 % of free carbon mt 10% -";

(49) in Chapter 70,—

(a) in Note 1,—

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

"(d) front windscreens (windshields), rear windows and other windows, framed, for vehicles of Chapters 86 to 88;

(e) front windscreens (windshields), rear windows and other windows, whether or not framed, incorporating heating devices or other electrical or electronic devices, for vehicles of Chapters 86 to 88;";

(ii) the existing clauses (d), (e), (f) and (g) shall respectively be re-lettered as (f), (g), (h) and (ij), and in clause (g) as so re-lettered, for the words, "lamps or lighting fittings", the words "Luminaires and lighting fittings" shall be substituted;

(b) in heading 7001, —

(i) for the entry in column (2) occurring against heading 7001, the following shall be substituted, namely: —

"CULLET AND OTHER WASTE AND SCRAP OF GLASS, EXCLUDING GLASS FROM CATHODE RAY TUBES OR OTHER ACTIVATED GLASS OF HEADING 8549; GLASS IN THE MASS";

(ii) for the entry in column (2) occurring against sub-heading 7001 00, the following shall be substituted, namely: —

"- *Cullet and other waste and scrap of glass, excluding glass from cathode ray tubes or other activated glass of heading 8549; glass in the mass*";

(c) in heading 7011, in the entries in column (2) occurring against the heading 7011, for the words “ELECTRIC LAMPS”, the words “ELECTRIC LAMPS AND LIGHT SOURCES” shall be substituted;

(d) for heading 7019, tariff item 7019 11 00 to 7019 59 00, sub-heading 7019 90, tariff items 7019 90 10 and 7019 90 90 and the entries relating thereto, the following shall be substituted, namely: —

“7019	GLASS FIBRES (INCLUDING GLASS WOOL) AND ARTICLES THEREOF (FOR EXAMPLE, YARN, ROVINGS, WOVEN FABRICS)			
	- Slivers, rovings, yarn and chopped strands and mats thereof:			
701911 00	- - Chopped strands, of a length of not more than 50 mm	kg.	10%	-
7019 12 00	- - Rovings	kg.	10%	-
7019 13 00	- - Other yarn, slivers	kg.	10%	-
7019 14 00	- - Mechanically bonded mats	kg.	10%	-
7019 15 00	- - Chemically bonded mats	kg.	10%	-
7019 19 00	- - Other	kg.	10%	-
	- Mechanically bonded fabrics:			
7019 61 00	- - Closed woven fabrics of rovings	kg.	10%	-
7019 62 00	- - Other closed fabrics of rovings	kg.	10%	-
7019 63 00	- - Closed woven fabrics, plain weave, of yarns, not coated or laminated	kg.	10%	-
7019 64 00	- - Closed woven fabrics, plain weave, of yarns, coated or laminated	kg.	10%	-
7019 65 00	- - Open woven fabrics of a width not exceeding 30 cm	kg.	10%	-
7019 66 00	- - Open woven fabrics of a width exceeding 30 cm	kg.	10%	-
7019 69 00	- - Other	kg.	10%	-
	- Chemically bonded fabrics:			
7019 71 00	- - Veils (thin sheets)	kg.	10%	-
7019 72 00	- - Other closed fabrics	kg.	10%	-
7019 73 00	- - Other open fabrics	kg.	10%	-
7019 80 00	- Glass wool and articles of glass wool	kg.	10%	-

7019 90 00	- Other	kg.	10%	-”;

(50) in Chapter 71, —

(i) in heading 7104, for sub-heading 7104 20, tariff items 7104 20 10 and 7104 20 90, sub-heading 7104 90, tariff items 7104 90 10 and 7104 90 90 and the entries relating thereto, the following shall be substituted, namely: —

	“- *Other, unworked or simply sawn or roughly shaped:*			
7104 21 00	- - Diamonds	c/k	10%	-
7104 29 00	- - Other	kg.	10%	-
	- *Other :*			
7104 91 00	- - Diamonds	c/k	10%	-
7104 99 00	- - Other	kg.	15%	-”;

(ii) in heading 7112, in the entry in column (2) occurring against heading 7112, after the words “RECOVERY OF PRECIOUS METAL”, the words “RECOVERY OF PRECIOUS METAL OTHER THAN GOODS OF HEADING 8549” shall be substituted;

(51) in Section XV, —

(i) in Note 1, in clause (k), for the words “lamps and lighting fittings”, the words “luminaires and lighting fittings” shall be substituted;

(ii) in Note 2, for clause (a), the following clause shall be substituted, namely: —

“(a) articles of heading 7307, 7312, 7315, 7317 or 7318 and similar articles of other base metal, other than articles specially designed for use exclusively in implants in medical, surgical, dental or veterinary sciences (heading 9021);”;

(iii) in Note 7, for the words “Interpretative Rules”, the words “General Interpretative Rules” shall be substituted;

(iv) in Note 8, for clause (a), the following clause shall be substituted, namely: —

“(a) Waste and scrap:

(i) all metal waste and scrap;

(ii) metal goods definitely not usable as such because of breakage, cutting-up, wear or other reasons.”;

(v) after Note 8, the following Note shall be inserted, namely: —

‘9. For the purposes of Chapters 74 to 76 and 78 to 81, the following expressions shall have the meanings hereby assigned to them :

(a) Bars and rods

Rolled, extruded, drawn or forged products, not in coils, which have a uniform solid cross-section along their whole length in the shape of circles, ovals, rectangles (including squares), equilateral triangles or regular convex polygons (including “flattened circles” and “modified rectangles”, of which two opposite sides are convex arcs, the other two sides being straight, of equal length and parallel). Products with a rectangular (including square), triangular or polygonal cross-section may have corners rounded along their whole length. The thickness of such products which have a rectangular (including “modified rectangular”) cross-section exceeds one-tenth of the width. The expression also covers cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of articles or products of other headings.

Wire-bars and billets of Chapter 74 with their ends tapered or otherwise worked simply to facilitate their entry into machines for converting them into, for example, drawing stock (wire-rod) or tubes, are however to be taken to be unwrought copper of heading 7403. This provision applies *mutatis mutandis* to the products of Chapter 81.

(b) Profiles

Rolled, extruded, drawn, forged or formed products, coiled or not, of a uniform cross-section along their whole length, which do not conform to any of the definitions of bars, rods, wire, plates, sheets, strip, foil, tubes or pipes. The expression also covers cast or sintered products, of the same forms, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of articles or products of other headings.

(c) Wire

Rolled, extruded or drawn products, in coils, which have a uniform solid cross-section along their whole length in the shape of circles, ovals, rectangles (including squares), equilateral triangles or regular convex polygons (including “flattened circles” and “modified rectangles”, of which two opposite sides are convex arcs, the other two sides being straight, of equal length and parallel). Products with a rectangular (including square), triangular or polygonal cross-section may have corners rounded along their whole length. The thickness of such products which have a rectangular (including “modified rectangular”) cross-section exceeds one-tenth of the width.

(d) Plates, sheets, strip and foil

Flat-surfaced products (other than the unwrought products of heading 8001), coiled or not, of solid rectangular (other than square) cross-section with or without rounded

corners (including “modified rectangles” of which two opposite sides are convex arcs, the other two sides being straight, of equal length and parallel) of a uniform thickness, which are :

- of rectangular (including square) shape with a thickness not exceeding one-tenth of the width;

- of a shape other than rectangular or square, of any size, provided that they do not assume the character of articles or products of other headings.

Headings for plates, sheets, strip, and foil apply, inter alia, to plates, sheets, strip, and foil with patterns (for example, grooves, ribs, chequers, tears, buttons, lozenges) and to such products which have been perforated, corrugated, polished or coated, provided that they do not thereby assume the character of articles or products of other headings.

(e) Tubes and pipes

Hollow products, coiled or not, which have a uniform cross-section with only one enclosed void along their whole length in the shape of circles, ovals, rectangles (including squares), equilateral triangles or regular convex polygons, and which have a uniform wall thickness. Products with a rectangular (including square), equilateral triangularor regular convex polygonal cross-section, which may have corners rounded along their whole length, are also to be considered as tubes and pipes provided the inner and outer cross-sections are concentric and have the same form and orientation. Tubes and pipes of the foregoing cross-sections may be polished, coated, bent, threaded, drilled, waisted, expanded, cone-shaped or fitted with flanges, collars or rings.’;

(52) in Chapter 74, —

(i) in the Note, clauses (d), (e), (f), (g) and (h) shall be omitted;

(ii) for heading 7419, sub-heading 7419 10, tariff items 7419 10 10 to 7419 91 00, sub-heading 7419 99, tariff items 7419 99 10 to 7419 99 90 and the entries relating thereto, the following shall be substituted, namely: —

“7419	OTHER ARTICLES OF COPPER			
7419 20 00	- Cast, moulded, stamped or forged, but not further worked	kg.	10%	-
7419 80	- *Other:*			
7419 80 10	- - - Reservoirs, tanks, vats and similar containers	kg.	10%	-
7419 80 20	- - - Articles of copper alloys electro-plated with nickel-silver	kg.	10%	-
7419 80 30	- - - Articles of brass	kg.	10%	-
7419 80 40	- - - Copper worked articles	kg.	10%	-
7419 80 50	- - - Copper chain	kg.	10%	-
7419 80 90	- - - Other articles of copper	kg.	10%	-”;

(53) in Chapter 75,—

(i) the Note shall be omitted;

(ii) for the words, figure, brackets and letter “Chapter Note 1 (c)”, the words, figures, brackets and letter “Note 9 (c) to Section XV” shall be substituted;

(54) in Chapter 76, —

(i) the Note shall be omitted;

(ii) in Sub-heading Note 2, for the words, figure, brackets and letter “Chapter Note 1 (c)”, the words, figures, brackets and letter “Note 9 (c) to Section XV” shall be substituted;

(55) in Chapter 78, the Note shall be omitted;

(56) in Chapter 79, the Note shall be omitted;

(57) in Chapter 80, the Note shall be omitted;

(58) in Chapter 81, —

(i) Sub-heading Note shall be omitted;

(ii) in heading 8103, for the tariff item 8103 90 00 and the entries relating thereto, the following shall be substituted, namely: —

	“ - Other :			
8103 91 00	- - Crucibles	kg.	10%	-
8103 99 00	- - Other	kg.	10%	-”;

(iii) in heading 8106, for sub-heading 8106 00, tariff items 8106 00 10 to 8106 00 90 and the entries relating thereto, the following shall be substituted, namely: —

“8106	BISMUTH AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP			
8106 10	- Containing more than 99.99 % of bismuth, by weight			
8106 10 10	- - - Bismuth, unwrought	kg.	5%	-
8106 10 20	- - - Article of bismuth	kg.	5%	-
8106 10 90	- - - Other	kg.	10%	-
8106 90	- *Other:*			
8106 90 10	- - - Waste and scrap of bismuth and bismuth alloys	kg.	5%	-

8106 90 90	- - - Other	kg.	10%	-”;

(iv) heading 8107, tariff items 8107 20 00 and 8107 30 00, sub-heading 8107 90, tariff items 8107 90 10 and 8107 90 90 and the entries relating thereto shall be omitted;

(v) for heading 8109, tariff items 8109 20 00 to 8109 90 00 and the entries relating thereto, the following shall be substituted, namely: —

	“- *Unwrought zirconium; powders :*			
8109 21 00	- - Containing less than 1 part hafnium to 500 parts zirconium by weight	kg.	10%	-
8109 29 00	- - Other	kg.	10%	-
	- Waste and scrap:			
8109 31 00	- - Containing less than 1 part hafnium to 500 parts zirconium by weight	kg.	10%	-
8109 39 00	- - Other	kg.	10%	-
	- Other:			
8109 91 00	- - Containing less than 1 part hafnium to 500 parts zirconium by weight	kg.	10%	-
8109 99 00	- - Other	kg.	10%	-”;

(vi) in heading 8112, —

(a) for the entry in column (2) occurring against heading 8112, the following entry shall be substituted, namely: —

“BERYLLIUM, CHROMIUM, HAFNIUM, RHENIUM, THALLIUM, CADMIUM, GERMANIUM, VANADIUM, GALLIUM, INDIUM AND NIOBIUM (COLUMBIUM), ARTICLES OF THESE METALS, INCLUDING WASTE AND SCRAP”;

(b) after tariff item 8112 29 00 and the entries relating thereto, the following shall be inserted, namely: —

	- “ *Hafnium :*			
8112 31	- - *Unwrought; waste and scrap; powders:*			
8112 31 10	- - - Unwrought	kg.	10%	-
8112 31 20	- - - Waste and scrap	kg.	10%	-
8112 31 30	- - - Powders	kg.	10%	-
8112 39 00	- - Other	kg.	10%	-
	- Rhenium :			

8112 41	- - Unwrought; waste and scrap; powders	kg.	10%	-
8112 41 10	- - - Unwrought	kg.	10%	-
8112 41 20	- - - Waste and scrap	kg.	10%	-
8112 41 30	- - - Powders	kg.	10%	-
8112 49 00	- - Other	kg.	10%	-";

(c) after tariff item 8112 59 00 and the entries relating thereto, the following shall be inserted, namely: —

"- *Cadmium :*

8112 61 00	- - Waste and scrap	kg.	10%	-
8112 69 00	- - Other	kg.	10%	-";

(59) in Section XVI, —

(i) in Note 2, in clause (b), for the portion beginning with the word "However" and ending with the words and figures "in heading 8517", the following shall be substituted, namely:—

"However, parts which are equally suitable for use principally with the goods of headings 8517 and 8525 to 8528 are to be classified in heading 8517, and parts which are suitable for use solely or principally with the goods of heading 8524 are to be classified in heading 8529";

(ii) after Note 5, the following Note shall be inserted, namely :—

'6. (A) Throughout the Nomenclature, the expression "electrical and electronic waste and scrap" means electrical and electronic assemblies, printed circuit boards and electrical or electronic articles that -

(i) have been rendered unusable for their original purposes by breakage, cutting-up or other processes or are economically unsuitable for repair, refurbishment or renovation to render them fit for their original purposes; and

(ii) are packaged or shipped in a manner not intended to protect individual articles from damage during transportation, loading and unloading operations;

(B) mixed consignments of "electrical and electronic waste and scrap" and other waste and scrap are to be classified in heading 8549;

(C) this Section does not cover municipal waste as defined in Note 4 to Chapter 38.';

(60) in Chapter 84, —

(i) for Note 2, the following Note shall be substituted, namely:—

"2. Subject to the operation of Note 3 to Section XVI and subject to Note 9 to this Chapter, a machine or appliance which answers to a description in one or more of the headings 8401 to 8424, or heading 8486 and at the same time to a description in one or more of the headings 8425 to 8480 is to be classified under the appropriate heading of the former group or under heading 8486, as the case may be, and not the latter group.

(A) Heading 8419 does not, however, cover

(i) germination plant, incubators or brooders (heading 8436);

(ii) grain dampening machines (heading 8437);

(iii) diffusing apparatus for sugar juice extraction (heading 8438);

(iv) machinery for the heat-treatment of textile yarns, fabrics or made up textile articles (heading 8451); or

(v) machinery or plant, designed for a mechanical operation, in which a change of temperature, even if necessary, is subsidiary.

(B) Heading 8422 does not cover :

(i) sewing machines for closing bags or similar containers (heading 8452); or

(ii) office machinery of heading 8472.

(C) Heading 8424 does not cover :

(i) ink-jet printing machines (heading 8443); or

(ii) water-jet cutting machines (heading 8456).";

(ii) after Note 4, the following Note shall be inserted, namely :—

'5. For the purposes of heading 8462, a "slitting line" for flat products is a processing line composed of an uncoiler, a coil flattener, a slitter and a recoiler. A "cut-to-length line" for flat products is a processing line composed of an uncoiler, a coil flattener and a shear.';

(iii) the existing Notes 5, 6, 7 and 8 shall respectively be re-numbered as Notes 6, 7, 8 and 9, and after Note 9 as so re-numbered, the following Note shall be inserted, namely :—

'10. For the purposes of heading 8485, the expression "additive manufacturing" (also referred to as 3D printing) means the formation of physical objects, based on a digital model, by the successive addition and layering, and consolidation and solidification, of material (for example, metal, plastics or ceramics).

Subject to Note 1 to Section XVI and Note 1 to Chapter 84, machines answering to the description in heading 8485 are to be classified in that heading and in no other heading of the Nomenclature.';

(iv) the existing Note 9 shall be renumbered as Note 11 thereof, and in Note 11 as so-renumbered, in clause (A), for the words, figures, brackets and letters "Notes 9 (a) and 9 (b)", the words, figures, brackets and letters "Note 12 (a) and 12 (b)" shall be substituted;

(v) in Sub-heading Note (2), for the word, figure, brackets and letter "Note 5 (C)", the word, figure, brackets and letter "Note 6 (C)" shall be substituted;

(vi) in heading 8414, —

(a) in the entry in column (2) occurring against heading 8414, for the word "FILTERS", the words "FILTERS; GAS-TIGHT BIOLOGICAL SAFETY CABINETS, WHETHER OR NOT FITTED WITH FILTERS" shall be substituted;

(b) after tariff item 8414 60 00 and the entries relating thereto, the following shall be inserted, namely :—

"8414 70 00	- Gas-tight biological safety cabinets	u	7.5%";	-

(vii) in heading 8418, for the entry in column (2) occurring against sub-heading 8418 10, the following entry shall be substituted, namely :—

"- *Combined refrigerator-freezers, fitted with separate external doors or drawers, or combinations thereof :*";

(viii) in heading 8419, —

(a) after tariff item 8419 11 90 and the entries relating thereto, the following shall be inserted, namely :—

"8419 12 00	- - Solar water heaters	u	10%	-";

(b) for tariff items 8419 31 00 and 8419 32 00 and the entries relating thereto, the following shall be substituted, namely :—

"8419 33 00	- - Lyophilisation apparatus, freeze drying units and spray dryers	u	7.5%	-
8419 34 00	- - Other, for agricultural products	u	7.5%	-
8419 35 00	- - Other, for wood, paper pulp, paper or paperboard	u	7.5%	-";

(ix) in heading 8421, after tariff item 8421 31 00 and the entries relating thereto, the following shall be inserted, namely :—

"8421 32 00	- - Catalytic converters or particulate filters, whether or not combined, for purifying or filtering exhaust gases from internal combustion engines	u	15%	-";

(x) in heading 8428, after tariff item 8428 60 00 and the entries relating thereto, the following shall be inserted, namely :—

"8428 70 00	- Industrial robots	u	7.5%	-";

(xi) in heading 8438, in the entry in column (2) occurring against heading 8438, for the words "VEGETABLE FATS" the words "VEGETABLE OR MICROBIAL FATS" shall be substituted;

(xii) for heading 8462 and the entries relating to, the following heading, sub-headings, tariff item and entries shall be substituted, namely:–

"8462	MACHINE-TOOLS (INCLUDING PRESSES) FOR WORKING METAL BY FORGING, HAMMERING OR DIE FORGING (EXCLUDING ROLLING MILLS); MACHINE-TOOLS (INCLUDING PRESSES, SLITTING LINES AND CUT-TO-LENGTH LINES) FOR WORKING METAL BY BENDING, FOLDING, STRAIGHTENING, FLATTENING, SHEARING, PUNCHING, NOTCHING OR NIBBLING (EXCLUDING DRAW-BENCHES); PRESSES FOR WORKING METAL OR METAL CARBIDES, NOT SPECIFIED ABOVE			
	- Hot forming machines for forging, die forging (including presses) and hot hammers:			
8462 11 00	- - Closed die forging machines	u	7.5%	-
8462 19 00	- - Other	u	7.5%	-
	- Bending, folding, straightening or flattening machines (including press brakes) for flat products :			
8462 22 00	- - Profile forming machines	u	7.5%	-
8462 23 00	- - Numerically controlled press brakes	u	7.5%	-

8462 24 00	- - Numerically controlled panel benders	u	7.5%	-
8462 25 00	- - Numerically controlled roll forming machines	u	7.5%	-
8462 26 00	- - Other numerically controlled bending, folding, straightening or flattening machines	u	7.5%	-
8462 29 00	- - Other	u	7.5%	-
	- Slitting lines, cut-to-length lines and other shearing machines (excluding presses) for flat products, other than combined punching and shearing machines :			
8462 32 00	- - Slitting lines and cut-to-length lines	u	7.5%	-
8462 33 00	- - Numerically controlled shearing machines	u	7.5%	-
8462 39 00	- - Other	u	7.5%	-
	- Punching, notching or nibbling machines (excluding presses) for flat products including combined punching and shearing machines :			
84624200	- - Numerically controlled	u	7.5%	-
8462 49 00	- - Other	u	7.5%	-
	- Machines for working tube, pipe, hollow section and bar (excluding presses) :			
8462 51 00	- - Numerically controlled	u	7.5%	-
8462 59 00	- - Other	u	7.5%	-
	- Cold metal working presses :			
8462 61 00	- - Hydraulic presses	u	7.5%	-
8462 62 00	- - Mechanical presses	u	7.5%	-
8462 63 00	- - Servo-presses	u	7.5%	-
846269 00	- - Other	u	7.5%	-
8462 90 00	- Other	u	7.5%	-”;

(xiii) in heading 8479, —

(a) for the entry in column (2) occurring against sub-heading 8479 20, the following entry shall be substituted, namely :—

"- Machinery for the extraction or preparation of animal or fixed vegetable or microbial fats or oils";

(b) after tariff item 8479 82 00 and the entries relating thereto, the following shall be inserted, namely :—

"8479 83 00	- - Cold isostatic presses	u	7.5%	-";

(xiv) in heading 8482, for tariff item 8482 40 00, sub-heading 8482 50, tariff items 8482 50 11 to 8482 50 23 and the entries relating thereto, the following shall be substituted, namely :—

"8482 40 00	- Needle roller bearings, including cage and needle roller assemblies	u	7.5%	-
8482 50 00	- Other cylindrical roller bearings, including cage and roller assemblies	u	7.5%	-";

(xv) after tariff item 8484 90 00 and the entries relating thereto, the following shall be inserted, namely :—

"8485	MACHINES FOR ADDITIVE MANUFACTURING			
8485 10 00	- By metal deposit	u	7.5%	-
8485 20 00	- By plastics or rubber deposit	u	7.5%	-
8485 30 00	- By plaster, cement, ceramics or glass deposit	u	7.5%	-
8485 80 00	- Other	u	7.5%	-
8485 90 00	- Parts	u	7.5%	-";

(xvi) in heading 8486, in the entry in column (2), —

(a) occurring against heading 8486, for the word, figure, brackets and letter "Note 9 (C)", the word, figures, brackets and letter "Note 11 (C)" shall be substituted;

(b) occurring against tariff item 8486 40 00, for the word, figure, brackets and letter "Note 9 (C)", the word, figures, brackets and letter "Note 11 (C)" shall be substituted;

(61) in Chapter 85,—

(i) after Note 4, the following Note shall be inserted, namely: —

‘5. For the purposes of heading 8517, the term "smartphones” means telephones for cellular networks, equipped with a mobile operating system designed to perform the functions of an automatic data processing machine such as downloading and running multiple applications simultaneously, including third-party applications, and whether or not integrating other features such as digital cameras and navigational aid systems.’;

(ii) the existing Note 5 shall be re-numbered as Note 6 thereof, and after Note 6 as so re-numbered, the following Note shall be inserted, namely: —

‘7. For the purposes of heading 8524, “flat panel display modules” refer to devices or apparatus for the display of information, equipped at a minimum with a display screen, which are designed to be incorporated into articles of other headings prior to use. Display screens for flat panel display modules include, but are not limited to, those which are flat, curved, flexible, foldable or stretchable in form. Flat panel display modules may incorporate additional elements, including those necessary for receiving video signals and the allocation of those signals to pixels on the display. However, heading 8524 does not include display modules which are equipped with components for converting video signals (e.g., a scaler IC, decoder IC or application processer) or have otherwise assumed the character of goods of other headings.

