BILL No. 18 OF 2022

THE FINANCE BILL, 2022

(AS INTRODUCED IN LOK SABHA)

THE FINANCE BILL, 2022

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AS INTRODUCED IN LOK SABHA
ON 1ST FEBRUARY, 2022

Bill No. 18 of 2022

THE FINANCE BILL, 2022

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 2022-2023.

BE it enacted by Parliament in the Seventy-third 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, 2022.

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

(a) sections 2 to 84 shall come into force on the 1st day of April, 2022;

(b) sections 99 to 113 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, 2022, income-tax shall be charged at the rates specified

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 co-operative society whose income is chargeable to tax under section 115BAD of the Income-tax Act:

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 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 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) 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, 194R, 194S, 196A, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for the purposes of the Union,—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

exceeds fifty lakh rupees but does not exceed one crore rupees;

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

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

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

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

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

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

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

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

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

at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in such cases and in such manner as provided therein:

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

Provided further that the amount of "advance tax" computed in accordance with the provisions of section 111A or section 112 or 112A of the Income-tax Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule except in case of a domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act or in case of 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 sections 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC,115BBF, 115BBG,115BBH, 115BBI, 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, except in a case of an association of persons consisting of only companies as its members, or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not having any income under section 115AD of the Income-tax Act,—

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

(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.;

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

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

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

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

(i) at the rate of seven per cent. of such "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;

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

(d) 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;

(e) 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 (ab) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds—

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

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

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

section 115JC of the Income-tax Act, and such income exceeds,—

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

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

Provided also that in the case of persons mentioned in (*c*) 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,—

(a) in clause (42C), for the word "sales" occurring at the end and before *Explanation* 1, the word "transfer" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021;

(b) after clause (47), the following clause shall be inserted, namely:—

'(47A) "virtual digital asset" means—

(a) any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically;

(b) a non-fungible token or any other token of similar nature, by whatever name called;

(c) any other digital asset, as the Central Government may, by notification in the Official Gazette specify:

Provided that the Central Government may, by notification in the Official Gazette, exclude any digital asset from the definition of virtual digital asset subject to such conditions as may be specified therein.

Explanation.—For the purposes of this clause,—

(a) "non-fungible token" means such digital asset as the Central Government may, by notification in the Official Gazette, specify;

(b) the expressions "currency", "foreign currency" and "Indian currency" shall have the

same meanings as respectively assigned to them in clauses (h), (m) and (q) of section 2 of the Foreign Exchange Management Act, 1999.'.

42 of 1999.

Amendment of section 10.

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

(a) with effect from the 1st day of April, 2023,—

(i) in clause (4E), after the words "non-deliverable forward contracts", the words "or offshore derivative instruments or over-the-counter derivatives," shall be inserted;

(ii) in clause (4F),—

(I) after the word "aircraft", the words "or a ship" shall be inserted;

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

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

(i) "aircraft" means an aircraft or a helicopter, or an engine of an aircraft or a helicopter, or any part thereof;

(ii) "ship" means a ship or an ocean vessel, engine of a ship or ocean vessel, or any part thereof;';

(iii) after clause (4F), the following clause shall be inserted, namely:—

'(4G) any income received by a non-resident from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an Offshore Banking Unit in any International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India.

Explanation.—For the purposes of this clause, "portfolio manager" shall have the same meaning as assigned to it in clause (z) of sub-regulation (1) of regulation (2) of the International Financial Services Centres Authority (Capital Market Intermediaries)

Regulations, 2021, made under the International Financial Services Centres Authority Act, 2019;’; 50 of 2019.

(iv) in clause (8), after sub-clause (b), the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply to such remuneration and income of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2023;”;

(v) in clause (8A), after sub-clause (b) and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply to such remuneration, fee and income of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2023.”;

(vi) in clause (8B), after sub-clause (b), the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply to such remuneration and income of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2023;”;

(vii) after clause (9), the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply to such income of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2023;”;

(b) in clause (23C),—

(i) in sub-clauses (iv), (v), (vi) and (via), for the words “prescribed authority”, the words “Principal Commissioner or Commissioner” shall be substituted;

(ii) in the third proviso,—

(I) after *Explanation* 1, the following *Explanations* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

"*Explanation* 1A.—For the purposes of this proviso, where the property held under a trust or institution referred to in clause (v) includes any temple, mosque, gurdwara, church or other place notified under clause (b) of sub-section (2) of section 80G, any sum received by such trust or institution as a voluntary contribution for the purpose of renovation or repair of such temple, mosque, gurdwara, church or other place, may, at its option, be treated by such trust or institution as forming part of the corpus of that trust or institution, subject to the condition that the trust or institution,—

(a) applies such corpus only for the purpose for which the voluntary contribution was made;

(b) does not apply such corpus for making contribution or donation to any person;

(c) maintains such corpus as separately identifiable; and

(d) invests or deposits such corpus in the forms and modes specified under sub-section (5) of section 11.

Explanation 1B.—For the purposes of *Explanation* 1A, where any trust or institution referred to in sub-clause (v) has treated any sum received by it as forming part of the corpus, and subsequently any of the conditions specified in clause (a) or clause (b) or clause (c) or clause (d) of the said *Explanation* is violated, such sum shall be deemed to be the income of such trust or institution of the previous year during which the violation takes place.";

(II) after *Explanation* 2, the following *Explanations* shall be inserted with effect from the 1st day of April, 2023, namely:—

"*Explanation* 3.—For the purposes of determining the amount of application under this proviso, where eighty-five per cent. of the income referred to in clause (a) of this proviso is not applied wholly and exclusively to the objects for which the fund or institution or trust or any university or other educational institution or any

hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) is established, during the previous year but is accumulated or set apart, either in whole or in part, for application to such objects, such income so accumulated or set apart shall not be included in the total income of the previous year of the person in receipt of the income, if the following conditions are complied with, namely:—

(*a*) such person furnishes a statement in such form and manner, as may be prescribed, to the Assessing