For the classification of flat panel display modules defined in this Note, heading 8524 shall take precedence over any other heading in the Nomenclature.’;

(iii) the existing Notes 6 and 7 shall respectively be re-numbered as Notes 8 and 9;

(iv) the existing Note 8 shall be re-numbered as Note 10 thereof, and —

(a) the existing Note 10 shall be omitted;

(b) after Note 10 as so re-numbered, the following Note shall be inserted, namely: —

‘11. For the purposes of heading 8539, the expression “light-emitting diode (LED) light sources” covers—

(a) “Light-emitting diode (LED) modules” which are electrical light sources based on light-emitting diodes (LED) arranged in electrical circuits and containing further elements like electrical, mechanical, thermal or optical elements. They also contain discrete active elements, discrete passive elements, or articles of heading 8536 or 8542 for the purposes of providing power supply or power control. Light-emitting diode (LED) modules do not have a cap designed to allow easy installation or replacement in a luminaire and ensure mechanical and electrical contact.

(b) “Light-emitting diode (LED) lamps” which are electrical light sources containing one or more LED modules containing further elements like electrical, mechanical, thermal or optical elements. The distinction between light-emitting diode (LED) modules and light-emitting diode (LED) lamps is that lamps have a cap designed to allow easy installation or replacement in a luminaire and ensure mechanical and electrical contact.’;

(v) the exiting Note 9 shall be re-numbered as Note 12 thereof and in Note 12 as so re-numbered, —

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

'(a) (i) "Semiconductor devices" are semiconductor devices, the operation of which depends on variations in resistivity on the application of an electric field or semiconductor-based transducers.

Semiconductor devices may also include assembly of plural elements, whether or not equipped with active and passive device ancillary functions.

"Semiconductor-based transducers" are, for the purposes of this definition, semiconductor-based sensors, semiconductor-based actuators, semiconductor-based resonators and semiconductor-based oscillators, which are types of discrete semiconductor-based devices, which perform an intrinsic function, which are able to convert any kind of physical or chemical phenomena or an action into an electrical signal or an electrical signal into any type of physical phenomenon or an action.

All the elements in semiconductor-based transducers are indivisibly combined, and may also include necessary materials indivisibly attached, that enable their construction or function.

The following expressions mean,—

(1) "Semiconductor-based" means built or manufactured on a semiconductor substrate or made of semiconductor materials, manufactured by semiconductor technology, in which the semiconductor substrate or material plays a critical and unreplaceable role of transducer function and performance, and the operation of which is based on semiconductor properties including physical, electrical, chemical and optical properties.

(2) "Physical or chemical phenomena" relate to phenomena, such as pressure, acoustic waves, acceleration, vibration, movement, orientation, strain, magnetic field strength, electric field strength, light, radioactivity, humidity, flow, chemicals concentration, etc.

(3) "Semiconductor-based sensor" is a type of semiconductor device, which consists of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of detecting physical or chemical quantities and converting these into electric signals caused by resulting variations in electric properties or displacement of a mechanical structure.

(4) "Semiconductor-based actuator" is a type of semiconductor device, which consists of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of converting electric signals into physical movement.

(5) “Semiconductor-based resonator” is a type of semiconductor device, which consists of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures in response to an external input.

(6) “Semiconductor-based oscillator” is a type of semiconductor device, which consists of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures.

(ii) “Light-emitting diodes (LED)” are semiconductor devices based on semiconductor materials which convert electrical energy into visible, infra-red or ultra-violet rays, whether or not electrically connected among each other and whether or not combined with protective diodes. Light-emitting diodes (LED) of heading 85.41 do not incorporate elements for the purposes of providing power supply or power control;’

(B) in clause (b), in sub-clause (iv), in sub-paragraph (3), for item (a), the following item shall be substituted, namely:—

‘(a) “Silicon-based sensors” consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of detecting physical or chemical phenomena and transducing these into electric signals, caused by resulting variations in electric properties or displacement of a mechanical structure. “Physical or chemical phenomena” relates to phenomena, such as pressure, acoustic waves, acceleration, vibration, movement, orientation, strain, magnetic field strength, electric field strength, light, radioactivity, humidity, flow, chemicals concentration, etc.’;

(vi) for Sub-heading Note, the following Sub-heading Notes shall be substituted, namely:—

‘Sub-heading Notes :

1. Sub-heading 8525 81 covers only high-speed television cameras, digital cameras and video camera recorders having one or more of the following characteristics:—

- writing speed exceeding 0.5 mm per microsecond;

- time resolution 50 nanoseconds or less;

- frame rate exceeding 225,000 frames per second.

2. In respect of sub-heading 8525 82, radiation-hardened or radiation-tolerant television cameras, digital cameras and video camera recorders are designed or shielded to enable operation in a high-radiation environment. These cameras are designed to withstand a

total radiation dose of at least 50 × 103 Gy(silicon) (5 × 106 RAD (silicon)), without operational degradation.

3. Sub-heading 8525 83 covers night vision television cameras, digital cameras and video camera recorders which use a photocathode to convert available light to electrons, which can be amplified and converted to yield a visible image. This sub-heading excludes thermal imaging cameras (generally subheading 8525 89).

4. Sub-heading 8527 12 covers only cassette-players with built-in amplifier, without built-in loudspeaker, capable of operating without an external source of electric power and the dimensions of which do not exceed 170 mm x 100 mm x 45 mm.

5. For the purposes of subheadings 8549 11 to 8549 19, "spent primary cells, spent primary batteries and spent electric accumulators" are those which are neither usable as such because of breakage, cutting-up, wear or other reasons, nor capable of being recharged.';

(vii) in heading 8501,—

(a) for the entry in column (2) occurring after tariff item 8501 20 00 and the entries relating thereto, the following entry shall be substituted, namely :—

"- *Other DC motors; DC generators, other than photovoltaic generators :*";

(b) for the entry in column (2) occurring after tariff item 8501 53 90 and the entries relating thereto, the following entry shall be substituted, namely :—

"- *AC generators (alternators), other than photovoltaic generators :*"

(c) after tariff item 8501 64 80 and the entries relating thereto, the following shall be inserted, namely :—

	"- *Photovoltaic DC generators :*			
8501 71 00	- - Of an output not exceeding 50 W	u	10%	-
8501 72 00	- - Of an output exceeding 50 W	u	10%	-
8501 80 00	- Photovoltaic AC generators	u	10%	-";

(viii) in heading 8507, tariff item 8507 40 00 and the entries relating thereto shall be omitted;

(ix) in heading 8514, —

(a) for tariff item 8514 10 00 and the entries relating thereto, the following shall be substituted, namely : —

"- *Resistance heated furnaces and ovens :*

8514 11 00	- - Hot isostatic presses	u	7.5%	-
8514 19 00	- - Other	u	7.5%	-”;

(b) for sub-heading 8514 30, tariff items 8514 30 10 and 8514 30 90 and the entries relating thereto, the following shall be substituted, namely : —

	“- Other furnaces and ovens :			
8514 31 00	- - Electron beam furnaces	u	7.5%	-
8514 32 00	- - Plasma and vacuum arc furnaces	u	7.5%	-
8514 39 00	- - Other	u	7.5%	-”;

(x) in heading 8517, —

(a) in the entry in column (2) occurring against the heading 8517, for the words “including TELEPHONES”, the words “including SMARTPHONES AND OTHER TELEPHONES” shall be substituted;

(b) in the entry in column (2) occurring after the heading 8517 and the entry relating thereto, for the words “*including telephones*”, the words “*including smartphones and other telephones*” shall be substituted;

(c) for sub-heading 8517 12, tariff items 8517 12 11 to 8517 12 90 and the entries relating thereto, the following shall be substituted, namely :—

“8517 13 00	- - Smartphones	u	20%	-
8517 14 00	- - Other telephones for cellular networks or for other wireless networks	u	20%	-”;

(d) for sub-heading 8517 70, tariff items 8517 70 10 and 8517 70 90 and the entries relating thereto, the following shall be substituted, namely :—

	“- *Parts :*			
8517 71 00	- - Aerials and aerial reflectors of all kinds; parts suitable for use therewith	u	20%	-
8517 79	- - *Other :*			
8517 79 10	- - - Populated, loaded or stuffed printed circuit boards	u	20%	-
8517 79 90	- - - Other	u	15%	-”;

(xi) in heading 8519, tariff item 8519 50 00 and the entries relating thereto shall be omitted;

(xii) after tariff item 8523 80 90, the following shall be inserted, namely :—

"8524	FLAT PANEL DISPLAY MODULES, WHETHER OR NOT INCORPORATING TOUCH-SENSITIVE SCREENS			
	- Without drivers or control circuits :			
8524 11 00	- - Of liquid crystals			
8524 12 00	- - Of organic light-emitting diodes (OLED)	u	15%	-
8524 19 00	- - Other	u	15%	-
	- Other :			
8524 91 00	- - Of liquid crystals	u	15%	-
8524 92 00	- - Of organic light-emitting diodes (OLED)	u	15%	-
8524 99 00	- - Other	u	15%	-";

(xiii) in heading 8525, for sub-heading 8525 80, tariff items 8525 80 10 to 8528 80 90 and the entries relating thereto, the following shall be substituted, namely : —

	"- Television cameras, digital cameras and video camera recorders :			
8525 81 00	- - High-speed goods as specified in Sub-heading Note 1 to this Chapter	u	20%	-
8525 82 00	- - Other, radiation-hardened or radiation-tolerant goods as specified in Sub-heading Note 2 to this Chapter	u	20%	-
8525 83 00	- - Other, night vision goods as specified in Sub-heading Note 3 to this Chapter	u	20%	-
8525 89 00	- - Other	u	20%	-";

(xiv) in heading 8529, —

(a) in the entry in column (2) occurring against the heading 8529, for the figures "8525", the figures "8524" shall be substituted;

(b) tariff item 8529 90 30 and the entries relating thereto shall be omitted;

(xv) in heading 8539, —

(a) in the entry in column (2) occurring against the heading 8539, for the words and brackets “LIGHT-EMITTING DIODE (LED) LAMPS”, the words and brackets “LIGHT-EMITTING DIODE (LED) LIGHT SOURCES” shall be substituted;

(b) for tariff item 8539 50 00 and the entries relating thereto, the following shall be substituted, namely :—

	“- Light-emitting diode (LED) light sources :			
8539 51 00	- - Light-emitting diode (LED) modules	u	20%	-
8539 52 00	- - Light-emitting diode (LED) lamps	u	20%	-”;

(xvi) in heading 8541, —

(a) for the entry in column (2) occurring against the heading 8541 , the following entry shall be substituted, namely :—

“SEMICONDUCTOR DEVICES (FOR EXAMPLE, DIODES, TRANSISTORS, SEMICONDUCTOR BASED TRANSDUCERS); PHOTOSENSITIVE SEMICONDUCTOR DEVICES, INCLUDING PHOTOVOLTAIC CELLS WHETHER OR NOT ASSEMBLED IN MODULES OR MADE UP INTO PANELS; LIGHT-EMITTING DIODES (LED), WHETHER OR NOT ASSEMBLED WITH OTHER LIGHT-EMITTING DIODES (LED); MOUNTED PIEZO-ELECTRIC CRYSTALS”;

(b) for sub-heading 8541 40, tariff items 8541 40 11 to 8541 50 00 and the entries relating thereto, the following shall be substituted, namely : —

	“- *Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes (LED) :*			
8541 41 00	- - Light-emitting diodes (LED)	u	free	-
8541 42 00	- - Photovoltaic cells not assembled in modules or made up into panels	u	20%	-
8541 43 00	- - Photovoltaic cells assembled in modules or made up into panels	u	20%	-
8541 49 00	- - Other	u	20%	-
	- Other semiconductor devices :			
8541 51 00	- - Semiconductor-based transducers	u	20%	-
8541 59 00	- - Other	u	20%	-”;

(xvii) in heading 8543, after tariff item 8543 30 00 and the entries relating thereto, the following shall be inserted , namely :—

"8543 40 00	- Electronic cigarettes and similar personal electric vaporising devices	u	7.5%	-";

(xviii) for heading 8548, sub-heading 8548 10, tariff items 8548 10 10 to 8548 90 00 and the entries relating thereto, the following shall be substituted, namely :—

"8548 00 00	electrical parts of machinery or apparatus, not specified or included elsewhere in this chapter	u	10%	-
8549	ELECTRICAL AND ELECTRONIC WASTE AND SCRAP *- Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators :*			
8549 11 00	- - Waste and scrap of lead-acid accumulators; spent lead-acid accumulators	kg.	10%	-
8549 12 00	- - Other, containing lead, cadmium or mercury	kg.	10%	-
8549 13 00	- - Sorted by chemical type and not containing lead, cadmium or mercury	kg.	10%	-
8549 14 00	- - Unsorted and not containing lead, cadmium or mercury	kg.	10%	-
8549 19 00	- - Other *- Of a kind used principally for the recovery of precious metal :*	kg.	10%	-
8549 21 00	- - Containing primary cells, primary batteries, electric accumulators, mercury-switches, glass from cathode ray tubes or other activated glass, or electrical or electronic components containing cadmium, mercury, lead or polychlorinated biphenyls (PCBs)	kg.	10%	-
8549 29 00	- - Other *- Other electrical and electronic assemblies and printed circuit boards :*	kg.	10%	-

8549 31 00	- - Containing primary cells, primary batteries, electric accumulators, mercury-switches, glass from cathode ray tubes or other activated glass, or electrical or electronic components containing cadmium, mercury, lead or polychlorinated biphenyls (PCBs)	kg.	10%	-
8549 39 00	- - Other	kg.	10%	-
	- Other :			
8549 91 00	- - Containing primary cells, primary batteries, electric accumulators, mercury-switches, glass from cathode ray tubes or other activated glass, or electrical or electronic components containing cadmium, mercury, lead or polychlorinated biphenyls (PCBs)	kg.	10%	-
8549 99 00	- - Other	kg.	10%	-";

(62) in Section XVII, in Note 1, in clause (k), for the words "lamps or lighting fittings", the words "luminaires and lighting fittings and parts thereof" shall be substituted;

(63) in Chapter 87, —

(i) after Note 4, the following shall be inserted, namely : —

"Sub-heading Note:

1. Sub-heading 8708 22 covers :

(a) front windscreens (windshields), rear windows and other windows, framed; and

(b) front windscreens (windshields), rear windows and other windows, whether or not framed, incorporating heating devices or other electrical or electronic devices,

when suitable for use solely or principally with the motor vehicles of headings 8701 to 8705.";

(ii) in heading 8701, for sub-heading 8701 20, tariff items 8701 20 10 and 8701 20 90 and the entries relating thereto, the following shall be substituted, namely :—

"- Road tractors for semi-trailers :

8701 21 00	- - With only compression-ignition internal combustion piston engine (diesel or semi-diesel)	u	10%	-
8701 22 00	- - With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion	u	10%	-
8701 23 00	- - With both spark-ignition internal combustion piston engine and electric motor as motors for propulsion	u	10%	-

8701 24 00	- - With only electric motor for propulsion	u	10%	-
8701 29 00	- - Other	u	10%	-”;

(iii) in heading 8702, in the entry in column (2) occurring against sub-heading 8702 30, the word “reciprocating” shall be omitted;

(iv) in heading 8703, in the entry in column (2),—

(a) occurring after tariff item 8703 10 90 and the entries relating thereto, the word “reciprocating” shall be omitted;

(b) occurring against sub-heading 8703 40, the word “reciprocating” shall be omitted;

(c) occurring against sub-heading 8703 60, the word “reciprocating” shall be omitted;

(v) in heading 8704, for tariff item 8704 10 90, sub-heading 8704 21, tariff items 8704 21 10 to 8704 21 90, sub-heading 8704 22, tariff items 8704 22 11 to 8704 22 90, sub-heading 8704 23, tariff items 8704 23 11 to 8704 23 90, sub-heading 8704 31, tariff items 8704 31 10 to 8704 31 90, sub-heading 8704 32, tariff items 8704 32 11 to 8704 32 90 and the entries relating thereto, the following shall be substituted, namely :—

	- Other, with only compression-ignition internal combustion piston engine (diesel or semi-diesel) :			
8704 21 00	- - g.v.w. not exceeding 5 tonnes	u	40%	-
8704 22 00	- - g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes	u	40%	-
8704 23 00	- - g.v.w. exceeding 20 tonnes	u	40%	-
	- Other, with only spark-ignition internal combustion piston engine :			
8704 31 00	- - g.v.w. not exceeding 5 tonnes	u	40%	-
8704 32 00	- - g.v.w. exceeding 5 tonnes	u	40%	-
	- Other, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion :			
8704 41 00	- - g.v.w. not exceeding 5 tonnes	u	40%	-
8704 42 00	- - g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes	u	40%	-
8704 43 00	- - g.v.w. exceeding 20 tonnes	u	40%	-

	- Other, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion :			
8704 51 00	- - g.v.w. not exceeding 5 tonnes	u	40%	-
8704 52 00	- - g.v.w. exceeding 5 tonnes	u	40%	-
8704 60 00	- Other with only electric motor for propulsion	u	40%	-";

(vi) in heading 8708, after tariff item 8708 21 00 and the entries relating thereto, the following shall be inserted, namely :—

"8708 22 00	- - Front windscreens (windshields), rear windows and other windows specified in Sub-heading Note 1 to this Chapter	kg.	15%	-";

(vii) in heading 8711, in the entry in column (2),—

(a) occurring against sub-heading 8711 10, the word "reciprocating" shall be omitted;

(b) occurring against sub-heading 8711 20, the word "reciprocating" shall be omitted;

(c) occurring against sub-heading 8711 30, the word "reciprocating" shall be omitted;

(d) occurring against sub-heading 8711 40, the word "reciprocating" shall be omitted;

(e)) occurring against tariff item 8711 50 00, the word "reciprocating" shall be omitted;

(64) in Chapter 88, —

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

'Note:

1. For the purposes of this Chapter, the expression "unmanned aircraft" means any aircraft, other than those of heading 8801, designed to be flown without a pilot on board. They may be designed to carry a payload or equipped with permanently integrated digital cameras or other equipment which would enable them to perform utilitarian functions during their flight.

The expression "unmanned aircraft", however, does not cover flying toys, designed solely for amusement purposes (heading 9503).

Sub-heading Notes:

1. For the purposes of sub-headings 8802 11 to 8802 40, the expression "unladen weight" means the weight of the machine in normal flying order, excluding the weight of the crew and of fuel and equipment other than permanently fitted items of equipment.

2. For the purposes of sub-headings 8806 21 to 8806 24 and 8806 91 to 8806 94, the expression "maximum take-off weight" means the maximum weight of the machine in normal flying order, at take-off, including the weight of payload, equipment and fuel.';

(ii) in heading 8802, in the entry in column (2) occurring against the heading 8802, for the word "AIRCRFT", the words "AIRCRAFT, EXCEPT UNMANNED AIRCRAFT OF HEADING 8806" shall be substituted;

(iii) heading 8803, tariff items 8803 10 00 to 8803 90 00 and the entries relating thereto shall be omitted;

(iv) after tariff item 8805 29 00 and the entries relating thereto, the following shall be inserted, namely :—

"8806	UNMANNED AIRCRAFT			
8806 10 00	- Designed for the carriage of passengers	u	10%	-
	- Other, for remote-controlled flight only :			
8806 21 00	- - With maximum take-off weight not more than 250 g	u	10%	-
8806 22 00	- - With maximum take-off weight more than 250 g but not more than 7 kg	u	10%	-
8806 23 00	- - With maximum take-off weight more than 7 kg but not more than 25 kg	u	10%	-
8806 24 00	- - With maximum take-off weight more than 25 kg but not more than 150 kg	u	10%	-
8806 29 00	- - Other	u	10%	-
	- Other :			
8806 91 00	- - With maximum take-off weight not more than 250 g	u	10%	-
8806 92 00	- - With maximum take-off weight more than 250 g but not more than 7 kg	u	10%	-
8806 93 00	- - With maximum take-off weight more than 7 kg but not more than 25 kg	u	10%	-
8806 94 00	- - With maximum take-off weight more than 25 kg but not more than 150 kg	u	10%	-
8806 99 00	- - Other	u	10%	-
8807	PARTS OF GOODS OF HEADING 8801, 8802 OR 8806			
8807 10 00	- Propellers and rotors and parts thereof	kg.	3%	-
8807 20 00	- Under-carriages and parts thereof	kg.	3%	-
8807 30 00	- Other parts of airplanes, helicopters or unmanned aircraft	kg.	3%	-
8807 90 00	- Other	kg.	10%	-";

(65) in Chapter 89, in heading 8903, for tariff items 8903 10 00 to 8903 92 00, sub-heading 8903 99, tariff items 8903 99 10 and 8903 99 90 and the entries relating thereto, the following shall be substituted, namely :—

	"- *Inflatable (including rigid hull inflatable) boats :*			
8903 11 00	- - Fitted or designed to be fitted with a motor, unladen (net) weight (excluding the motor) not exceeding 100 kg	u	25%	-
8903 12 00	- - Not designed for use with a motor and unladen (net) weight not exceeding 100 kg	u	25%	-
8903 19 00	- - Other	u	25%	-
	- *Sailboats, other than inflatable, with or without auxiliary motor :*			
8903 21 00	- - Of a length not exceeding 7.5 m	u	25%	-
8903 22 00	- - Of a length exceeding 7.5 m but not exceeding 24 m	u	25%	-
8903 23 00	- - Of a length exceeding 24 m	u	25%	-
	- *Motorboats, other than inflatable, not including outboard motorboats :*			
8903 31 00	- - Of a length not exceeding 7.5 m	u	25%	-
8903 32 00	- - Of a length exceeding 7.5 m but not exceeding 24 m	u	25%	-
8903 33 00	- - Of a length exceeding 24 m	u	25%	-
	- Other :			
8903 93 00	- - Of a length not exceeding 7.5 m	u	25%	-
8903 99 00	- - Other	u	25%	-";

(66) in Chapter 90, —

(i) in Note 1, for clause (f), the following clause shall be substituted, namely :–

"(f) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV) or similar goods of plastics (Chapter 39); however, articles specially designed for use exclusively in implants in medical, surgical, dental or veterinary sciences are to be classified in heading 9021;";

(ii) in heading 9006, —

(a) tariff items 9006 51 00 and 9006 52 00, and the entries relating thereto shall be omitted;

(b) for the entry in column (2) occurring against sub-heading 9006 53, the following entry shall be substituted, namely:—

"- - *For roll film of a width of 35 mm:*";

(iii) in heading 9013, —

(a) for the entry in column (2) occurring against heading 9013, the following entry shall be substituted, namely: —

"LASERS, OTHER THAN LASER DIODES; OTHER OPTICAL APPLIANCES AND INSTRUMENTS, NOT SPECIFIED OR INCLUDED ELSEWHERE IN THIS CHAPTER";

(b) for sub-heading 9013 80, tariff items 9013 80 10 and 9013 80 90, sub-heading 9013 90 and tariff items 9013 90 10 and 9013 90 90, the following shall be substituted, namely: —

"9013 80 00	- Other devices, appliances and instrument	u	7.5%	-
9013 90 00	- Parts and accessories	u	7.5%	-";

(iv) in heading 9022, —

(a) in the entry in column (2) occurring against heading 9022, for the words "OR GAMMA", the words ", GAMMA OR OTHER IONISING" shall be substituted;

(b) in the entry in column (2) occurring after tariff item 9022 19 00 and the entries relating thereto, for the words "or gamma", the words ", gamma or other ionising" shall be substituted;

(v) in heading 9027, for sub-heading 9027 80, tariff items 9027 80 10 to 9027 80 90 and the entries relating thereto, the following shall be substituted, namely :—

	"- Other instruments and apparatus :			
9027 81 00	- - Mass spectrometers	u	Free	-
9027 89	- - *Other:*			
9027 89 10	- - - Viscometers	u	Free	-
9027 89 20	- - - Calorimeters	u	Free	-
9027 89 30	- - - Instruments and apparatus for measuring the surface or interfacial tension of liquids	u	Free	-
9027 89	- - - Other	u	Free	-";

(vi) in heading 9030, —

(a) in the entry in column (2) occurring after tariff item 9030 20 00 and the entries relating thereto, for the word "*power*", the words and brackets "*power (other than those for measuring or checking semiconductor wafers or devices)*" shall be substituted;

(b) for the entry in column (2) occurring against tariff item 9030 82 00, the following shall be substituted, namely :—

"- - For measuring or checking semiconductor wafers or devices (including integrated circuits)";

(vii) in heading 9031, for the entry in column (2) occurring against tariff item 9031 41 00, the following entry shall be substituted, namely :—

"- - For inspecting semiconductor wafers or devices (including integrated circuits) or for inspecting photomasks or reticles used in manufacturing semiconductor devices (including integrated circuits)";

(67) in Chapter 91, —

(i) sub-heading 9114 10, tariff items 9114 10 10 and 9114 10 20 and the entries relating thereto shall be omitted;

(ii) after tariff item 9114 90 30 and the entries relating thereto, the following shall be inserted, namely :—

"9114 90 40	- - - Springs, including hair-springs	kg.	10%	-";

(68) in Chapter 94, —

(i) in the Chapter heading, for the words "lamps and lighting fittings", the words "*luminaires and lighting fittings*" shall be substituted;

(ii) in Note 1,–

(A) in clause (f), for the words "lamps and lighting fittings", the words "lamps or light sources and parts thereof" shall be substituted;

(B) in clause (l),-

(a) for the words "lamps or lighting fittings", the words "luminaires and lighting fittings" shall be substituted;

(b) for the words "electric garlands", the words "lighting strings" shall be substituted;

(iii) for Note 4, the following Note shall be substituted, namely :—

'4. For the purposes of heading 9406, the expression "prefabricated buildings" means buildings which are finished in the factory or put up as elements, presented together, to be assembled on site, such as housing or worksite accommodation, offices, schools, shops, sheds, garages or similar buildings.
"Prefabricated buildings include "modular building units" of steel, normally presented in the size and shape of a standard shipping container, but substantially or completely pre-fitted internally. Such modular building units are normally designed to be assembled together to form permanent buildings.';

(iv) in heading 9401, —

(a) for tariff items 9401 30 00 and 9401 40 00 and the entries relating thereto, the following shall be substituted, namely :—

	"- *Swivel seats with variable height adjustment :*			
9401 31 00	- - Of wood	u	25%	-
9401 39 00	- - Other	u	25%	-
	- *Seats other than garden seats or camping equipment, convertible into beds :*			
9401 41 00	- - Of wood	u	25%	-
9401 49 00	- - Other	u	25%	-";

(b) for tariff item 9401 90 00 and the entries relating thereto, the following shall be substituted, namely :—

	"- *Parts :*			
9401 91 00	- - Of wood	kg.	25%	-
9401 99 00	- - Other	kg.	25%	-";

(v) in heading 9403, for tariff item 9403 90 00 and the entries relating thereto, the following shall be substituted, namely :—

	"- *Parts :*			
9403 91 00	- - Of wood	kg.	25%	-
9403 99 00	- - Other	kg.	25%	-";

(vi) in heading 9404, —

(a) after tariff item 9404 30 90 and the entries relating thereto, the following shall be inserted, namely :—

"9404 40	- *Quilts, bedspreads, eiderdowns and duvets (comforters):*			
9404 40 10	- - - Quilts	u	25%	-
9404 40 20	- - - Bedspreads	u	25%	-
9404 40 30	- - - Eiderdowns	u	25%	-
9404 40 40	- - - Duvets (comforters)	u	25%	-";

(b) for sub-heading 9404 90, tariff items 9404 90 11 to 9404 90 99 and the entries relating thereto, the following shall be substituted, namely :—

"9404 90 00	- Other	kg.	25%	-";

(vii) in heading 9405, —

(a) in the entry in column (2) occurring against heading 9405, for the words "LAMPS AND LIGHTING FITTINGS", the words "LUMINAIRES AND LIGHTING FITTINGS" shall be substituted;

(b) for sub-heading 9405 10, tariff items 9405 10 10 to 9405 10 90, sub-heading 9405 20, tariff items 9405 20 10 to 9405 30 00, sub-heading 9405 40, tariff items 9405 40 10 and 9405 40 90, sub-heading 9405 50, tariff items 9405 50 10 to 9405 50 59, sub-heading 9405 60, tariff items 9405 60 10 and 9405 60 90 and the entries relating thereto, the following shall be substituted, namely :—

	"- *Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thoroughfares :*			
9405 11 00	- - Designed for use solely with light-emitting diode (LED) light sources	u	25%	-
9405 19 00	- - Other	u	25%	-
	- Electric table, desk, bedside or floor-standing luminaires :			
9405 21 00	- - Designed for use solely with light-emitting diode (LED) light sources	u	25%	-
9405 29 00	- - Other	u	25%	-
	- Lighting strings of a kind used for Christmas trees :			
9405 31 00	- - Designed for use solely with light-emitting diode (LED) light sources	u	25%	-
9405 39 00	- - Other	u	25%	-
	- Other electric luminaires and lighting fittings :			
9405 41 00	- - Photovoltaic, designed for use solely with light-emitting diode (LED) light sources	u	25%	-
9405 42 00	- - Other, designed for use solely with light-emitting diode (LED) light sources	u	25%	-
9405 49 00	- - Other	u	25%	-
9405 50 00	- Non-electrical luminaires and lighting fittings	u	25%	-
	- Illuminated signs, illuminated name-plates and the like :			
9405 61 00	- - Designed for use solely with light-emitting diode (LED) light sources	u	25%	-
9405 69 00	- - Other	u	25%	-";

(viii) in heading 9406, after tariff item 9406 10 90 and the entries relating thereto, the following shall be inserted, namely :—

"9406 20 00	- Modular building units, of steel	u	10%	-";

(69) in Chapter 95, —

(i) in Note 1, —

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

"(p) unmanned aircraft (heading 8806);";

(B) the existing clauses (p), (q), (r), (s), (t), (u), (v) and (w) shall respectively be re-lettered as clauses (q), (r), (s), (t), (u), (v), (w) and (x);

(b) after Note 5, the following Note shall be inserted, namely :—

'6. For the purposes of heading 9508 :

(a) The expression "amusement park rides" means a device or combination of devices or equipment that carry, convey, or direct a person or persons over or through a fixed or restricted course, including watercourses, or within a defined area for the primary purposes of amusement or entertainment. Such rides may be combined within an amusement park, theme park, water park or fairground. These amusement park rides do not include equipment of a kind commonly installed in residences or playgrounds;

(b) The expression "water park amusements" means a device or combination of devices or equipment that are characterized by a defined area involving water, with no purposes built path. Water park amusements only include equipment designed specifically for water parks; and

(c) The expression "fairground amusements" means games of chance, strength or skill, which commonly employ an operator or attendant and may be installed in permanent buildings or independent concession stalls. Fairground amusements do not include equipment of heading 9504.

This heading does not include equipment more specifically classified elsewhere in the Nomenclature.';

(ii) in heading 9504, for the entry in column (2) occurring against the heading 9504, the following entry shall be substituted, namely :—

"VIDEO GAME CONSOLES AND MACHINES, TABLE OR PARLOUR GAMES, INCLUDING PINTABLES, BILLIARDS, SPECIAL TABLES FOR CASINO GAMES AND AUTOMATIC BOWLING EQUIPMENT, AMUSEMENT MACHINES OPERATED BY COINS, BANK NOTES, BANK CARDS, TOKENS OR BY ANY OTHER MEANS OF PAYMENT";

(iii) for heading 9508, tariff items 9508 10 00 and 9508 90 00 and the entries relating thereto, the following shall be substituted, namely :—

"9508	TRAVELLING CIRCUSES AND TRAVELLING MENAGERIES; AMUSEMENT PARK RIDES AND WATER PARK AMUSEMENTS; FAIRGROUND AMUSEMENTS, INCLUDING SHOOTING GALLERIES; TRAVELLING THEATRES			
9508 10 00	- Travelling circuses and travelling menageries	kg.	20%	-
	- Amusement park rides and water park amusements :			
9508 21 00	- - Roller coasters	u	20%	-
9508 22 00	- - Carousels, swings and roundabouts	u	20%	-
9508 23 00	- - Dodge'em cars	u	20%	-
9508 24 00	- - Motion simulators and moving theatres	u	20%	-
9508 25 00	- - Water rides	u	20%	-
9508 26 00	- - Water park amusements	u	20%	-
9508 29 00	- - Other	u	20%	-
9508 30 00	- Fairground amusements	u	20%	-
9508 40 00	- Travelling theatres	u	20%	-";

(70) in Chapter 96, —

(i) in Note 1, in clause (k), for the words "lamps and lighting fittings", the words "luminaires and lighting fittings" shall be substituted;

(ii) for the entry in column (2) occurring against tariff item 9609 10 00, the following entry shall be substituted, namely :—

"- Pencils and crayons, with leads encased in a sheath";

(iii) for heading 9617, sub-heading 9617 00, tariff item 9617 00 11 and the entries relating thereto, the following shall be substituted, namely :—

"9617	VACUUM FLASKS AND OTHER VACUUM VESSELS, COMPLETE; PARTS THEREOF OTHER THAN GLASS INNERS			

9617 00	*- Vacuum flasks and other vacuum vessels, complete; parts thereof other than glass inners:*			
	- - - Vacuum flasks and other vacuum vessels, complete:			
9617 00 11	*- - - - Vacuum flasks having a capacity not exceeding 0.75 l*	kg.	20%	-";

(iv) for heading 9619, sub-heading 9619 00 and the entries relating thereto, the following shall be substituted, namely :—

"9619	SANITARY TOWELS (PADS) AND TAMPONS, NAPKINS (DIAPERS), NAPKIN LINERS AND SIMILAR ARTICLES, OF ANY MATERIAL			
9619 00	*- Sanitary towels (pads) and tampons, napkins (diapers), napkin liners and similar articles, of any material:";*			

(71) in Chapter 97, —

(i) after Note 1, the following Note shall be inserted, namely :—

"2. Heading 9701 does not apply to mosaics that are mass-produced reproductions, casts or works of conventional craftsmanship of a commercial character, even if these articles are designed or created by artists.";

(ii) the existing Notes 2, 3, 4 and 5 shall respectively be re-numbered as Notes 3, 4, 5 and 6;

(iii) for heading 9701, sub-heading 9701 10, tariff items 9701 10 10 to 9701 10 90, sub-heading 9701 90, tariff items 9701 90 91 to 9701 90 99, and the entries relating thereto, the following shall be substituted, namely :—

"9701	PAINTINGS, DRAWINGS AND PASTELS, EXECUTED ENTIRELY BY HAND, OTHER THAN DRAWINGS OF HEADING 4906 AND OTHER THAN HAND- PAINTED OR HAND-DECORATED MANUFACTURED ARTICLES; COLLAGES, MOSAICS AND SIMILAR DECORATIVE PLAQUES			
	- Of an age exceeding 100 years :			
9701 21 00	- - Paintings, drawings and pastels	u	10%	-
9701 22 00	- - Mosaics	u	10%	-
9701 29 00	- - Other	u	10%	-
	- Other :			

9701 91 00	- - Paintings, drawings and pastels	u	10%	-
9701 92 00	- - Mosaics	u	10%	-
9701 99 00	- - Other	u	10%	-”;

(iv) for tariff item 9702 00 00 and the entries relating thereto, the following shall be substituted, namely :—

9702	ORIGINAL ENGRAVINGS, PRINTS AND LITHOGRAPHS			
9702 10 00	- Of an age exceeding 100 years	u	10%	-
9702 90 00	- Other	u	10%	-”;

(v) for heading 9703, sub-heading 9703 00, tariff items 9703 00 10 to 9703 00 90 and the entries relating thereto, the following shall be substituted, namely :—

“9703	ORIGINAL SCULPTURE AND STATUARY, IN ANY MATERIAL			
9703 10	- *Of an age exceeding 100 years :*			
9703 10 10	- - - Of metal	u	10%	-
9703 10 20	- - - Of stone	u	10%	-
9703 10 90	- - - Other	u	10%	-
9703 90	- *Other :*			
9703 90 10	- - - Of metal	u	10%	-
9703 90 20	- - - Of stone	u	10%	-
9703 90 90	- - - Other	u	10%	-”;

(vi) for heading 9705, sub-heading 9705 00, tariff items 9705 00 10 and 9705 00 90 and the entries relating thereto, the following shall be substituted, namely :—

“9705	COLLECTIONS AND COLLECTORS’ PIECES OF ARCHAEOLOGICAL, ETHNOGRAPHIC, HISTORICAL, ZOOLOGICAL, BOTANICAL, MINERALOGICAL, ANATOMICAL, PALEONTOLOGICAL, OR NUMISMATIC INTEREST			
9705 10 00	- Collections and collectors' pieces of archaeological, ethnographic or historical interest	u	10%	-
	- Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical or paleontological interest :			
9705 21 00	- - Human specimens and parts thereof	u	10%	-

9705 22 00	- - Extinct or endangered species and parts thereof	u	10%	-
9705 29 00	- - Other	u	10%	-
	- Collections and collectors' pieces of numismatic interest :			
9705 31 00	- - Of an age exceeding 100 years	u	10%	-
9705 39 00	- - Other	u	10%	-”;

(vii) for tariff item 9706 00 00 and the entries relating thereto, the following shall be substituted, namely :—

“9706	ANTIQUES OF AN AGE EXCEEDING 100 YEARS			
9706 10 00	- Of an age exceeding 250 years	u	10%	-
9709 90 00	- Other	u	10%	-”.

THE FIFTH SCHEDULE

[*See* section 96 (i)]

In the Fourth Schedule to the Central Excise Act, in Chapter 27, for heading 2709, tariff items 2709 10 00 and 2709 20 00 and the entries relating thereto, the following shall be substituted, namely :—

Tariff Item	**Description of goods**	**Unit**	**Rate of Duty**
(1)	**(2)**	**(3)**	**(4)**
"2709	PETROLEUM OILS AND OILS OBTAINED FROM BITUMINOUS MINERALS, CRUDE		
2709 00	-- *Petroleum oils and oils obtained from bituminous minerals, crude*		
2709 00 10	--- Petroleum crude	kg.	Nil
2709 00 90	--- Other	kg.	….. ".

THE SIXTH SCHEDULE

[*See* section 96 (ii)]

In the Fourth Schedule to the Central Excise Act,—

Tariff Item	**Description of goods**	**Unit**	**Rate of Duty**
(1)	**(2)**	**(3)**	**(4)**

(a) in SECTION IV, for Section heading, the following Section heading shall be substituted, namely:—

"TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES; PRODUCTS, WHETHER OR NOT CONTAINING NICOTINE, INTENDED FOR INHALATION WITHOUT COMBUSTION; OTHER NICOTINE CONTAINING PRODUCTS INTENDED FOR THE INTAKE OF NICOTINE INTO THE HUMAN BODY";

(b) in Chapter 24,—

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

"*Tobacco and manufactured tobacco substitutes; products, whether or not containing nicotine, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body*";

(ii) after Note 3, the following Notes shall be inserted, namely:—

"4. Any products classifiable in heading 2404 and any other heading of the Chapter are to be classified in heading 2404.

5. For the purposes of heading 2404, the expression "inhalation without combustion" means inhalation through heated delivery or other means, without combustion.";

(iii) after tariff item 2403 99 90 and the entries relating thereto, the following shall be inserted, namely :—

"2404	PRODUCTS CONTAINING TOBACCO, RECONSTITUTED TOBACCO, NICOTINE, OR TOBACCO OR NICOTINE SUBSTITUTES, INTENDED FOR INHALATION WITHOUT COMBUSTION; OTHER NICOTINE CONTAINING PRODUCTS INTENDED FOR THE INTAKE OF NICOTINE INTO THE HUMAN BODY		
	- Products intended for inhalation without combustion:		

2404 11 00	- Containing tobacco or reconstituted tobacco	kg.	81%
2404 12 00	- - Other, containing nicotine	kg.	…..
2404 19 00	- - Other	kg.	81%
	- *Other:*		
2404 91 00	- - For oral application	kg.	…..
2404 92 00	- - For transdermal application	kg.	…..
2404 99 00	-- Other	kg.	…..”.

THE SEVENTH SCHEDULE

[*See* section 116 (1)]

Item No	Description of goods	Rate
(1)	(2)	(3)
1.	Motor spirit commonly known as petrol	Rs. 2.50 per litre
2.	High speed diesel	Rs. 4.00 per litre

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 2021-2022. The notes on clauses explain the various provisions contained in the Bill.

2. Part XIV of the Bill deals with amendments to the Direct Tax *Vivad se Vishwas* Act, 2020 (the *Vivad se Vishwas* Act). With the objective of reducing pending income tax litigation, generating timely revenue for the Government and giving benefit to taxpayers by providing them peace of mind, certainty and savings on account of time and resources, the *Vivad se Vishwas* Act was enacted on the 17th March, 2020.

3. The settlement provisions under the Income-tax Act, 1961 provide for an alternate mechanism to a taxpayer who chooses to exit the regular process of assessment which would have resulted in determination of tax liability and instead approached the Settlement Commission for settlement of his case under Chapter XIX-A of the Income-tax Act, 1961. As the *Vivad se Vishwas* Act was enacted for the resolution of disputed tax and not for the taxes covered by an order in pursuance to the settlement of a case under Chapter XIX-A of the Income-tax Act, 1961, such cases as are covered by Chapter XIX-A of the Income-tax Act, 1961 (whether they have attained finality or not) have always been, therefore, intended to be outside the purview of the *Vivad se Vishwas* Act.

4. With a view to remove any ambiguity, it is proposed to amend the provisions of the *Vivad se Vishwas* Act to clarify the original legislative intent for which the definitions of "appellant" in clause (a), "disputed tax" in clause (j) and "tax arrear" in clause (o) of sub-section (1) of section 2 of the *Vivad se Vishwas* Act are proposed to be amended by way of removal of doubts by this Bill. The amendments relating to the *Vivad se Vishwas* Act are proposed to take effect retrospectively from the 17th March, 2020.

NIRMALA SITHARAMAN.

NEW DELHI;
The 31*st January,* 2021.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F.2(1)-B(D)/2021, dated the 29th January, 2021 from Smt. Nirmala Sitharaman, Minister of Finance, to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill, recommends, under clauses (1) and (3) of article 117 read with clause (1) of article 274 of the Constitution of India, the introduction of the Finance Bill, 2021 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 Union Budget on the 1st February, 2021.

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 2021-2022. 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 2021-2022.

Clause 3 of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions.

Clause (11) of the said section, *inter alia*, defines "block of assets" to mean a group of assets falling within a class of assets comprising tangible assets, being buildings, machinery, plant or furniture and intangible assets, being know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature.

It is proposed to amend the said clause so as to exclude goodwill of a business or profession from the purview of "block of asset".

It is further proposed to amend clause (14) of the said section which defines the expression "capital asset. It is proposed to insert sub-clause (c) to the said clause so as to include any unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth proviso thereof.

It is also proposed to amend clause (19AA) of the said section which defines the term "demerger", in relation to companies, means the transfer, pursuant to a scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, by a demerged company of its one or more undertakings to any resulting company on satisfaction of conditions provided by rules in the said clause.

It is proposed to amend the said clause to insert an *Explanation* so as to clarify that the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resulting company and such resulting company–

(i) is a public sector company on the appointed date indicated in such scheme as may be approved by the Central Government or any other body authorised under the provisions of the Companies Act, 2013 or any other law for the time being in force governing such public sector companies in this behalf; and

(ii) fulfills such other conditions as may be notified by the Central Government in the Official Gazette in this behalf.

It is also proposed to insert a new clause (29A) in the said section so as to define the expression "liable to tax", in relation to a person, means that there is a liability of tax on such person under any law for the time being in force in any country, and shall include a case where subsequent to imposition of tax liability, an exemption has been provided.

It is also proposed to amend clause (42C) of the said section which defines the expression "slump sale" as the transfer of one or more undertakings as a result of the sale for a lump sum consideration without values being assigned to the individual assets and liabilities in such sales.

It is proposed to expand the scope of the definition of the term "slump sale" so as to mean the transfer of one or more undertakings, by any means, for lump sum consideration without value being assigned to individual assets and liabilities in such cases.

It is also proposed to insert an *Explanation* to the said clause so as to provide that the word "transfer" shall have the meaning assigned to it in clause (47) of the said section.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

It is also proposed to amend clause (48) of the said section provides for definition of "zero coupon bond", as a bond issued by any infrastructure capital company or infrastructure capital fund or public sector company or scheduled bank and in respect of which no payment and benefit is received or receivable before maturity or redemption from such infrastructure capital company or infrastructure capital fund or public sector company or scheduled bank and which is notified by the Central Government in the Official Gazette.

It is also proposed to amend the said clause so as to insert infrastructure debt fund in sub-clauses (a) and (b) thereof so as to enable notified infrastructure debt fund also to issue zero coupon bonds.

It is also proposed to insert a new *Explanation* 2 to define the expression "infrastructure debt fund".

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 4 of the Bill seeks to amend section 9A of the Income-tax Act relating to certain activities not to constitute business connection in India.

Sub-section (3) and (4) of the said section provide for certain conditions for the applicability of the section.

It is proposed to insert sub-section (8A) to the said section so as to provide that the Central Government may, by notification in the Official Gazette, specify that any one or more of the conditions specified in clauses (a) to (m) of sub-section (3) or clauses (a) to (d) of sub-section (4) shall not apply or shall apply with such modifications, as specified in such notification, in case of an eligible investment fund and its eligible fund manager, if such fund manager is located in an International Financial Services Centre, as defined in clause (a) of the *Explanation* to section 80LA, which has commenced its operations on or before 31st March, 2024.

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 5 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

The said section provides that in computing the total income of a previous year of any person, certain categories of income shall not be included in the total income.

Clause 4D of said section provides exemption for any income accrued or arisen to, or received by a specified fund as a result of transfer of capital asset referred to in clause (viiab) of section 47, on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in convertible foreign exchange or as a result of transfer of securities (other than shares in a company resident in India) or any income from securities issued by a non-resident (not being a permanent establishment of a non-resident in India) and where such income otherwise does not accrue or arise in India or any income from a securitisation trust which is chargeable under the head "Profits and gains of business or profession", to the extent such income accrued or arisen to, or is received, is attributable to units held by non-resident (not being the permanent establishment of a non-resident in India).

It is proposed to amend the said clause so as to provide that the said exemption shall also be available in case of any income accrued or arisen to, or received to the investment division of offshore banking unit to the extent attributable, and computed in the manner as may be provided by rules.

It is further proposed to insert a new clause (4E) in the said section so as to exempt any income accrued or arisen to, or received by a non-resident as a result of transfer of non-deliverable forward contracts entered into with an offshore banking unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, which fulfills such conditions as may be provided by rules.

It is also proposed to insert a new clause (4F) in the said section so as to exempt any income of a non-resident by way of royalty, on account of lease of an aircraft in a previous year, paid by a unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, if the unit is eligible for deduction under section 80LA for that previous year and has commenced its operations on or before 31st March, 2024.

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause (5) of the said section provides for exemption in respect of the value of travel concession or assistance received by or due to an employee from his employer or former employer for himself and his family, in connection with his proceeding on leave to any place in India.

It is proposed to insert a second proviso in the said clause so as to provide that for the assessment year beginning on the 1st day of April, 2021, in the case of an individual, the value in lieu of any travel concession or assistance received by, or due to, such individual shall also be exempted, subject to fulfillment of such conditions (including the condition of incurring such amount of such expenditure within such period), as may be provided by rules.

It is further proposed to insert *Explanation* 2 so as to clarify that where an individual claims such exemption and the same is allowed under the second proviso in connection with the expenditure provided by rules, no exemption shall be allowed under the said clause in respect of the same expenditure to any other individual.

These amendments will take effect from 1st April, 2021.

Clause (10D) of the said section provides for the exemption for the sum received under a life insurance policy in respect of which the premium payable for any of the years during the terms of the policy does not exceed ten percent of the actual capital sum assured.

It is proposed to insert fourth, fifth, sixth and seventh proviso to the clause. Proposed fourth proviso seeks to provide that the exemption under this clause shall not apply with respect to any unit linked insurance policy, issued on or after the 1st day of February, 2021, if the amount of premium payable for any of the previous year during the term of such policy exceeds two lakh fifty thousand rupees.

Proposed fifth proviso seeks to provide that if the premium is payable, by a person, for more than one unit linked insurance policies, issued on or after the 1st day of February, 2021, the provisions of this clause shall apply only with respect to those insurance policies, where the aggregate amount of premium does not exceed the amount referred to in fourth proviso in any of the previous year during the term of any of those policies.

Proposed sixth proviso seeks to provide that the provisions of the fourth and fifth provisos shall not apply to any sum received on the death of a person.

Proposed seventh proviso seeks to provide that if any difficulty arises in giving effect to the provisions of this clause, the Board may, with the approval of the Central Government, issue guidelines for the purpose of removing the difficulty and every guideline issued by the Board under this proviso shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and the assessee.

It is further proposed to insert *Explanation* 3 to the said clause so as to define the expression “unit linked insurance policy” as a life insurance policy which has components of both investment and insurance and is linked to a unit as defined in clause (ee) of regulation (3) of the Insurance Regulatory and Development Authority of India (Unit Linked Insurance Products) Regulations, 2019 issued by Insurance Regulatory and Development Authority under the Insurance Regulatory Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause (11) of the said section provides for exemption with respect to any payment from a provident fund to which the Provident Funds Act, 1925 applies or from any other provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette.

Clause (12) of the said section provides for exemption with respect to the accumulated balance due and becoming payable to an employee participating in a recognised provident fund, to the extent provided in rule 8 of Part A of the Fourth Schedule.

It is proposed to insert a proviso to such of the aforesaid clauses so as to provide that the provisions of these clauses shall not apply to the income by way of interest accrued during the previous year in the account of a person to the extent it relates to the amount or the aggregate of amounts of contribution made by that person exceeding two lakh and fifty thousand rupees in any previous year in that fund, on or after the 1st day of April, 2021 and computed in such manner as may be provided by rules.

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Sub-clause (iiiad) of clause (23C) of the said section provides for exemption for the income received by any person on behalf of university or educational institution as referred to in that sub-clause. The exemptions under the clause are available subject to the condition that the annual receipts of such university or educational institution do not exceed the annual receipts as may be prescribed.

Similarly, sub-clause (iiiae) of the said clause provides for exemption for the income received by any person on behalf of hospital or institution as referred to in that sub-clause. The exemptions under the clause are available subject to the condition that the annual receipts of such hospital or institution do not exceed the annual receipts as may be prescribed.

Presently, the amount prescribed for sub-clause (iiiad) as well as (iiiae) is one crore rupees. It is proposed to increase the limit of annual receipts, for exemption under sub-clause (iiiad) and (iiiae), to five crore rupees and provide that such limit shall be applicable for an assessee with respect to the aggregate receipts from university or universities or educational institution or institutions as referred to in sub-clause (iiiad) as well as from hospital or hospitals or institution or institutions as referred to in sub-clause (iiiae).

Explanation to the third proviso to the said clause provides that income of the funds or trust or institution or any university or other educational institution or any hospital or other medical institution, shall not include income in the form of voluntary contributions made with a specific direction that they shall form part of the corpus.

It is proposed to number the said *Explanation* as *Explanation* 1 thereof and to provide that such voluntary contributions should be invested or deposited in one or more of the forms or modes specified in sub-section (5) of section 11 maintained specifically for such corpus.

It is further proposed to insert *Explanation* 2 in the said proviso so as to provide that,—

(a) application out of such corpus shall not be considered as application for charitable or religious purposes for the purposes of third proviso of clause (23C), provided when it is invested or deposited back, into one or more of the forms or modes specified in sub-section (5) of section 11 maintained specifically for such corpus from the income of the previous year, such amount shall be allowed as application in the previous year in which it is deposited back to corpus and to the extent it is deposited back;

(b) application from loans and borrowings shall not be considered as application for charitable or religious purposes for the purposes of third proviso of clause (23C) provided when loan or borrowing is repaid from the income of the previous year, such repayment shall be allowed as application in the previous year in which it is repaid and to the extent it is repaid.

Fourteenth proviso of the said clause provides that if any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of said clause of said section accumulates its income, then payment or credit out of such accumulation, to exempt entities as prescribed in the proviso, shall not be treated as application.

It is proposed to amend the said proviso to make a reference of section 12AB which provides for the procedure of registration.

It is also proposed to number the *Explanation* as *Explanation* 1 thereof the twentieth proviso to the said clause and to insert a new *Explanation* 2 therein so as to provide that for the computation of income required to be applied or accumulated during the previous year, no set off or deduction or allowance of any excess application, of any of the year preceding the previous year, shall be allowed.

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause (23FE) of the said section provides for the exemption to specified person from the income in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India.

Item (c) of sub-clause (iii) of the said clause provides that the specified person may invest in a Category-I or Category-II Alternative Investment Fund regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992, having hundred per cent. investment in one or more of the company or enterprise or entity referred to in item (b).

It is proposed to relax the said condition of "hundred per cent." to "not less than fifty per cent". It is further proposed to allow the investment by such Category-I or Category-II Alternative Investment Fund in an Infrastructure Investment Trust referred to in sub-clause (i) of clause (13A) of section 2.

It is also proposed to insert item (d) in sub-clause (iii) of the said clause allowing the investment by specified person in a domestic company set up and registered on or after 1st April, 2021, having minimum seventy-five per cent. investments in one or more of the company or enterprise or entity referred to in item (b).

It is also proposed to insert item (e) in the said sub-clause allowing the investment by specified person in a non-banking financial company registered as an Infrastructure Finance Company, as referred to in the notification number RBI/2009-10/316 issued by the Reserve Bank of India or in an Infrastructure Debt Fund, a non banking finance company as referred

to in the master circular, namely, the Infrastructure Debt Fund-Non Banking Financial Companies (Reserve Bank) Directions, 2011, issued by the Reserve Bank of India, having minimum ninety per cent. investment in one or more of the companies or enterprises or entities referred to in item (b).

It is also proposed to insert fourth proviso to the said clause so as to provide that in case a Category-I or Category-II Alternative Investment Fund referred to in item (c) of sub-clause (iii) has investment of less than one hundred per cent. in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause or in an Infrastructure Investment Trust referred to in item (c) of that sub-clause, income, accrued or arisen to or received or attributable to such investment, directly or indirectly, which is exempt under the said clause shall be calculated proportionately to the investment made in one or more of the companies or enterprises or entities referred to in item (b) of that sub-clause or in the Infrastructure Investment Trust referred to in item (c) of that sub-clause, in such manner as may be provided by rules.

It is also proposed to insert fifth proviso to the said clause so as to provide that in case a domestic company referred to in item (d) of sub-clause (iii) has investment of less than one hundred per cent. in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause, income, accrued or arisen to or received or attributable to such investments, directly or indirectly, which is exempt under the said clause shall be calculated proportionately to the investment made in one or more of the companies or enterprises or entities referred to in item (b) of that sub-clause (iii), in such manner as may be provided by rules.

It is also proposed to insert sixth proviso to the said clause so as to provide that in case a non-banking financial company registered as an Infrastructure Finance Company or Infrastructure Debt Fund referred to in item (e) of sub-clause(iii), has lending of less than one hundred per cent. in one or more of the companies or enterprises or entities referred to in item (b) of the said sub-clause, income, accrued or arisen to or received or attributable to such lending, directly or indirectly, which is exempt under the said clause shall be calculated proportionately to the lending made in one or more of the companies or enterprises or entities referred to in item (b) of that sub-clause, in such manner as may be provided by rules.

It is also proposed to insert seventh proviso to the said clause so as to provide that in case a sovereign wealth fund or pension fund has loan or borrowing, directly or indirectly, for the purposes of making investment in India, such fund shall be deemed to be not eligible for exemption under this clause.

It is also proposed to number the *Explanation* as *Explanation* 1 thereof.

It is also proposed to insert a proviso to the sub-clauses (iii) and (iv) of clause (b) of the said *Explanation* 1 so as to provide that the provisions of sub-clauses (iii) and (iv) shall not apply to any payment made to creditors or depositors for loan taken or borrowing for purposes other than for making investment in India.

It is also proposed to amend sub-clause (v) of clause (b) of the said *Explanation 1* so as to provide that the sovereign wealth fund does not participate in the day to day operations of investee but the monitoring mechanism to protect the investment with the investee

including the right to appoint directors or executive director shall not be considered as participation in day to day operations of the investee.

It is also proposed to amend sub-clause (ii) of clause (c) of the said *Explanation* 1 so as to provide that if pension fund is liable to tax but exemption from taxation for all its income has been provided, by the foreign country under whose laws it is created or established, then such pension fund also would satisfy the condition mentioned in sub-clause (ii). It is also proposed to insert sub-clause (iiia) to the clause to provide that the pension fund does not participate in the day to day operations of investee but the monitoring mechanism to protect the investment with the investee including the right to appoint directors or executive director shall not be considered as participation in day to day operations of investee.

It is also proposed to insert a new *Explanation* 2 in the said clause to define the expressions "loan and borrowing" and "investee".

It is also proposed to insert a new *Explanation* 3 so as to provide that the Central Government may, by rules, provide the method of calculation of "fifty per cent." referred to in item (c) or "seventy-five per cent." referred to in item (d) or "ninety per cent." referred to in item (e), of sub-clause (iii) of the said clause.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

It is also proposed to insert a new clause (23FF) in the said section so as to exempt any income of the nature of capital gains, arising or received by a non-resident, which is on account of transfer of share of a company resident in India, by the resultant fund and such shares were transferred from the original fund to the resultant fund in relocation, and where capital gains on such shares were not chargeable to tax if that relocation had not taken place.

It is also proposed to refer to the definitions of the expressions "investment division of offshore banking unit", "original fund", "relocation" and "resultant fund" as defined in the *Explantion* to clause (viiac) and clause (viiad) of section 47.

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause (50) of the said section provides for the exemption for the 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 1st April, 2021 and chargeable to equalisation levy under the provisions of that Chapter. It is proposed to change the said year to 2020.

It is proposed to substitute the *Explanation* to the said clause with *Explanations* 1 and 2. *Explanation* 1 proposes to clarify that the income referred to in this clause shall not include and shall never be deemed to have included any income which is chargeable to tax as royalty or fees for technical services in India under the said Act read with the agreement notified by the Central Government under section 90 or section 90A.

Explanation 2 proposes to define the expressions "e-commerce supply or services" and "specified service" for the purposes of the said clause.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 6 of the Bill seeks to amend section 11 of the Income-tax Act relating to income from property held for charitable or religious purposes.

Clause (d) of sub-section (1) of the said section provides that voluntary contributions made with a specific direction that they shall form part of the corpus of the trust or institution shall not be included in the total income of the trust or institution.

It is proposed to amend the said clause (d) so as to provide that such voluntary contributions should be invested or deposited in one or more of the forms or modes specified in sub-section (5) maintained specifically for such corpus.

It is further proposed to insert a new *Explanation* 4 to sub-section (1) so as to provide that—

(A) application out of the corpus shall not be considered as application for charitable or religious purposes for the purposes of clause (a) and (b) of sub-section (1), provided when it is invested or deposited back, into one or more of the forms or modes specified in sub-section (5) maintained specifically for such corpus, from the income of the previous year, such amount shall be allowed as application in the previous year in which it is deposited back to corpus and to the extent it is deposited back.

(B) application from loans and borrowings shall not be considered as application for charitable or religious purposes for the purposes of clause (a) and (b) of sub-section (1), provided when such loan or borrowing is repaid from the income of that previous year, such repayment shall be allowed as application in the previous year in which it is repaid and to the extent it is repaid.

It is also proposed to insert a new *Explanation* 5 to the said sub-section so as to provide that for the computation of income required to be applied or accumulated during the previous year, no set off or deduction or allowance of any excess application, of any of the year preceding the previous year, shall be allowed.

Explanation to sub-section (2) provides that if any trust or institution accumulates or set off apart its income then payment or credit out of such accumulation, to exempt entities as prescribed in the *Explanation*, shall not be treated as application. Clause (d) of sub-section (3) provides that such income, credited or paid to entities prescribed, shall be deemed to be income of the trust or institution.

It is proposed to make a reference of section 12AB in the said *Explanation* to the said sub-section (2) and clause (d) of sub-section (3), which provides for the procedure of registration.

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 7 of the Bill seeks to amend section 32 of the Income-tax Act relating to depreciation.

Sub-section (1) of the said section provides for deduction on account of depreciation on tangible assets (building, machinery, plant and furniture) and intangible assets (know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature) acquired on or after the 1st day of April, 1998, and are owned, wholly or partly by the assessee and are used wholly and exclusively for the purpose of business and profession while computing the income under the head 'Profits and gains of business or profession'.

It is proposed to amend clause (ii) of the said sub-section (1) so as to provide that goodwill of a business or profession shall not be considered as an asset for the purpose of the said clause and, hence, not eligible for depreciation.

Explanation 3 to the said sub-section defines the expression "assets" to mean tangible assets, being buildings, machinery, plant or furniture; and intangible assets, being know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature.

It is proposed to amend the said *Explanation* 3 so as to provide that goodwill of a business or profession shall not be considered as an asset for that purposes of the said sub-section.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 8 of the Bill seeks to amend section 36 of the Income-tax Act, relating to other deductions.

Sub-section (1) of the said section provides for allowing of deductions provided for in the clauses thereof for computing the income referred to in section 28 of the said Act. Clause (va) of the said sub-section provides for allowance of deduction for any sum received by the assessee from any of his employees to which the provisions of sub-clause (*x*) of clause (*24*) of section 2 apply, if such sum is credited by the assessee to the employee's account in the relevant fund or funds on or before the due date. *Explanation* to the said clause provides that for the purposes of this clause, "due date" means the date by which the assessee is required as an employer to credit an employee's contribution to the employee's account in the relevant fund under any Act, rule, order or notification issued thereunder or under any standing order, award, contract of service or otherwise.

It is proposed to insert *Explanation* 2 to clause (va) of sub-section (1) of the said section so as to clarify that the provisions of section 43B shall not apply and shall be deemed never to have been applied for the purposes of determining the "due date" under the said clause.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 9 of the Bill seeks to amend section 43B of the Income-tax Act relating to certain deductions to be only on actual payments.

Clause (b) of the said section provides that any sum payable by the assessee as an employer by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees shall be allowed (irrespective of the previous year in which the liability to pay such sum was incurred by the assessee according to the method of accounting regularly employed by him) only in computing the income referred to in section 28 of that previous year, in which such sum is actually paid by him. Proviso to the said section provides that nothing contained in this section shall apply in relation to any sum which is actually paid by the assessee on or before the due date applicable in his case for furnishing the return of income under sub-section (1) of section 139 in respect of the previous year in which the liability to pay such sum was incurred as aforesaid and the evidence of such payment is furnished by the assessee along with such return.

It is proposed to insert *Explanation* 5 to the said section so as to clarify that the provisions of that section shall not apply and shall be deemed never to have been applied to a sum received by the assessee from any of his employees to which the provisions of sub-clause (x) of clause (24) of section 2 applies.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 10 of the Bill seeks to amend section 43CA of the Income-tax Act relating to special provision for full value of consideration for transfer of assets other than capital assets in certain cases.

The proviso to sub-section (1) of the said section provides that where the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed one hundred and ten per cent. of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration received or accruing as a result of such transfer.

It is proposed to insert a second proviso to said sub-section to provide that in case of transfer of an asset, being a residential unit, the provisions of the first proviso shall have the effect as if for the words "one hundred and ten per cent.", the words "one hundred and twenty per cent." had been substituted, subject to the conditions that—

(a) the transfer of such residential unit takes place during the period beginning from the 12th day of November, 2020 and ending on the 30th Day of June, 2021;

(b) such transfer is by way of first time allotment of the residential unit to any person; and

(c) the consideration received or accruing as a result of such transfer does not exceed two crore rupees.

It is further proposed to insert an *Explanation* to the said section to define the expression "residential unit" to mean an independent housing unit with separate facilities for living, cooking and sanitary requirement, distinctly separated from other residential units within the building, which is directly accessible from an outer door or through an interior door in a shared hallway and not by walking through the living space of another household.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 11 of the Bill seeks to amend section 44AB of the Income-tax Act relating to audit of accounts of certain persons carrying on business or profession.

Clause (a) of the said section provides for audit of accounts for every person carrying on business, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds one crore rupees in any previous year. The proviso to the said clause provides that in the case of a person whose aggregate of all amounts received including amount received for sales, turnover or gross receipts during the previous year, in cash, does not exceed five per cent. of the said amount; and aggregate of all payments made including amount incurred for expenditure, in cash, during the previous year does not exceed five per cent. of the said payment, the said clause shall have effect as if for the words "one crore rupees" the words "five crore rupees" had been substituted.

It is proposed to amend the said proviso so as to increase the threshold from "five crore rupees" to "ten crore rupees".

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 12 of the Bill seeks to amend section 44ADA of the Income-tax Act relating to special provision for computing profits and gains of profession on presumptive basis.

Sub-section (1) of the said section provides that notwithstanding anything contained in sections 28 to 43C, in the case of an assessee, being a resident in India engaged in a profession referred to in sub-section (1) of section 44AA and whose total gross receipts do not exceed fifty lakh rupees in a previous year, a sum equal to fifty per cent. of the total gross receipts of the assessee in the previous year on account of such profession, or as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the assessee, shall be deemed to be the profits and gains of such profession chargeable to tax under the head "profits and gains of business of profession".

It is proposed to amend the said sub-section so that the assessee referred to therein shall, *inter alia*, mean an individual, Hindu undivided family or a partnership firm other than a Limited Liability Partnership as defined under clause (n) of sub-section (1) of section 2 of Limited Liability Partnership Act, 2008.

This amendment will come into force from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 13 of the Bill seeks to amend section 44DB of the Income-tax Act relating to special provision for computing deductions in the case of business reorganisation of co-operative banks.

The said section, *inter alia,* provides that where business reorganisation of co-operative banks takes place, the deductions under section 32, 35D, 35DD and 35DDA shall be apportioned between the predecessor co-operative bank and the successor co-operative bank in the proportion of the number of days before and after the date of business reorganisation.

It is proposed to expand the scope of the said section so as to include conversion of a primary co-operative bank to a banking company under its ambit.

It is also proposed to define the expressions “banking company”, “converted banking company”, “conversion” and “primary co-operative bank” and to make consequential amendment to the definition of “predecessor co-operative bank”.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 14 of the Bill seeks to amend section 45 of the Income-tax Act relating to Capital gains.

The aforesaid section *inter alia,* provides that any profits or gains arising from the transfer of a capital asset shall be chargeable to income-tax under the head “Capital gains” and shall be deemed to be the income of the previous year in which such transfer took place. Further, sub-section (4) of the said section, *provides that* the profits or gains arising from the transfer of a capital asset by way of distribution of capital assets on the dissolution of a firm or other association of persons or body of individuals (not being a company or a co-operative society) or otherwise, shall be chargeable to tax as the income of the firm, association or body, of the previous year in which the said transfer takes place.

It is proposed to insert sub-clause (1B) so as to provide that notwithstanding anything contained in sub-section (1), where any person receives at any time during any previous year any amount under a unit linked insurance policy, to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth proviso thereof, including the amount allocated by way of bonus on such policy, then, any profits or gains arising from receipt of such amount by such person shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of such person of the previous year in which such amount was received and the income taxable shall be calculated in such manner as may be provided by rules.

It is further proposed to substitute sub-section (4) in the said section so as to provide that where a specified person receives during the previous year any capital asset at the time of its dissolution or reconstitution of the specified entity, which represents the balance in his capital account in the books of accounts of such specified entity at the time of dissolution or reconstitution, then any profits or gains arising from receipt of such capital asset by the specified person shall be chargeable to income-tax as income of such specified entity under the head "Capital gains" and shall be deemed to be the income of such specified entity of the previous year in which such capital asset was received by the specified person.

It is also proposed to amend the section to provide that fair market value of the capital asset on the date of such receipt shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of such capital asset.

It is also proposed to amend the section to provide that the cost of acquisition of the capital asset shall be determined in accordance with the provisions of this Chapter.

It is also proposed to amend the section to provide that the balance in the capital account of the specified person in the books of account of the specified entity is to be calculated without taking into account increase in the capital account of the specified person due to revaluation of any asset or due to self-generated goodwill or any other self-generated asset.

It is also proposed to amend the section to define the expressions “self-generated goodwill” and “self-generated assets”, “specified entity” and “specified person”.

It is also proposed to insert sub-section (4A) in the said section so as to provide that where a specified person receives during the previous year any money or other asset at the time of dissolution or reconstitution of the specified entity, which is in excess of the balance in his capital account in the books of accounts of such specified entity at the time of its dissolution or reconstitution, then any profits or gains arising from receipt of such money or other asset by the specified person shall be chargeable to income-tax as income of such specified entity under the head "Capital gains" and shall be deemed to be the income of such specified entity of the previous year in which such money or other asset was received by the specified person.

It is also proposed to amend the section to provide that value of any money or the fair market value of other asset on the date of such receipt shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of such capital asset.

It is also proposed to amend the section to provide that the balance in the capital account of the specified person in the books of accounts of the specified entity at the time of its dissolution or reconstitution shall be deemed to be the cost of acquisition and the balance in the capital account of the specified person in the books of account of the specified entity is to be calculated without taking into account increase in the capital account of the specified person due to revaluation of any asset or due to self-generated goodwill or any other self-generated asset.

It is also proposed to amend the section to provide that for the purpose of this sub-section, the expressions “specified entity”, “self-generated goodwill”, “self-generated asset” and "specified person" shall have the meaning assigned to them in sub-section (4) of the Act.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 15 of the Bill seeks to amend section 47 of the Income-tax Act relating to transactions not regarded as transfer.

The said section, *inter alia,* provides that any transfer of a capital asset by the predecessor co-operative bank to the successor co-operative bank in a case of business reorganisation shall not be regarded as transfer.

It is proposed to amend clause (vica) of the said section to expand the scope of the said clause so as to provide that any transfer of a capital asset by the primary co-operative bank which has been converted into a banking company as a result of conversion shall not be considered as transfer for the purposes of capital gains.

Further, it is also proposed to amend clause (vicb) of the said section so as to provide that the allotment of shares of the converted banking company to the shareholders of the predecessor co-operative bank as a result of this conversion shall not be treated as transfer for the purposes of capital gains.

It is also proposed to amend the *Explanation* to clause (vicb) of the said section so as to provide that the expression "converted banking company" shall have the meaning assigned to it in section 44DB.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

It is proposed to insert new clauses (viiac) and (viiad) in the said section so as to provide that any transfer, in relocation, of a capital asset by the original fund to the resultant fund shall not be considered as transfer for the purpose of Capital gains tax. It is further proposed that the allotment of shares of the resultant fund to the shareholders of the original fund as a result of this relocation shall not be treated as transfer for the purpose of capital gains.

It is also proposed to define the expressions "original Fund", "relocation" and "resultant fund".

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 16 of the Bill seeks to amend section 48 of the Income-tax Act relating to mode of computation for income chargeable under the head capital gains.

The section *inter alia,* provides for computation of capital gains arising out of transfer of a capital asset by deducting from the full value consideration received or accruing as a result of such transfer, the amounts of expenditure incurred wholly and exclusively for such transfer and cost of acquisition as well as cost of any improvement thereto.

It is proposed to insert clause (iii) in the said section so as to provide in case of specified entity referred to in sub-section (4A) of section 45, the amount included in the total income of such specified entity under sub-section (4A) of section 45 which is attributable to the capital asset being transferred, calculated in the prescribed manner, shall be reduced from full value of consideration received or accruing as a result of transfer of the capital asset.

This amendment shall come into effect from the 1st day of April, 2021 and shall accordingly apply to assessment year 2021-2022 and subsequent assessment years.

Clause 17 of the Bill seeks to amend section 49 of the Income-tax Act relating to cost with reference to certain modes of acquisition.

Sub-section (1) of the said section provides that where the capital asset became the property of the assessee under certain situations, the cost of acquisition of the asset shall be deemed to be the cost for which the previous owner of the property acquired it, as increased by the cost of any improvement of the assets incurred or borne by the previous owner or the assessee, as the case may be.

It is proposed to amend sub-clause (e) of clause (iii) of the said sub-section so as to include the transfer referred to in clause (viiac) and (viiad) of section 47 also within the purview of that sub-section (1).

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 18 of the Bill seeks to amend section 50 of the Income–tax Act relating to special provision for computation of capital gains in case of depreciable assets.

The said section, *inter alia,* provides for certain conditions for the applicability of provisions of sections 48 and 49 for computation of capital gains in case of depreciable assets, where the capital asset is an asset forming part of a block of asset in respect of which depreciation has been allowed under the said Act.

It is proposed to insert a proviso in the said section so as to provide that in a case where goodwill of a business or profession forms part of a block of asset for the assessment year beginning on the 1st day of April, 2020 and depreciation thereon has been obtained by the assessee under the Act, the written down value of that block of asset and short term capital gain, if any, shall be determined in such manner as may be prescribed.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 19 of the Bill seeks to amend section 54GB of the Income-tax Act relating to capital gain on transfer of residential property not to be charged in certain cases.

The provisions of the said section, *inter alia*, provide for roll over benefit in respect of capital gain arising from the transfer of a long-term capital asset, being a residential property owned by the eligible assessee. In order to get benefit of this provision, the assessee is required to utilise the net consideration for subscription in the equity shares of an eligible company before the due date of filing of the return of income. Currently the benefit of this section is only available for investment in the equity shares of eligible start-ups upto 31st March 2021.

It is proposed to amend the proviso to sub-section (5) of the said section so as to provide that in case of an eligible start-up, the capital gains arising from transfer of residential property made upto 31st March, 2022 shall be eligible for the benefit under the said section.

This amendment will take effect from 1st April, 2021.

Clause 20 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”.

Clause (a) of sub-section (2) of the said section provides that for the purposes of sections 48 and 49, "cost of acquisition" in relation to a capital asset, being goodwill of a business or a trade mark or brand name associated with a business or a right to manufacture, produce or process any article or thing or right to carry on any business or profession, tenancy rights, stage carriage permits or loom hours,—

(*i*) in the case of acquisition of such asset by the assessee by purchase from a previous owner, means the amount of the purchase price; and

(*ii*) in any other case [not being a case falling under sub-clauses (*i*) to (*iv*) of sub-section (1) of section 49], shall be taken to be *nil* ;

It is proposed to substitute the said clause so as to provide that in relation to a capital asset, being goodwill of a business or profession, or a trade mark or brand name associated with a business or profession, or a right to manufacture, produce or process any article or thing, or right to carry on any business or profession, or tenancy rights, or stage carriage permits, or loom hours,—

(*i*) in the case of acquisition of such asset by the assessee by purchase from a previous owner, means the amount of the purchase price; and

(ii) in the case falling under sub-clause (i) to (iv) of sub-section (1) of section 49 and where such asset was acquired by the previous owner (as defined in that section) by purchase, means the amount of the purchase price for such previous owner; and

(*iii*) in any other case, shall be taken to be *nil.*

It is also proposed to provide therein that in case of goodwill of business or profession acquired by the assessee by way of purchase from a previous owner (either directly or through modes specified under sub-clause (i) to (iv) of sub-section (1) of section 49) and any deduction on account of depreciation under section 32 of the said Act has been obtained by the assessee in any previous year preceding the previous year relevant to the assessment year commencing on or after the 1st day of April, 2021, then the cost of acquisition will be the purchase price as reduced by the depreciation so obtained by the assessee before the previous year relevant to the assessment year commencing on the 1st day of April, 2021.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to assessment year 2021-2022 and subsequent assessment years.

Clause 21 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Sub-clause (b) of clause (x) of sub-section (2) of the said section, *inter alia,* provides that where any person receives any immovable property in any previous year from any person or persons on or after the 1st day of April, 2017 for a consideration, and where the stamp duty value of such property exceeds ten per cent. of the consideration and the excess

amount thereof is more than fifty thousand rupees, it shall be charged to tax under the head income from other sources.

It is proposed to insert a fourth proviso to the said clause so as to provide that in case of property being referred to in the second proviso to sub-section (1) of section 43CA, the provisions of sub-item (ii) of item (B) of the said clause shall have the effect as if for the words "ten per cent.", the words "twenty per cent." had been substituted.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause (x) of sub-section (2) of the said section, *inter alia*, provides that the assets received without or inadequate consideration shall be charged to tax under the head "Income from other sources".

It is proposed to amend the proviso to said clause of the said sub-section so as to exclude the transfer of capital asset between the original Fund and the resultant fund, which are not regarded as transfer under clause (viiac) or clause (viiad) of section 47, from the scope of clause (x) of the said sub-section.

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 22 of the Bill seeks to amend section 72A of the Income-tax Act relating to provisions relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc.

Sub-section (1) of the said section provides that the accumulated loss and unabsorbed depreciation of the amalgamating company or companies shall be deemed to be the accumulated losses and unabsorbed depreciation of the amalgamated company or companies in specified cases and subject to the conditions specified in the said section.

Clause (c) of the said sub-section, *inter alia*, provides that where there has been amalgamation of one or more public sector company or companies engaged in the business of operation of aircraft with one or more public sector company or companies engaged in similar business then notwithstanding anything contained in any other provisions of the said Act, the accumulated loss and the unabsorbed depreciation of the amalgamating company shall be deemed to be the loss or, as the case may be, the allowance for unabsorbed depreciation of the amalgamated company for the previous year in which the amalgamation was effected.

It is proposed to substitute the said clause so as to provide that in case of amalgamation of one or more public sector company or companies with one or more public sector company or companies, the accumulated loss and the unabsorbed depreciation of the amalgamating company shall be deemed to be the loss, or as the case may be, the allowance for unabsorbed depreciation of the amalgamated company for the previous year in which the amalgamation was effected.

It is further proposed to insert a new clause (d) to the said sub-section so as to provide that in case of amalgamation of an erstwhile public sector company with one or more

company or companies, if the share purchase agreement entered into under strategic disinvestment restricted immediate amalgamation of the said public sector company and the amalgamation is carried out within five years from the end of the previous year in which the restriction on amalgamation in the share purchase agreement ends, the accumulated loss and the unabsorbed depreciation of the amalgamating company shall be deemed to be the loss or, as the case may be, allowance for unabsorbed depreciation of the amalgamated company for the previous year in which the amalgamation was effected, and other provisions of the said Act relating to set off and carry forward of loss, and the allowance for depreciation shall apply accordingly.

It is also proposed to insert a proviso to the said sub-section so as to provide that the accumulated loss and the unabsorbed depreciation of the amalgamating company, in case of an amalgamation referred to in clause (d), which is deemed to be loss or, as the case may be, allowance for unabsorbed depreciation of the amalgamated company, shall not be more than the accumulated loss and unabsorbed depreciation of the public sector company as on the date on which the public sector company ceases to be a public sector company as a result of strategic disinvestment.

It is also proposed to insert an *Explanation* to define the expressions "control", "erstwhile public sector company" and "strategic disinvestment" for the purposes of clause (d) of the said sub-section.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 23 of the Bill seeks to amend section 79 of the Income-tax Act relating to carry forward and set off of losses in case of certain companies.

Sub-section (1) of the said section provides that where a change in shareholding has taken place during the previous year in the case of a company, not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per cent. of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent. of the voting power on the last day of the year or years in which the loss was incurred. Further sub-section (2) of said section provides that the exceptions to the above provision contained in the said sub-section.

It is proposed to insert a new clause in sub-section (2) to the said section so as to provide that nothing contained in the section shall apply to a case to the extent that a change in the shareholding takes place during the previous year on account of relocation referred to in the *Explanation* to clause (viiac) and (viiad) of section 47.

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 24 of the Bill seeks to amend section 80EEA of the Income-tax Act relating to deduction in respect of interest on loan taken for certain house property.

The said section, *inter alia*, provides for deduction in respect of interest on loan taken for a residential house property from any financial institution up to one lakh fifty-thousand rupees subject to the condition that the loan has been sanctioned during the period beginning on 1st April, 2019 and ending on 31st March, 2021. This is subject to further condition that the stamp duty value of residential house property does not exceed forty-five lakh rupees and the assessee does not own any residential house property on the date of sanction of loan.

It is proposed to amend sub-section (3) of the said section so as to provide that the deduction under section 80EEA in respect of interest paid on loan sanctioned by a financial institution for acquisition of a residential house property, shall be available if the loan has been sanctioned during the period beginning on 1st April, 2019 and ending on 31st March, 2022, subject to other conditions specified in the said section.

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 25 of the Bill seeks to amend section 80-IAC of the Income-tax Act relating to special provision in respect of specified business.

The existing provisions of the section 80-IAC of the said Act, *inter alia*, provide for a deduction of an amount equal to one hundred per cent. of the profits and gains derived from an eligible business by an eligible start-up for three consecutive assessment years out of ten years at the option of the assessee subject to the condition that the total turnover of its business does not exceed one hundred crore rupees for an eligible start-up incorporated on or after the 1st day of April, 2016 but before the 1st day of April, 2021.

It is proposed to extend the period of incorporation of such eligible start-ups till 1st day of April, 2022.

This amendment will take effect from the 1st April, 2021.

Clause 26 of the Bill seeks to amend section 80-IBA of the Income-tax Act relating to deductions in respect of profits and gains from housing project.

The provisions of sub-section (1) of the said section provides for hundred per cent. deductions of the profits and gains derived from the business of developing and building affordable housing project subject to certain conditions. Further the provisions of clause (a) of sub-section (2) of said section provide that the housing project shall be approved by the competent authority after 1st June, 2016 but on or before 31st March, 2021.

It is proposed to insert sub-section (1A) in the said section so as to provide for hundred per cent. deductions of the profits and gains derived from the business of developing and building affordable rental housing project.

It is further proposed to amend clause (a) of sub-section (2) so as to allow the deduction in respect of profits and gains derived from the business of developing and building housing project for hundred per cent. of the profits and gains derived from the business of developing and building such project approved by the competent authority after 1st day of June, 2016 but on or before 31st March, 2022.

It is also proposed to insert a new clause (da) in sub-clause (6) to define the expression "rental housing project".

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 27 of the Bill seeks to amend section 80LA of the Income-tax Act relating to deduction in respect certain incomes of Offshore Banking Units and International Financial Services Centre.

The provisions of the said section*, inter alia*, provides that where the gross total income of an assessee, (i) being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an Offshore Banking Unit in a Special Economic Zone; or (ii) being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to (a) one hundred per cent. of such income for such assessment years mentioned in sub-section(1) and sub-section(1A) of that section respectively.

It is proposed to amend the provisions of said sub-section (1A) so as to provide that deduction can also be claimed if permission or registration under the International Financial Services Centre Authority Act, 2019 was obtained.

Further sub-section (2) of the said section provides for the incomes which are eligible for deduction under the said section.

It is proposed to amend the provisions of said sub-section (2) of the said section by inserting new clause (d) so as to provide that the income from transfer of an asset ,being an aircraft or aircraft engine which was leased by a unit referred to in clause (c) to a domestic company engaged in the business of operation aircraft before such transfer subject to the condition that the unit has commenced operation on or before the 31st day of 2024 shall also be eligible for deduction.

Further sub-section (3) of the said section provides that no deduction under that section shall be allowed unless the assessee furnishes the report by an accountant certifying correct claim of deduction and a copy of permission obtained under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949.

It is proposed to amend clause (ii) of sub-section (3) of the said section so as to provide that in case the unit is registered under the International Financial Services Centre Authority Act, 2019 then the copy of permission shall mean a copy of the permission or registration obtained under the International Financial Services Centre Authority Act, 2019.

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment year.

Clause 28 of the Bill seeks to insert a new section 89A in the Income-tax Act relating to relief from taxation in income from retirement benefit account maintains in a notified country.

The proposed new section provides that the income of a specified person from specified account shall be taxed in such manner and for such year as may be provided by rules and also defines the expressions “specified person”, “specified account” and “notified country”.

This amendment will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 29 of the Bill seeks to amend section 112A of the Income-tax Act relating to tax on long-term capital gains in certain cases.

Explanation to the said section, *inter alia*, provides for the definition of the expression “equity oriented fund”.

It is proposed to amend the said *Explanation* to the section so as to include a fund set up under a scheme of an insurance company comprising unit linked insurance policies to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth proviso thereof within the definition of “equity oriented fund”.

This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 30 of the Bill seeks to amend section 115AD of the Income-tax Act relating to tax on income of Specified Fund or Foreign Institutional Investors from securities or capital gains arising from their transfer.

It is proposed to amend the said section so as to provide that income of investment division of an offshore banking unit of a non-resident from securities or capital gains arising from their transfer shall also be taxed at the rate of ten per cent. under the provisions of the said section.

It is further proposed to insert a new sub-section (1B) in the said section so as to provide investment division of an offshore banking unit, the provision of this section shall apply to the extent of income that is attributable to the investment division of such banking unit referred to in sub-clause (ii) of clause (c) to the *Explanation* to clause (4D) of section 10 as a Category-III portfolio investor under the Securities and exchange Board of India (Foreign Portfolio investors) Regulations, 2019 made under the Securities And Exchange Board of India Act, 1992, calculated in the prescribed manner.

It is also proposed to define the expression “investment division of an offshore banking unit”.

These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 31 of the Bill seeks to amend section 115JB of the Income-tax Act relating to special provision for payment of tax by certain company.

The said section provides for levy of tax on the basis of book profit which is determined after making certain adjustments to the net profit disclosed in the profit and loss account prepared in accordance with the provisions of the Companies Act, 2013.

Clause (iid) of *Explanation* 1 of the said section provides that the amount of income in the nature of capital gains, interest, royalty or fee for technical services accruing or arising to an assessee, being a foreign company, will be reduced from the book profit if such income is credited to the statement of profit and loss and tax on such income is at a rate less than the rate specified under that section. Further such assessee will be allowed expenses relatable to such income mentioned in the said clause under sub-clause (B) of clause (fb) of the said *Explanation*.

It is proposed to amend the said clause (fb) and clause (iid), occurring in the long line of *Explanation* 1, so as to provide similar relief to dividend as already there for capital gains, interest, royalty and fee for technical services as provided in these clauses.

It is further proposed to insert a new sub-section (2D) in the said section so as to provide that where in the case of the company there is an increase in book profit of the previous year due to income of past year or years included in the book profit on account of an advance pricing agreement entered into by the assessee under section 92CC or on account of secondary adjustment required to be made under section 92CE, the Assessing Officer shall, on an application made to him in this behalf by the asssessee, recompute the book profit of the past year or years and tax payable, if any, by the assessee during the previous year under sub-section (1), in such manner as may be provided by rules and the provisions of section 154 shall, so far as may be, apply and the period of four years specified in sub-section (7) of that section shall be reckoned from the end of the financial year in which the said application is received by the Assessing Officer.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 32 of the Bill seeks to amend the section 139 of the Income-tax Act relating to return of income.

The said section provides for the filing of return of income for different persons or class of persons and time-limits for doing so.

It is proposed to amend sub-clause (iii), in clause (a), in *Explanation* 2, in sub-section (1) of the said section so as to provide that the due date for filing return of income for the spouse of the partner of a firm, if the governed by the provisions of section 5A of the said Act, shall be 31st October of the assessment year.

It is further proposed to amend clause (aa) of the said *Explanation* so as to provide that the due date for filing of return of income for partners of a firm, which is required to furnish report referred to in section 92E, shall be 30th November of the assessment year.

It is also proposed to amend sub-section (4) of the said section so as to provide that any person who has not furnished a return of income within the due date as per sub-section (1) of the said section may furnish a return for any previous year at any time within three months prior to the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.

It is also proposed to amend sub-section (5) of the said section so as to provide that a

return of income filed under sub-sections (1) or (4) can be revised at any time within three months prior to the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.

It is also proposed to insert proviso before the *Explanation* to sub-section (9) of the said section so as to provide that the Board may specify, by notification, that any of the conditions specified in clauses (a) to (f) of the said *Explanation* shall not apply to such class of assessees or shall apply with such modifications, as may be specified in such notification.

These amendments will take effect from lst April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 33 of the Bill seeks to amend section 142 of the Income-tax Act relating to inquiry before assessment.

Clause (i) of sub-section (1) of the said section empowers only the Assessing Officer to serve notice to an assessee requiring him to file return of income.

It is proposed to insert a second proviso in the said clause so as to empower the prescribed income-tax authority also to serve notice under clause (i) of sub-section (1) of the said section for the purposes of that clause.

This amendment will take effect from lst day of April, 2021.

Clause 34 of the Bill seeks to amend section 143 of the Income-tax Act relating to assessment.

Sub-clause (iv) of clause (a) of sub-section (1) of section 143 of the said Act provides for adjustment on account of disallowance of expenditure indicated in the audit report but not taken into account in calculating the total income of the assessee.

It is proposed to amend the said sub-clause so as to allow for the adjustment on account of increase in income indicated in the audit report but not taken into account in computing the total income.

Sub-clause (v) of clause (a) of sub-section (1) of the said section provides that any deduction admissible under sections 10AA, 80-IA, 80-IAB, 80-IB, 80-IC, 80-ID or section 80-IE, shall be allowed if the return of income is furnished on or before the due date specified under sub-section (1) of section 139 of the Act.

It is proposed to amend the said sub-clause so as to provide that any deduction admissible under section 10 AA or under any of the provisions of Chapter VIA under the heading "C.—Deductions in respect of certain incomes" shall be allowed, if the return of income is furnished on or before the due date specified under the sub-section (1) of section 139 of the said Act.

It is also proposed to amend the said section so as to reduce the time limit specified for sending intimation under sub-section (1) from one year to nine months and to reduce the time limit for sending notice under sub-section (2) from six months to three months from the end of the financial year in which the return is furnished.

These amendments will take effect from 1st April, 2021.

Clause 35 of the Bill seeks to amend section 147 of the Income-tax Act relating to income escaping assessment.

It is proposed to substitute the said section so as to provide that if any income chargeable to tax, in the case of an assessee, has escaped assessment for any assessment year, the Assessing officer may, subject to the provisions of sections 148 to 153, assess or reassess such income and also any other income chargeable to tax which has escaped assessment and which comes to his notice subsequently in the course of the proceedings under this section, or recompute the loss or the depreciation allowance or any other allowance, as the case may be, for such assessment year.

This amendment will take effect from 1st April, 2021.

Clause 36 of the Bill seeks to amend section 148 of the Income-tax Act relating to issue of notice where income has escaped assessment.

It is proposed to substitute the said section so as to provide that before making the assessment, reassessment or recomputation under section 147, and subject to the provisions of section 148A, the Assessing Officer shall serve on the assessee a notice along with a copy of order passed under clause (d) of section 148A, requiring him to furnish within such period, as may be specified in such notice, a return of his income or the income of any other person in respect of which he is assessable under this Act during the previous year corresponding to the relevant assessment year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed; and the provisions of this Act shall, so far as may be, apply accordingly as if such return were a return required to be furnished under section 139, provided that no notice under the said 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 and prior approval of the specified authority to issue such notice has been obtained by the Assessing Officer. The proposed *Explanation 1* to the said section provides for the purposes of the said section and section 148A, that information which suggests that the income chargeable to tax has escaped assessment means any information flagged 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 any final objection raised by the Comptroller and Auditor General of India 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. The proposed *Explanation 2* provides that where (i) a search is initiated under section 132 or books of account, other documents or any assets are requisitioned under section 132A, on or after the 1st day of April,2021, in the case of the assessee; or (ii) survey is conducted under section 133A in the case of the assessee; or (iii) the Assessing Officer is satisfied, with the prior approval of Principal Commissioner or Commissioner, that any money, bullion, jewellery or other valuable article or thing, seized or requisitioned in case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or (iv) the Assessing officer is satisfied, with the prior approval of Principal Commissioner or Commissioner, that any books of account or documents, seized or requisitioned in case of any other person on or after the 1st day of April, 2021, pertains or pertain to, or any information contained therein, relate to, the assessee, the Assessing officer shall be deemed to have information which suggests that the income chargeable to tax has escaped assessment in the case of the assessee for

the three assessment years immediately preceding the assessment year relevant to the previous year in which the search is initiated or books of account, other documents or any assets are requisitioned or survey is conducted or money, bullion, jewellery or other valuable article or thing or books of account or documents are seized or requisitioned in case of any other person. The proposed *Explanation* 3 provides that the "specified authority" shall mean the specified authority referred to in section 151.

This amendment will take effect from 1st April, 2021.

Clause 37 of the Bill seeks to insert a new section 148A in the Income-tax Act relating to Conducting inquiry, providing opportunity before issue of notice under section 148.

It is proposed to insert a new section 148A, which seeks to provide that the Assessing Officer shall, before issuing any notice under section 148, - (a) conduct any enquiry, if required, with the prior approval of specified authority, with respect to the information which suggests that income chargeable to tax has escaped assessment; (b) provide an opportunity of being heard to the assessee, with the prior approval of specified authority, by serving upon him a notice to show cause within such time, as may be specified in the notice, being not less than seven days but not exceeding thirty days from the date on which such notice is issued, or such time, as may be extended by him on the basis of an application in this behalf, as to why a notice under section 148 should not be issued on the basis of information which suggests that income chargeable to tax has escaped assessment in his case for the relevant assessment year and results of enquiry conducted, if any, as per clause (a); (c) consider the reply of assessee furnished, if any, in response to the show-cause notice referred to in clause (b); and (d) decide, on the basis of material available on record including reply of the assessee, whether or not it is a fit case to issue a notice under section 148, by passing an order, with the prior approval of specified authority, within one month from the end of the month in which the reply referred to in clause (c) is received by him, or where no such reply is furnished, within one month from the end of the month in which time or extended time allowed to furnish a reply as per clause (b) expires, provided that the provisions of this sub-section shall not apply in a case, where 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 the assessee on or after the 1st day of April, 2021 or the Assessing officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any money, bullion, jewellery or other valuable article or thing, seized in a search under section 132 or requisitioned under section 132A, in the case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or the Assessing officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any books of account or documents, seized in a search under section 132 or requisitioned under section 132A, in case of any other person on or after the 1st day of April, 2021, pertains or pertain to, or any information contained therein, relates to, the assessee. *Explanation* 3 to the said section provides that "Specified authority" shall mean specified authority referred to in section 151.

This amendment will take effect from 1st April, 2021.

Clause 38 of the Bill seeks to amend section 149 of the Income-tax Act relating to time limit for notice.

It is proposed to substitute the said section so as to provide that no notice under section 148 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 ten years, 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 which reveal that the income chargeable to tax, represented in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more for that year. Provided that no notice under section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April, 2021, if such notice could not have been issued at that time on account of being beyond the time limit prescribed under the provisions of clause (b), as they stood immediately before the commencement of the Finance Act, 2021. Further, the provisions of this section shall not apply to cases where a notice under section 153A or section 153C read with section 153A is required to be issued in relation to a search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A on or before the 31st day of March, 2021 and for the purposes of computing the period of limitation as per this section, the time or extended time allowed to the assessee, as per show-cause notice under clause (b) of section 148A; or the period during which the proceeding under section 148A is stayed by an order or injunction of any court shall be excluded and also where immediately after the exclusion of such period, the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A is less than seven days, such remaining period shall be extended to seven days and the period of limitation in sub-section (1) shall be deemed to be extended accordingly.

This amendment will take effect from 1st April, 2021.

Clause 39 of the Bill seeks to substitute of a new section for section 151 relating to sanction for issue of notice.

It is proposed to substitute the said section so as to provide that for the purpose of section 148, specified authority shall be (i) Principal Commissioner of Income-tax or Principal Director of Income-tax or Commissioner of Income-tax or Director of Income-tax, if three years or less than three years have elapsed from the end of the relevant assessment year; (ii) Principal Chief Commissioner of Income-tax or Principal Director General of Income-tax, or where there is no Principal Chief Commissioner of Income-tax or Principal Director General of Income-tax, Chief Commissioner of Income-tax or Director General of Income-tax, if more than three years have elapsed from the end of the relevant assessment year.

This amendment will take effect from 1st April, 2021.

Clause 40 of the Bill seeks to amend section 151A of the Income-tax Act relating to faceless assessment of income escaping assessment.

It is proposed to amend the said section so as to provide that conducting of enquiries or issuing show-cause notice or passing order under section 148A (before issuance of notice under section 148) in the scheme to be notified as specified under the said section.

This amendment will take effect from 1st April, 2021.

Clause 41 of the Bill seeks to amend section 153 of the Income-tax Act relating to time limit for completion of assessment, reassessment and recomputation.

The said section provides for the time-limit for completion of assessment, reassessment and recomputation in certain cases mentioned therein.

It is proposed to amend sub-section (1) of the said section to insert the third proviso so as to provide that for the assessment year commencing on or after the 1st April, 2021, the time limit for making an assessment order under sections 143 or 144 shall be reduced from the existing twenty-one months to nine months from the end of the assessment year in which the income was first assessable.

This amendment will take effect from lst April, 2021.

Clause 42 of the Bill seeks to amend section 153A of the Income-tax Act relating to assessment in case of search or requisition.

It is proposed to amend the said section so as to provide that the search or requisition shall only apply where search or requisition is made on or before 31st March, 2021. Consequently, assessments under section 153A and 153C shall not be made in respect of a search or requisition made on or after 1st April, 2021.

This amendment will take effect from 1st April, 2021.

Clause 43 of the Bill seeks to amend section 153C of the Income-tax Act relating to assessment of income of any other person.

It is proposed to amend the said section so as to insert sub-section (3) therein to provide that nothing contained in the said section shall apply in relation to a search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A on or after 1st day of April, 2021.

This amendment will take effect from 1st April, 2021.

Clause 44 of the Bill seeks to amend section 194 of the Income-tax Act relating to dividends.

The said section provides for deduction of tax at source on payment of dividends by an Indian company including dividends on preference shares within India. The second proviso to the said section provides that the provisions of that section shall not apply to such income credited or paid to certain insurance companies or insurers.

It is proposed to amend the second proviso to the said section to provide that the provisions of that section shall not apply to such income credited or paid to a business trust as defined in clause (13A) of section 2 by a special purpose vehicle referred to in the *Explanation* to clause (23FC) of section 10 or any other person as may be notified by the Central government in this behalf.

This amendment will take effect retrospectively from 1st April, 2020.

Clause 45 of the Bill seeks to amend section 194A of the Income-tax Act relating to interest other than “Interest on securities”.

Sub-section (3) of the said section provides that the provisions of sub- section (1) of that section relating to deduction of tax on income by way of interest other than interest on securities, shall not apply.

It is proposed to include infrastructure debt fund also within the purview of clause (x) of the said sub-section so as to provide that tax shall not be deducted on income in relation to a zero coupon bond issued by infrastructure debt fund.

This amendment will take effect from 1st April, 2021.

Clause 46 of the Bill seeks to amend section 194-IB of the 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.

Sub-section (4) of the said section provides that in a case where the tax is required to be deducted as per the provisions of section 206AA, such deduction shall not exceed the amount of rent payable for the last month of the previous year or the last month of the tenancy, as the case may be.

It is proposed to amend the said sub-section (4) so as to insert section 206AB for the purposes of the said sub-section.

This amendment will take effect from 1st July, 2021.

Clause 47 of the Bill seeks to insert a new section 194P of the Income-tax Act relating to deduction of tax in case of specified senior citizen.

Sub-section (1) of the said section seeks to provide that notwithstanding anything contained in the provisions of Chapter XVII-B, in case of a specified senior citizen, the specified bank shall, after giving effect to the deduction allowable under Chapter VI-A and rebate allowable under section 87A, compute the total income of such specified senior citizen for the relevant assessment year and deduct income-tax on such total income on the basis of the rates in force.

Sub-section (2) of the said section seeks to provide that the provisions of section 139 shall not apply to a specified senior citizen for the assessment year relevant to the previous year in which the tax has been deducted under sub-section (1).

Explanation to the said section seeks to define the following expressions for the purposes of the said section,—

(a) "specified bank" means a banking company as the Central Government may, by notification in Official Gazette, specify;

(b) "specified senior citizen" means an individual, being a resident in India–

(i) who is of the age of seventy-five years or more at any time during the previous year;

(ii) who is having income of the nature of pension and no other income except the income of the nature of interest received or receivable from any account maintained by such individual in the same specified bank in which he is receiving his pension income; and

(iii) has furnished a declaration to the specified bank containing such particulars, in such form and verified in such manner, as may be prescribed.

This amendment will take effect from 1st April, 2021.

Clause 48 of the Bill seeks to insert a new section 194Q in the Income-tax Act relating the deduction of tax at source on payment of certain sum for purchase of goods**.**

Sub-section (1) of the proposed new section seeks to provide that any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent. of such sum exceeding fifty lakh rupees as income-tax.

The *Explanation* to the proposed sub-section (1) seeks to define "buyer" to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

Sub-section (2) thereof section seeks to provide that where any sum referred to in sub-section (1) is credited to any account, whether called "Suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be a credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

Sub-section (3) thereof seeks to provide that if any difficulty arises in giving effect to the provisions of the said section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

Sub-section (4) thereof seeks to provide that every guideline issued by the Board under sub-section (3) shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.

Sub-section (5) thereof seeks to provide that the provisions of the proposed section shall not apply to a transaction on which—

(a) tax is deductible under any of the provisions of this Act; and

(b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

This amendment will take effect from 1st July, 2021.

Clause 49 of the Bill seeks to amend section 196D of the Income-tax Act relating to income of Foreign Institutional Investors from securities.

Sub-section (1) of the said section provides for deduction of tax on any income referred to in clause (a) of sub-section (1) of section 115AD, not being income by way of interest referred to in section 194LD of the Income-tax Act, payable to a Foreign Institutional Investor, being the person responsible for making the payment, at the rate of twenty per cent.

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

This amendment will take effect from 1st April, 2021.

Clause 50 of the Bill seeks to amend section 206AA of the Income-tax Act relating to requirement to furnish Permanent Account Number.

Sub-section (1) of the said section provides that notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates namely, at the rate specified in the relevant provision of this Act; or at the rate or rates in force; or at the rate of twenty per cent.

It is proposed to insert the second proviso so as to provide that where the tax is required to be deducted under section 194Q, the provisions of clause (iii) shall apply as if for the words “twenty per cent.”, the words “five per cent.” had been substituted**.**

This amendment will take effect from 1st July, 2021.

Clause 51 of the Bill seeks to insert section 206AB of the Income-tax Act relating to the deduction of tax at source on non-filers of income-tax return.

Sub-section (1) of the proposed new section 206AB seeks to provide that notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIB, other than sections 192, 192A, 194B, 194BB, 194LBCor 194N on any sum or income or amount paid, or payable or credited, by a person (hereafter referred to as deductee) to a specified person, the tax shall be deducted at the higher of the following rates, namely, at twice the rate specified in the relevant provision of the Act; or at twice the rate or rates in force; or at the rate of five per cent..

Sub-section (2) thereof seeks to provide that if the provision of section 206AA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.

Sub-section (3) thereof seeks to define the expression "specified person" to mean a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years.

Proviso to proposed sub-section (3) seeks to provide that the specified person shall not include a non-resident who does not have a permanent establishment in India.

Explanation to the said section seeks to provide that for the purposes of this sub-section the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.

This amendment will take effect from 1st July, 2021.

Clause 52 of the Bill seeks to insert section 206CCA of the Income-tax Act relating to specified provisions for the collection of tax at source on non-filers of income-tax return.

Sub-section (1) of the proposed new section 206CCA seeks to provide that notwithstanding anything contained in any other provisions of this Act, where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person (hereafter referred to as collectee) from a specified person, the tax shall be collected at the higher of the following two rates, namely, at twice the rate specified in the relevant provision of the Act; or at the rate of five per cent..

Sub-section (2) thereof seeks to provide, that if the provision of section 206CC is applicable to a specified person, in addition to the provision of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC.

Sub-section (3) thereof seeks to define "specified person" tomean a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years.

Proviso to the proposed sub-section (3) provides that the specified person shall not include a non-resident who does not have a permanent establishment in India.

Explanation to the said section seeks to provide that for the purposes of this sub-section the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.

This amendment will take effect from 1st July, 2021.

Clause 53 of the Bill seeks to amend section 234C of the Income-tax Act relating to interest for deferment of advance tax.

The first proviso to sub-section (1) of the said section provides for categories of incomes for which there will be no charge of interest under the said section, in the event of failure to estimate such incomes resulting in a shortfall in the advance tax payments and tax due has been paid in the subsequent advance tax instalments.

It is proposed to substitute clause (d) of the first proviso to said sub-section to include dividend income along with capital gains therein, so as to provide that the interest under the said section shall not be applicable to any shortfall in the payment of the tax due on the returned income where such shortfall is on account of under-estimate or failure to estimate dividend.

It is further proposed to insert *Explanation* 2 in the said sub-section to define the term "dividend".

These amendments will take effect from lst April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 54 of the Bill seeks to amend the Chapter XIX-A of the Income-tax Act relating to settlement of cases by the Income-tax Settlement Commission (ITSC).

It is proposed to amend section 245A of the said Act to define various expressions such as "Interim Board" shall mean Interim Board for settlement constituted under section 245AA, "Member of the Interim Board" shall mean a Member of the Interim Board and "Pending Application" shall mean an application which was filed under section 245C and which was not declared invalid under sub-section (2C) of section 245D and no order under sub-section (4) of section 245D was issued on or before the 31st day of January, 2021 with respect to such application for the purposes of this Chapter.

This amendment will take effect retrospectively from lst February, 2021.

Clause 55 of the Bill seeks to insert a new section 245AA of the Income-tax Act so as to provide for constitution of one or more Interim Board for settlement of pending applications and to provide that every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner. If the members of the Interim Board differ in opinion on any point, the point shall be decided according to the opinion of majority.

This amendment will take effect retrospectively from lst February, 2021.

Clause 56 of the Bill seeks to amend section 245B of the said Act so as to provide that the Income tax Settlement Commission shall cease to operate on or after the 1st day of February, 2021.

This amendment will take effect retrospectively from lst February, 2021.

Clause 57 of the Bill seeks to amend section 245BC of the said Act so as to provide that the existing provisions of the said section shall not apply on or after the 1st day of February, 2021.

This amendment will take effect retrospectively from lst February, 2021.

Clause 58 of the Bill seeks to amend section 245BD of the said Act so as to provide that the existing provisions of the said section shall not apply on or after the 1st day of February, 2021.

This amendment will take effect retrospectively from lst February, 2021.

Clause 59 of the Bill seeks to amend section 245C of the said Act so as to provide that no application shall be made under this section on or after 1st day of February, 2021.

This amendment will take effect retrospectively from lst February, 2021.

Clause 60 of the Bill seeks to amend section 245D of the said Act so as to provide that where an order was required to be passed on an application made under sub-section (2C) of the said section on or before the 31st day of January, 2021 and has not been passed till such date, such application shall be deemed to be valid. It is further proposed to amend sub-section (6B) to provide that any order passed under sub-section (4) may be amended and specific reference to any amendment made by Settlement Commission be omitted. It is further proposed to insert sub-section (9) to provide that on and from the 1st day of February, 2021, the provisions of sub-sections (1), (2), (2B), (2C), (3), (4), (4A), (5), (6) and section (6B) shall apply to pending applications allotted to the Interim Board. Further, for the purposes of the said section the date referred to in sub-section (2) of section 245M shall be taken as the date on which the application was made and received under section 245C and where the time-limit for amending any order or filing of rectification application as per sub-section (6B) of the said section expires on or after the 1st day of February, 2021, the period of limitation shall exclude the period commencing from the 1st February, 2021 and ending on the end of the month in which the Interim Board is constituted. However, in cases where the remaining period is less than sixty days the same shall be deemed to have been extended to sixty days. It is also proposed to insert sub-section (10) so as to provide that the provisions of sub-sections (6A) and (7) shall have effect as if for the words "Settlement Commission", the words "Settlement Commission or Interim Board of Settlement".

It is also proposed to insert sub-sections (11), (12) and (13) in the said section so as to, *inter alia*, provide for a scheme, by notification in the Official Gazette, for the disposal of pending applications by the Interim Board. Proposed sub-section (11) provides that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of settlement in respect of pending applications by the Interim Board, so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Interim Board and the assessee in the course of proceedings to the extent technologically feasible, optimising utilisation of the resources through economies of scale and functional specialisation and introducing a mechanism with dynamic jurisdiction. Proposed sub-section (12) provides that the Central Government may, for the purposes of giving effect to the scheme made under sub-section (11), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification provided no direction shall be issued after the 31st day of March, 2023. Proposed sub-section (13) provides that every notification issued under sub-section (11) and sub-section (12) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

This amendment will take effect retrospectively from lst February, 2021.

Clauses 61, 62, 63 and 64 of the Bill seeks to amend sections 245DD, 245F, 245G and 245H of the Income-tax Act so as to provide that the powers and functions of Settlement Commission under the said sections shall be exercised or performed by the Interim Board on or after the 1st day of February, 2021 and all the provisions of the said sections shall *mutatis mutandis* apply to Interim Board as they applied to Settlement Commission.

These amendments will take effect retrospectively from lst February, 2021.

Clause 65 of the Bill seeks to insert new section 245M in the Income-tax Act so as to provide that the assessee an option to withdraw his application made under section 245C. Proposed sub-section (1) thereof, *inter alia*, provides that the assessee who had filed an application which is pending before the Interim Board has the option to withdraw such application within three months from the date of commencement of Finance Act, 2021 and intimate the Assessing Officer about such withdrawal in the manner prescribed. However, if such option is not exercised by the assessee within the time allowed, the pending application shall be deemed to have been received by the Interim Board on the date on which it is allotted or transferred to it. The Board may, by an order, allot or transfer any pending application from one Interim Board to another and upon allotment or transfer of a pending application to an Interim Board, all records, documents or evidences with the Settlement Commission, shall be deemed to be the records before such Interim Board.

Proposed sub-section (5) of the said section provides that where an assessee withdraws his application, the proceedings with respect to such application shall abate on the date of withdrawal and the Assessing Officer or any other income-tax authority before whom the proceedings were pending prior to the application shall dispose the case in accordance with the provisions of the said Act and in such case, for the purposes of the time-limit under sections 149, 153, 153B, 154 and 155 and for the purposes of payment of interest under section 243 or 244 or 244A, for making the assessment or re-assessment, the period commencing on and from the date of the application to the Settlement Commission under section 245C and ending with the date of withdrawal of application shall be excluded. It is also proposed to provide that the income-tax authority shall not be entitled to use the material and other information produced by the assessee before the Settlement Commission or the results of the inquiry held or evidence recorded by the Settlement Commission in the course of proceedings before it and the preceding conditions shall not apply in relation to the material and other information collected, or results of the inquiry held or evidence recorded by income-tax authority during the course of any other proceeding under this Act irrespective of whether such material or other information or results of the inquiry or evidence were also produced by the assessee or such income-tax authority before the Settlement Commission.

This amendment will take effect retrospectively from lst February, 2021.

Clause 66 of the Bill seeks to insert a new Chapter XIX-AA containing section 245MA in the Income-tax Act, 1961 relating to Dispute Resolution Committee in certain cases.

Sub-section (1) of said section seeks to provide that the Central Government shall constitute, one or more Dispute Resolution Committee, as may be necessary, in accordance with the rules made under this Act, for dispute resolution in the case of such persons or class of persons, as may be specified by the Board, and who may opt for dispute resolution under

this Chapter in respect of dispute arising from any variation in the specified order in his case for an assessment year and who fulfils the specified conditions.

Sub-section (2) of said section seeks to provide that the Dispute Resolution Committee, subject to such conditions, as may be prescribed, shall have the powers to reduce or waive any penalty imposable under this Act or grant immunity from prosecution for any offence punishable under this Act in case of a person whose dispute is resolved under this Chapter.

Sub-section (3) of said section seeks to provide that Central Government may make a scheme, by notification in the Official Gazette, for the purposes of dispute resolution under this Chapter, so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Dispute Resolution Committee and the assessee in the course of dispute resolution proceedings to the extent technologically feasible; optimising utilisation of the resources through economies of scale and functional specialisation; introducing a dispute resolution system with dynamic jurisdiction.

Sub-section (4) of said section seeks to provide that the Central Government may, for the purposes of giving effect to the scheme made under sub-section (3), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no direction shall be issued after the 31st day of March, 2023.

Sub-section (5) of section 245MA seeks to provide that every notification issued under sub-section (3) and sub-section (4) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

Explanation to section 245MA seeks to provide that the "specified conditions" in relation to a person means a person who is not a 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 or in respect of whom prosecution for any offence punishable under the provisions of the Indian Penal Code, 1860, the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prohibition of Benami Transactions Act, 1988, the Prevention of Corruption Act, 1988 or the Prevention of Money Laundering Act, 2002 has been instituted or such person has been convicted of any offence punishable under any of those Acts; or in respect of whom prosecution has been initiated by an income-tax authority for any offence punishable under the provisions of this Act or the Indian Penal Code or for the purpose of enforcement of any civil liability under any law for the time being in force, or such person has been convicted of any such offence consequent to the prosecution initiated by an Income-tax authority or who is notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 or who fulfils such other conditions, as may be prescribed. Also, "specified order" means such order, including draft order, as may be specified by the Board, and, aggregate sum of variations proposed or made in such order does not exceed ten lakh rupees; such order is not based on search initiated under section 132 or requisition under section 132A in the case of assessee or any other person or survey under section 133A or information received under an agreement referred to in section 90 or section 90A; where return has been filed by the assessee for the assessment year relevant to such order, total income as per such return does not exceed fifty lakh rupees.

This amendment will take effect from the 1st day of April, 2021.

Clause 67 of the Bill seeks to amend section 245N of the Income-tax Act relating to definitions.

It is proposed to omit sub-clauses (B), (C) and (D) of said section with effect from such date as may be appointed by the Central Government by notification in the Official Gazette.

It is further proposed to amend clause (c) of said section so as to insert the words "or the Board for Advance Rulings". It is also proposed to insert clause (ca) to said section so as to provide definitions of Board for Advance Rulings and members of the Board for Advance Rulings.

This amendment will take effect from 1st April, 2021.

Clause 68 of the Bill seeks to amend section 245-O of the Income-tax Act relating to Authority for Advance Rulings.

It also proposed to insert a proviso in the sub-section (1) of said section so as to provide that the Authority constituted under the said sub-section shall cease to operate on and from such date as may be appointed by the Central Government by notification in the Official Gazette.

This amendment will take effect from 1st April, 2021.

Clause 69 of the Bill seeks to insert a section 245-OB relating to Board for Advance Rulings so as to provide that the Central Government shall constitute one or more Board for Advance Rulings, as may be necessary, for giving advance rulings under this Chapter on or after such date as may be appointed by the Central Government by notification in the Official Gazette. The Board for Advance Rulings constituted shall consist of two members, each being an officer not below the rank of Chief Commissioner, as may be nominated by the Board.

This amendment will take effect from 1st April, 2021.

Clause 70 of the Bill seeks to amend section 245P of the Income-tax Act relating to vacancies, etc., not to invalidate proceedings.

It is proposed to insert sub-section (2) in the said section so as to provide that on and from the notified date, the provisions of the said section shall have effect as if for the words "Authority", the words "Board for Advance Rulings" had been substituted.

This amendment will take effect from 1st April, 2021.

Clause 71of the Bill seeks to amend section 245Q of the Income-tax Act relating to application for advance ruling.

It is proposed to amend sub-section (1) of said section so as to omit the portion "or under Chapter IIIA of the Central Excise Act, 1944 under Chapter VA of the Finance Act, 1994" with effect from such date as may be appointed by the Central Government by

notification in the Official Gazette.

It is further proposed to insert sub-section (4) so as to provide where an application was made under the said section before the notified date but in respect of which no order under sub-section (2) of section 245R has been passed or advance ruling under sub-section (4) of section 245R has been pronounced before such date, such application along with all the relevant records, documents or material, by whatever name called, on the file of the Authority shall be transferred to the Board for Advance Rulings and shall be deemed to be the records before it for all purposes.

This amendment will take effect from 1st April, 2021.

Clause 72 of the Bill seeks to amend section 245R of the Income-tax Act relating to procedure on receipt of application.

It is proposed to insert sub-sections (8), (9), (10) and (11) so as to provide that on such date as may be appointed by the Central Government by notification in the Official Gazette, the provisions of the said section shall have effect as if for the words "Authority", the words "Board for Advance Rulings" had been substituted and the provisions of that section shall apply *mutatis mutandis* to the Board for Advance Rulings as they apply to the Authority. Further, it provides that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of giving advance ruling under Chapter XIX-B by the Board for Advance Rulings, so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Board for Advance Rulings and the applicant in the course of proceedings to the extent technologically feasible; optimising utilisation of the resources through economies of scale and functional specialisation; introducing a system with dynamic jurisdiction. It also provides that the Central Government may, for the purposes of giving effect to the said scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no direction shall be issued after 31st March, 2023. Every notification so issued shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

These amendments will take effect from 1st April, 2021.

Clause 73 of the Bill seeks to amend section 245S of the Income-tax Act relating to applicability of advance ruling.

It is proposed to amend the said section to insert sub-section (3) so as to provide that nothing contained in this section shall apply to any advance ruling pronounced under section 245R on or after on such date as may be appointed by the Central Government by notification in the Official Gazette.

This amendment will take effect from 1st April, 2021.

Clause 74 of the Bill seeks to amend section 245T of the Income-tax Act relating to advanced ruling to be void in certain circumstances.

It is proposed to amend the said section so as to provide that the reference in sub-

section (1) to advance ruling pronounced by the Authority shall be omitted by omitting the words "by it". It is also proposed to insert sub-section (3) to the said section so as to provide that on and from such date as may be appointed by the Central Government by notification in the Official Gazette the provisions of that section shall have effect as if for the word "Authority", the words "Board for Advance Rulings" had been substituted.

These amendments will take effect from 1st April, 2021.

Clause 75 of the Bill seeks to amend section 245U of the Income-tax Act relating to powers of Authority.

It is proposed to insert sub-section (3) to the said section so as to provide that on and from such date as may be appointed by the Central Government by notification in the Official Gazette, the powers of the Authority under this section shall be exercised by the Board for Advance Rulings and the provisions of this section shall apply *mutatis mutandis* to the Board for Advance Rulings as they apply to the Authority.

This amendment will take effect from 1st April, 2021.

Clause 76 of the Bill seeks to amend section 245V of the Income-tax Act relating to procedure of Authority.

It is proposed to insert a proviso to the said section so as to provide that nothing contained in that section shall apply on or after the notified date.

This amendment will take effect from 1st April, 2021.

Clause 77 of the Bill seeks to insert a new section 245W to the Income-tax Act relating to Appeal.

It is proposed to insert a new section 245W so as to provide that the applicant may, if he is aggrieved by any ruling pronounced or order passed by the Board for Advance Rulings; or the Assessing Officer, on the directions of the Principal Commissioner or Commissioner, appeal to the High Court within sixty days from the date of the communication of such ruling or order, in such form and manner as may be provided by rules. However, where the High Court is satisfied, on an application made by the appellant in this behalf, that the appellant was prevented by sufficient cause from presenting the appeal within the period specified in sub-section (1), it may grant a further period of thirty days for filing such appeal. It is also proposed that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of preferring appeal to the High Court by the Assessing Officer, so as to impart greater efficiency, transparency and accountability by optimising utilisation of the resources through economies of scale and functional specialisation; introducing a team-based mechanism with dynamic jurisdiction. It is also proposed that the Central Government may, for the purposes of giving effect to the said scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no direction shall be issued after 31st March, 2023.Every notification so issued shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

This amendment will take effect from 1st April, 2021.

Clause 78 of the Bill seeks to amend the section 255 of the Income-tax Act relating to procedure of Appellate Tribunal.

It is proposed to insert sub-sections (7), (8) and (9) in the said section so as to, *inter alia*, provide for a scheme, by notification in the Official Gazette, for the disposal of appeals under that section.

This amendment will take effect from lst April, 2021.

Clause 79 of the Bill seeks to amend the section 281B of the Income-tax Act relating to provisional attachment to protect revenue in certain cases.

The said section provides for the provisional attachment of any property belonging to the assessee by the Assessing Officer, with the prior approval of the authorities specified therein, in case of pending assessment or reassessment proceedings so as to protect the interest of revenue.

It is proposed to amend sub-section (1) of the said section so as to provide that the aforesaid provisional attachment of a property of the assessee may also be made during the pendency of proceedings for imposition of penalty under section 271AAD where the amount or aggregate of amounts of penalty likely to be imposed under that section exceeds two crore rupees.

This amendment will take effect from lst April, 2021.

Customs

Clause 80 of the Bill seeks to amend section 2 of the Customs Act by inserting a new clause (7B) therein so as to define the expression “common portal”.

Clause 81 of the Bill seeks to make amendment in sub-section (3) of section 5 of the Customs Act so as to substitute the words and figures “Chapter XV and section 108” with the words, figures, brackets and letter “Chapter XV, section 108 and sub-section (1D) of section 110” for indicating the powers of the Commissioner (Appeals).

Clause 82 of the Bill seeks to insert a new sub-section (4A) in section 25 of the Customs Act so as to provide that the exemption to be granted subject to conditions under sub-section (1) shall, unless otherwise specified or varied or rescinded, be valid for a period upto the 31st March falling immediately after two years from the date of such grant or variation.

It further seeks to insert a proviso therein to provide that in respect of any such exemption in force as on the date on which the Finance Bill, 2021 receives the assent of the President, the said period of two years shall be reckoned from the 1st February, 2021.

Clause 83 of the Bill seeks to insert a new section 28BB in the Customs Act so as to provide time limit for completion of certain actions under this Act.

Clause 84 of the Bill seeks to amend sub-section (3) of section 46 of the Customs Act so as to ensure mandatory filing of bill of entry in advance, i.e. before the day of arrival (including holidays) of conveyance. It further seeks to insert a proviso therein to empower the Board to provide different time limits for presentation of bill of entry in such cases, as it deems fit, to ensure faster clearance.

Clause 85 of the Bill seeks to amend section 110 of the Customs Act and to insert a new sub-section (1D) so as to provide that where gold in any form has been seized by a proper officer under sub-section (1), he shall make the application referred to in sub-section (1B) to the Commissioner (Appeals) having jurisdiction, who shall, as soon as may be, allow the application and the proper officer shall thereafter dispose of the goods in such manner as the Central Government may determine.

Clause 86 of the Bill seeks to insert a new clause (ja) in section 113 of the Customs Act so as to provide that any goods entered for exportation under claim of remission or refund of any duty or tax or levy, to make a wrongful claim in contravention of the Act or any other law for the time being in force shall be liable to confiscation.

Clause 87 of the Bill seeks to insert a new section 114AC in the Customs Act so as to provide penalty for fraudulent utilisation of input tax credit for discharging any duty or tax on goods entered for exportation under claim of refund and such penalty shall be equivalent to five times the refund claimed.

Clause 88 of the Bill also seeks to make consequential amendment in the *Explanation* to section 139 of the Customs Act so as to include inventories, photographs and lists certified by the Commissioner (Appeals) under sub-section (1D) to the documents within the meaning of that section to give evidentiary value to such documents.

Clause 89 of the Bill seeks to amend section 149 of the Customs Act by inserting second and third provisos therein so as to provide that documents may be amended electronically through the customs automated system and also to enable certain amendments to be done by the importer or exporter on common portal.

Clause 90 of the Bill seeks to amend sub-section (1) of section 153 of the Customs Act by inserting clause (ca) therein so as to enable service of order, summons, notice or any other communication under the said Act by making it available on the common portal.

Clause 91 of the Bill seeks to insert a new section 154C in the Customs Act so as to empower the Board to notify a common portal to be called the Common Customs Electronic Portal for facilitating registration, filing of bill of entry, shipping bill, other documents and forms, payment of duty and for such other purposes as may be specified by the Board.

Customs tariff

Clause 92 of the Bill seeks to amend sub-section (6) of section 8B of the Customs Tariff Act to make both conditions thereunder mutually exclusive and to define the expression ‘special economic zone’ in the same manner as defined in the Special Economic Zone Act, 2005 (28 of 2005).

Clause 93 of the Bill seeks to amend sub-section (1A) of section 9 of the Customs Tariff Act to provide for retrospective levy of countervailing duty to counter circumvention. It further seeks to insert a new sub-section (1B) in the said section to provide for anti-absorption measures in countervailing duty. It also seeks to insert a new sub-section (2A) in that section to align it with the provisions contained in sub-section (6) of section 8B of the said Act relating to safeguard measures. It also seeks to amend sub-section (6) thereof to provide for further imposition of countervailing duty after review, for a period upto five years. It also seeks to insert a third proviso therein so as to provide that if countervailing duty is revoked temporarily, the period of such revocation shall not be more than one year at a time.

Clause 94 of the Bill seeks to amend sub-section (1A) of section 9A of the Customs Tariff Act to provide for retrospective levy of anti-dumping duty to counter circumvention. It further seeks to insert a new sub-section (1B) in the said section to provide for anti-absorption measures in anti-dumping duty. It also seeks to substitute sub-section (2A) in that section to align it with the provisions contained in sub-section (6) of section 8B of the said Act relating to safeguard measures. It also seeks to amend sub-section (5) thereof to provide for further imposition of anti-dumping duty after review, for a period upto five years. It also seeks to insert a third proviso therein so as to provide that if anti-dumping duty is revoked temporarily, the period of such revocation shall not be more than one year at a time.

Clause 95 of the Bill seeks to amend the First Schedule to the Customs Tariff Act, 1975, so as to —

(i) revise the tariff rates in respect of certain tariff items in the manner specified in the Second Schedule with effect from the 2nd February, 2021;

(ii) amend certain tariff entries to align with the entries in the Fourth Schedule to the Central Excise Act in the manner specified in the Third Schedule with effect from the 1st April, 2021;

(iii) harmonise certain entries with Harmonised System of Nomenclature and to create new tariff lines in respect of certain entries in the manner specified in the Fourth Schedule with effect from the 1st January, 2022.

Excise

Clause 96 of the Bill seeks to amend the Fourth Schedule to the Central Excise Act.

Sub-clause (i) of the said clause seeks to revise the heading, tariff items and entries falling under the heading 2709 of Chapter 27 thereof, with effect from the 1st April, 2021 in the manner specified in the Fifth Schedule;

Sub-clause (ii) of the said clause seeks to amend Section heading of SECTION IV and certain entries of Chapter 24 thereof, with effect from the 1st January, 2022 in the manner specified in the Sixth Schedule.

Clause 97 of the Bill seeks to amend the Fourth Schedule to the Central Excise Act so as to rectified errors in certain entries with retrospective effect from the 1st day of January, 2020.

Clause 98 of the Bill seeks to revise the date of effect to the amendments made in the Fourth Schedule to the Central Excise Act *vide* notification number G.S.R. 978 (E), dated the 31st December, 2019, issued in exercise of powers under section 3C thereof, so as to give effect to said amendments on and from the 1st day of January, 2020.

Central Goods and Services Tax

Clause 99 of the Bill seeks to amend section 7 of the Central Goods and Services Tax Act, 2017, with retrospective effect from the 1st July, 2017, by inserting a new clause (aa) in sub-section (1) thereof, so as to ensure levy of tax on activities or transactions involving supply of goods or services by any person, other than an individual, to its members or constituents or *vice-versa,* for cash, deferred payment or other valuable consideration.

It is also proposed to insert an *Explanation* therein, to clarify that the person or its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions *inter se* shall be deemed to take place from one person to another.

Clause 100 of the Bill seeks to amend section 16 of the Central Goods and Services Tax Act by inserting a new clause (aa) in sub-section (2) thereof, so as to provide that input tax credit on invoice or debit note may be availed only when the details of such invoice or debit note has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note.

Clause 101 of the Bill seeks to omit sub-section (5) of section 35 of the Central Goods and Services Tax Act so as to remove the mandatory requirement of getting annual accounts audited and the reconciliation statement submitted by specified professional.

Clause 102 of the Bill seeks to substitute a new section for section 44 of the Central Goods and Services Tax Act so as to remove the mandatory requirement of furnishing a reconciliation statement duly audited by specified professional and to provide for filing of the annual return on self-certification basis. It further empowers the Commissioner to exempt a class of taxpayers from the requirement of filing the annual return.

Clause 103 of the Bill seeks to amend section 50 of the Central Goods and Services Tax Act to substitute the proviso to sub-section (1) so as to charge interest on net cash liability retrospectively with effect from the 1st July, 2017.

Clause 104 of the Bill seeks to amend section 74 of the Central Goods and Services Tax Act so as to make seizure and confiscation of goods and conveyances in transit a separate proceeding from the recovery of tax.

Clause 105 of the Bill seeks to amend section 75 of the Central Goods and Services Tax Act so as to insert an *Explanation* in sub-section (12) to clarify that "self-assessed tax" shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.

Clause 106 of the Bill seeks to substitute sub-section (1) of section 83 of the Central Goods and Services Tax Act so as to provide that provisional attachment shall remain valid for the entire period starting from the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV till the expiry of a period of one year from the date of order made thereunder.

Clause 107 of the Bill seeks to insert a new proviso in sub-section (6) of section 107 of the Central Goods and Services Tax Act so as to provide that no appeal shall be filed against an order made under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant.

Clause 108 of the Bill seeks to amend section 129 of the Central Goods and Services Tax Act so as to delink the proceedings under that section relating to detention, seizure and release of goods and conveyances in transit, from the proceedings under section 130 relating to confiscation of goods or conveyances and levy of penalty.

Clause 109 of the Bill seeks to amend section 130 of the Central Goods and Services Tax Act, so as to delink the proceedings under that section relating to confiscation of goods or conveyances and levy of penalty from the proceedings under section 129 relating to detention, seizure and release of goods and conveyances in transit.

Clause 110 of the Bill seeks to substitute section 151 of the Central Goods and Services Tax Act so as to empower the jurisdictional commissioner to call for information from any person relating to any matters dealt with in connection with the Act.

Clause 111 of the Bill seeks to amend sub-section (1) of section 152 of the Central Goods and Services Tax Act so as to provide that no information obtained under sections 150 and 151 shall be used for the purposes of any proceedings under the Act without giving an opportunity of being heard to the person concerned.

Clause 112 of the Bill seeks to amend section 168 of the Central Goods and Services Tax Act so as to enable the jurisdictional commissioner to exercise powers under section 151 to call for information.

Clause 113 of the Bill seeks to omit paragraph 7 of Schedule II to the Central Goods and Services Tax Act, with retrospective effect from the 1st day of July, 2017, consequent to the amendments made in section 7.

Integrated Goods and Services Tax

Clause 114 of the Bill seeks to amend section 16 of the Integrated Goods and Services Tax Act, 2017 so as to make provisions for restricting the zero rated supply on payment of integrated tax only to specified class of taxpayers or specified supplies of goods or services. It further provides to link the foreign exchange remittance in case of export of goods with refund and further restricting zero rating of supplies made to special economic zone only when such supplies are for authorised operations.

Agriculture Infrastructure and Development Cess

Clause 115 of the Bill seeks to provide for levy and collection of Agriculture Infrastructure and Development Cess as duty of customs, on goods specified in the First Schedule to the Customs Tariff Act, being goods imported into India, at the rate not exceeding the rate of customs duty as specified in the said Schedule for the purposes of the Union for financing the agriculture infrastructure and other development expenditure.

Clause 116 of the Bill seeks to provide for levy and collection of Agriculture Infrastructure and Development Cess as an additional duty of excise, on excisable goods specified in the Seventh Schedule, at the rate specified in the said Schedule, for the purposes of the Union for financing the agriculture infrastructure and other development expenditure.

Miscellaneous

Clause 117 of the Bill seeks to insert a new section 8G in the Indian Stamp Act, 1899 to provide that strategic sale, disinvestment, etc., of immovable property by Government company shall not be liable to stamp duty.

Clause 118 of the Bill seeks to insert a new sub-section (3) in section 2 of the Contingency Fund of India Act, 1950 relating to enhancement of the Contingency Fund of India so as to enhance the corpus of the Fund from five hundred crores of rupees, as at present, to thirty thousand crores of rupees by transfer of an additional amount of twenty nine thousand five hundred crores of rupees from the Consolidated Fund of India to the Contingency Fund of India.

This amendment will take effect from the date on which the Finance Bill, 2021 receives the assent of the President.

Clauses 119 to 137 of the Bill seek to amend certain provisions of the Life Insurance Corporation Act, 1956 (hereinafter referred to as "the LIC Act").

It is proposed to amend section 2 of the LIC Act so as to insert new clauses to define the expressions "Audit Committee", "Board of Directors" or "Board", "Chairperson", "Companies Act", "court", "director", "financial statement", "fully diluted basis", "independent director", "Managing Director", "Nomination and Remuneration Committee", "notification" and "special resolution", to amend the definition of expression "member", and to provide that the words and expressions not defined in the LIC Act or in the Insurance Act, 1938 but defined in the Companies Act, 2013, shall have the meanings respectively assigned to them in the Companies Act, 2013. These amendments are consequential to the other amendments proposed to the LIC Act.

It is further proposed to substitute section 4 of the LIC Act, to provide for the vesting of the general superintendence and direction of the affairs and business of the Life Insurance Corporation of India (hereinafter referred to as "LIC") in its Board of Directors, the composition thereof, the appointment or nomination of directors thereon, and deeming of members constituting LIC immediately before the coming into force of this section as directors under the substituted section 4, in order to bring the provisions relating to corporate governance in alignment with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 made by the

Securities and Exchange Board of India under the provisions of the Securities and Exchange Board of India Act, 1992, and thereby enabling the listing of LIC on recognised stock exchanges and making of an initial public offer, through which Government may sell its shares in LIC.

It is also proposed to insert new sections 4A, 4B, 4C and 4D in the LIC Act to provide for disqualifications to be a director, disclosure of interest by director and senior management, related party transactions and adjudication of penalties for contravention or violation liable to penalty under the LIC Act, in order to bring the provisions relating to corporate governance in alignment with listing requirements.

It is also proposed to substitute section 5 of the LIC Act, to provide for LIC's capital, issue of equity shares to the Central Government in consideration for paid-up equity capital provided by the Central Government to LIC before the coming into force of the new section, application of premiums received on issue of LIC's shares, increase or reduction of share capital by the Central Government, making of reservation on a competitive basis in favour of LIC's life insurance policyholders who may be offered shares at a price lower than that offered to public, eligibility of all LIC shares acquired by the Central Government during three years preceding an initial public offer for computation of minimum promoter's contribution and of all fully paid-up equity shares of LIC held by the Central Government for an offer of sale by way of an initial public offer notwithstanding any ineligibility for such computation or any condition for a minimum holding period under any law for the time being in force, and issuing of other securities by LIC for raising funds to meet its business requirements. These amendments will enable issue of shares to the Central Government against paid-up capital invested by it in LIC as well as issue of bonus shares to the Central Government, which could be offered for sale by way of an initial public offer, with resultant receipt of money into the Consolidated Fund of India.

It is also proposed to insert new sections 5A, 5B, 5C, 5D, 5E and 5F in the LIC Act, to provide respectively for transferability of shares, voting rights, register of members, declaration in respect of beneficial interest in shares, deeming of LIC's shares to be securities and right of registered shareholders to nominate, in order to bring the provisions relating to share transfer, rights of shareholders including voting in shareholder meeting, disclosure of beneficial interest in securities and recognition of securities as shares in alignment with the requirements under the Securities Contract (Regulation) Act, 1956 and listing requirements.

It is also proposed to substitute section 19 of the LIC Act to provide for the constitution, composition and powers of the Executive Committee of the Board, in order to bring the provisions relating to corporate governance in alignment with listing requirements.

It is also proposed to insert new sections 19A, 19B, 19C and 19D in the LIC Act to provide for the constitution, composition and the powers, functions and duties of various committees of the Board, in order to bring the provisions relating to corporate governance in alignment with listing requirements.

It is also proposed to substitute section 20 of the LIC Act to provide for entrustment and delegation of powers and duties of the Chairperson and Managing Directors of LIC by its Board, in order to bring the provisions relating to corporate governance in alignment with listing requirements.

It is also proposed to amend section 22 of the LIC Act to omit the existing provision under sub-section (2) for constitution of a Board in each zone of LIC and to amend the existing provision for a "member" of LIC (who corresponds to a director under the proposed amendments) to be a Zonal Manager of LIC, consequential to proposed constitution of Board of LIC under the substituted section 4 and the disqualification to be a director under clause (l) of the new section 4A.

It is also proposed to insert new section 23A in the LIC Act, to provide for annual general meeting and other general meetings of registered shareholders of LIC, in order to bring the provisions relating to the rights of LIC's shareholders in alignment with listing requirements.

It is also proposed to substitute section 24 of the LIC Act, to provide for LIC having a multiplicity of funds, establishment of reserves and maintenance of separate funds for participating and non-participating policyholders of LIC, which are matters incidental to the proposed new sections 28, 28B and 28C.

It is also proposed to insert new sections 24A, 24B, 24C and 24D in the LIC Act, to provide respectively for books of account, financial statements, Board's report and penalties for contravention by person charged with the duty of complying with the provisions of new sections 24A or 24B or 24C, in order to bring the provisions relating to the integrity of LIC's accounting and financial reporting systems, control systems and compliance with the law and relevant standards in alignment with listing requirements.

It is also proposed to substitute section 25 of the LIC Act, to provide for appointment of auditors, and bring the provisions relating to the integrity of LIC's audit, accounting standards and compliance with the law and relevant standards in alignment with listing requirements.

It is also proposed to insert new sections 25A, 25B, 25C and 25D in the LIC Act, to provide respectively for removal and resignation of auditor, powers and duties of auditor and auditor's report, internal auditor and special auditor, in order to bring the provisions relating to the integrity of LIC's audit, accounting standards and compliance with the law and relevant standards in alignment with listing requirements.

It is also proposed to amend section 26 of the LIC Act to provide for substitution of the reference to the Corporation with reference to the Board, consequential to constitution of the Board of LIC under the proposed amended section 4 in place of the constitution of the Corporation under the existing section 4.

It is also proposed to amend section 27 of the LIC Act, to omit the provisions relating to giving in the Annual Report an account of activities likely to be taken by LIC in the next financial year, in order to bring the provisions relating to the Annual Report in alignment with listing requirements.

It is also proposed to substitute section 28 of the LIC Act, to provide for the allocation to or reservation for registered shareholders of one hundred *per cent.* of the surplus relating to non-participating policyholders in every financial year's surplus, in addition to up to ten *per cent.* of the surplus relating to participating policyholders, as against a maximum of ten

per cent. of the total surplus under the existing section 28, representing enhancement in money receivable into the Consolidated Fund of India on account of such increased allocation or reservation.

It is also proposed to amend section 28A and insert new sections 28B and 28C in the LIC Act, to make provisions regarding the declaration of dividend and crediting of unclaimed and unpaid dividend amount to an Unpaid Dividend Account, in order to bring the provisions relating to dividends in alignment with listing requirements and consequential to the provision under the proposed new section 5 for issue of equity share capital to persons other than the Central Government.

It is also proposed to substitute section 46 of the LIC Act, to provide that defects in constitution of the Board and committees thereof, or in appointment or nomination of directors, will not invalidate their acts or proceedings, which are matters incidental to the proposed creation of the Board and its committees under the proposed new sections 4, 19, 19A, 19B, 19C and 19D.

It is also proposed to substitute section 47 in the LIC Act, to provide for protection of action taken by a director other than a whole-time director, which are matters incidental to the provision for independent, elected and other categories of non-whole-time directors under the proposed new section 4.

It is also proposed to amend sub-section (2) of section 48 of the LIC Act, to provide for making of rules by the Central Government relating to various matters that are either incidental to or consequent upon the various other amendments proposed in this Part.

It is also proposed to amend section 49 of the LIC Act, to provide for making of regulations by the Board of LIC relating to various matters that are either incidental or consequent upon the various other amendments proposed in this Part.

It is also proposed to insert new sections 50 and 51 in the LIC Act to provide for the form, manner, etc. for companies to apply with modifications to LIC, and to provide for the power of the Central Government to remove difficulties by order published in the Official Gazette, which are matters incidental to the various other amendments proposed in this Part.

These amendments will take effect from such dates as the Central Government may, by notification in the Official Gazette, appoint.

Clauses 138 to 140 of the Bill seeks to amend the provisions of the Securities Contracts (Regulation) Act, 1956.

It is proposed to define the expression “pooled investment vehicle”. It is further proposed to clarify that debt securities and such other marketable securities as well as the units issued by pooled investment vehicles are “securities”.

It is also proposed to insert a new section 30B in the said Act to specify that a pooled investment vehicle, whether constituted as a trust or otherwise, shall be eligible to borrow and issue debt securities and shall be permitted to provide security interest to lenders, in terms of the facility documents, entered into by such pooled investment vehicles. It further provides that in case of default, the lenders shall recover the defaulted amount against the

trust assets, by initiating proceedings against the trustee acting on behalf of the pooled investment vehicle, and whatever remains after paying the lenders shall be remitted to the unit holders.

These amendments will take effect from 1st April, 2021.

Clause 141 of the Bill seeks to amend sub-section (3) of section 8 of the Central Sales Tax Act, 1956 by substituting clause (b) thereof, so as to exclude therefrom the goods used in the telecommunication network or in mining or in generation or distribution of electricity or any other form of power.

Clauses 142 to 147 of the Bill seeks to amend certain provisions of the Prohibition of *Benami* Property Transactions Act, 1988.

Clause (1) of section 2 of the Act provides for the definition of the expression Adjudicating Authority. It is proposed to amend said clause so as to substitute words "referred to in" for the words "appointed under".

Section 7 of the said Act empowers the Central Government to appoint one or more Adjudicating Authority by notification to exercise jurisdiction, powers and authority conferred by or under that Act. It is further proposed to substitute the said section 7 so as to provide that the Competent Authority constituted under sub-section (1) of section 5 of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 shall be the Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under this Act.

It is also proposed to consequentially omit sections 8 to 17 of the said Act.

It is also proposed to amend sub-section (7) of section 26 of the said Act so as to provide that where the time limit for passing an order provided therein expires during the period beginning from 1st July, 2021 and ending on 29th September, 2021, the time limit for passing such order shall be extended to 30th September, 2021.

It is also proposed to consequentially omit clauses (b) and (c) of sub-section (2) of section 68 of the said Act.

These amendments will take effect from 1st July, 2021.

Clause 148 of the Bill seeks to amend section 12 of the Securities and Exchange Board of India Act, 1992 relating to regulation of stock-brokers, sub-brokers, share transfer, agents, etc.

It is proposed to insert a new sub-section (1C) in the said section so as to provide that any alternative investment fund or a business trust as defined in clause (13A) of section 2 of the Income-tax Act, 1961, shall establish and operate only after the Securities and Exchange Board of India grants a certificate of registration in accordance with the regulations made under the said Act.

This amendment will take effect from 1st April, 2021.

Clause 149 of the Bill seeks to amend section 2 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 relating to definitions.

It is proposed to amend clause (g) of the said section so as to clarify that definition of "debt" shall also include debt incurred by pooled investment vehicles as defined in clause (da) of section 2 of the Securities Contracts (Regulation) Act, 1956.

This amendment is consequential in nature in view of the insertion of new section 30B in the Securities Contracts (Regulation) Act, 1956.

This amendment will take effect from 1st April, 2021.

Clause 150 of the Bill seeks to amend the Seventh Schedule of the Finance Act, 2001, with effect from 1st January, 2022.

Clause 151 of the Bill seeks to amend the provisions of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

It is proposed to amend clause (f) of sub-section (1) of the said section so as to clarify that the definition of "borrower" in the said Act shall also include a pooled investment vehicle, consequent to insertion of section 30B in the Securities Contracts (Regulation) Act, 1956. Further, the definition of secured creditor is being expanded to include debenture trustee appointed by a pooled investment vehicle also by removing the limitation of appointment of a debenture trustee by a company.

This amendment will take effect from 1st April, 2021.

Clauses 152 and 153 of the Bill seeks to amend the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003.

It is proposed to amend section 3 of the said Act so as to provide that the existing provision under the first proviso to clause (a) of sub-section (2) of section 3 of the said Act to the effect that the Industrial Development Bank of India Limited shall not be required to obtain licence under section 22 of the Banking Regulation Act, 1949, shall cease to be in operation immediately after the commencement of Part…. of the Finance Act, 2021, and that, from such commencement, the Industrial Development Bank of India Limited shall be deemed to have obtained a licence under the said section 22, which will be a condition precedent to disinvestment of Government's stake in said Bank resulting in receipts to Government.

These amendments will take effect from such date as the Central Government may, by notification in the Official Gazette appoint.

Clause 154 and 155 of the Bill seeks to amend section 97 of the Finance Act (No.2) Act, 2004.

Chapter-VII of the said Act provides for Securities Transaction Tax.

It is proposed to amend sub-clause (b) of clause (13) of section 97 of the said Act so as to include sale or surrender or redemption of a unit of an equity oriented fund to the

insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after 1st February, 2021, under the definition of "taxable securities transaction".

It is further proposed to insert clause (13A) to the said section define the expression "unit linked insurance policy".

These amendments will take effect retrospectively from 1st February, 2021.

Clause 156 of the Bill seeks to amend section 98 of the Finance Act (No.2) Act, 2004.

It is proposed to insert serial number 5A and entries relating thereto in the Table in section 98 so to provide that the rate for sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after 1st February, 2021.

This amendment will take effect retrospectively from 1st February, 2021.

Clauses 157 and 158 of the Bill seeks to amend sections 100 and 101 of the Finance Act (No.2) Act, 2004.

It is proposed to consequentially amend sections 100 and 101 of the said Act so as to include insurance company within their purview.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 159 of the Bill seeks to amend sections 163, 164,165A and 191 of the Finance Act, 2016.

It is proposed to insert a proviso to sub-section (3) of section 163 of the said Act to provide that the consideration received or receivable for specified services and consideration received or receivable for e-commerce supply or services shall not include the consideration, which are taxable as royalty or fees for technical services in India under the Income-tax Act read with the agreement notified by the Central Government under section 90 or section 90A of the said Act.

It is further proposed to insert an *Explanation* in clause (cb) of section 164 of the said Act to provide that for the purpose of defining e-commerce supply or service, "online sale of goods" and "online provision of services" shall include one or more of the following online activities, namely:—

(a) acceptance of offer for sale;

(b) placing of purchase order;

(c) acceptance of the purchase order;

(d) payment of consideration; or

(e) supply of goods or provision of services, partly or wholly.

It is also proposed to amend sub-section (3) of section 165A of the said Act to provide that consideration received or receivable from e-commerce supply or services shall include–

(i) consideration for sale of goods irrespective of whether the e-commerce operator owns the goods;

(ii) consideration for provision of services irrespective of whether service is provided or facilitated by the e-commerce operator.

These amendments will take effect retrospectively from 1st April, 2020.

It is also proposed to amend section 191 of the Finance Act, 2016 relating to exemption from wealth-tax in respect of assets specified in declaration.

The said section, *inter alia,* provides that any excess amount of tax, surcharge or penalty paid in pursuance of a declaration made under the Income Declaration Scheme, 2016 shall not be refundable. The proviso to the said section provides that the Central Government may, by notification, specify a class of persons to whom the excess amount so paid shall be refundable.

It is proposed to amend the said proviso to provide that such excess amount of tax, surcharge or penalty paid in pursuance of a declaration made under the aforementioned Scheme shall be refundable to the specified class of persons without payment of any interest.

This amendment will take effect retrospectively from 1st June, 2016.

Clause 160 of the Bill seeks to amend section 2 of the Direct Tax *Vivad se Vishwas* Act, 2020 relating to definitions.

It is proposed to make the following amendments in sub-section (1) of the said section, namely:—

(i) clause (a) of the said sub-section provides the definition of appellant. It is proposed to amend the said clause by inserting an *Explanation* for the removal of doubts, to clarify that the expression "appellant" shall not include and shall be deemed never to have been included a person in whose case a writ petition or special leave petition or any other proceeding has been filed either by him or by the income-tax authority or both, before an appellate forum arising out of an order of Income-tax Settlement Commission under Chapter XIX-A of the Income-tax Act, and such petition or appeal is either pending or is disposed of;

(ii) clause (j) of said sub-section provides definition of disputed tax. It is further proposed to amend the said clause by inserting an *Explanation* for the removal of doubts, to clarify that the expression "disputed tax", in relation to an assessment year or financial year, as the case may be, shall not include and shall be deemed never to have been included any sum payable either by way of tax, penalty or interest pursuant to an order passed by the Income-tax Settlement Commission under Chapter XIX-A of the Income-tax Act; and

(iii) clause (o) of the said sub-section provides for the definition of the expression "tax arrear". It is proposed to amend the said clause by inserting an *Explanation* for removal of doubts to clarify that the expression "tax arrear" shall not include and shall be deemed never to have been included any sum payable either by way of tax, penalty or interest pursuant to an order passed by the Settlement Commission under Chapter XIX-A of the Income-tax Act.

These amendments will take effect retrospectively from 17th March, 2020.

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 3 of the Bill seeks to amend section 2 of the Income-tax Act, 1961 relating to definitions.

It is proposed to amend clause (19AA) of the said section to define the term "demerger" and to insert an *Explanation* so as to empower the Central Government to notify the conditions governing for public sector companies for the purpose of the said clause.

Clause 5 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

It is proposed to amend clause (5) of the said section to insert a second proviso to empower the Board to make rules to provide for the conditions (including the condition of incurring the amount of the expenditure within the period specified therein) to claim the exemption for the value in lieu of travel concession or assistance received for the assessment year beginning on the 1st day April, 2021.

It is further proposed to amend clause (11) of the said section to empower the Central Government to notify in the Official Gazette with respect to any other Provident Fund to claim exemption under the said clause.

It is also proposed to amend clause (12) of the said section to empower the Board to provide for the manner of computation of income by way of interest accrued during the previous year in the account of a person to the extent it relates to the amount or the aggregate of amounts of contribution made, by that person exceeding two lakh and fifty thousand rupees in any previous year in that fund, on or after the 1st day of April, 2021.

It is also proposed to amend clause (23FE) of the said section to insert provisos and, *inter alia*, empowers the Board to make rules to provide for the manner of calculations to the investment made in one or more of the different companies or enterprises or entities to claim exemption of income under the said clause.

Clause 14 of the Bill seeks to amend section 45 of the Income-tax Act relating to Capital gains.

It is proposed to insert sub-clause (1B) in the said section so as to empower the Board to make rules to provide for the manner of calculation of profits or gains received from unit linked Insurance policy including bonus, to be charged under the head of capital gains.

Clause 18 of the Bill seeks to amend section 50 of the Income–tax Act relating to special provision for computation of capital gains in case of depreciable assets.

It is proposed to insert a proviso to the said section so as to empower the Board to make rules to provide for the manner of determining the written down value of the block of

assets and short-term capital gain, if goodwill of a business or profession form part of block of assets and depreciation has been obtained by the assesse under the Act for the purposes of the said section.

Clause 28 of the Bill seeks to insert a new section 89A in the Income-tax Act relating to relief from taxation in income from retirement benefit account maintained in a notified country.

The proposed new section empowers the Board to make rules to provide for the manner and year, for imposing tax on income received from a specified account by a specified person.

Clause 31 of the Bill seeks to amend section 115JB of the Income-tax Act relating to special provision for payment of tax by certain company.

It is proposed to insert sub-section (2D) therein so as to empower the Board to make rules to provide for the manner of recomputing the book of profit of the past year for the purposes of payment of tax of the company, if there is any increase in book of profit in the previous year due to income of a past year included in the book profit on account of an advance pricing agreement or secondary adjustment.

Clause 44 of the Bill seeks to amend section 194 of the Income-tax Act relating to dividends.

It is proposed to amend the second proviso of the said section so as to empower the Central Government to notify any other person to claim exemption for the income credited or paid to a business trust by a special purpose vehicle.

Indirect Taxes

Clause 84 of the Bill seeks to amend sub-section (3) of section 46 of the Customs Act so as to insert a new proviso therein to empower the Board to provide by regulations different time limits for presentation of the Bill of entry.

Clause 93 of the Bill seeks to amend section 9 of the Customs Tariff Act. The proposed sub-section (1B) seeks to empower the Central Government to provide by rules the circumstances in which absorption of countervailing duty have taken place.

Clause 94 of the Bill seeks to amend section 9A of the Customs Tariff Act. The proposed sub-section (1B) seeks to empower the Central Government to provide by rules the circumstances in which absorption of anti-dumping duty have taken place.

Clause 102 of the Bill seeks to amend section 44 of the Central Goods and Services Tax Act so as to empower the Central Government to provide by rules the time within which and the form and manner in which every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return.

Clause 106 of the Bill seeks to amend section 83 of the Central Goods and Services Tax Act by substituting sub-section (1) thereof, which empowers the Central Government to provide by rules the manner in which the Commissioner may attach provisionally any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122.

Clause 108 of the Bill seeks to amend section 129 of the Central Goods and Services Tax Act. Sub-section (6) of the said section seeks to empower the Central Government to provide by rules the manner in which and the time within which the goods or conveyance detained or seized under that section shall be sold or disposed of.

Clause 114 of the Bill seeks to amend section 16 of the Integrated Goods and Services Tax Act, 2017. Sub-section (3) of the said section seeks to empower the Central Government to provide by rules the conditions subject to which and the safeguards and procedures in respect of which a registered person making zero rated supply shall claim refund of unutilized input tax credit on supply of goods or services or both. The proviso thereto seeks to empower the Central Government to provide by rules the manner in which the registered person making zero rated supply of goods shall deposit the refund received.

2. The matters in respect of which rules or regulations may be made or notifications or order may be issued in accordance with the provisions of the Bill are matters of procedure and detail and it is not practicable to provide for them in the Bill itself.

3. The delegation of legislative power is, therefore, of a normal character.

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to give effect to the financial proposals of the Central Government
for the financial year 2021-2022.

(Smt. Nirmala Sitharaman,
Minister of Finance.)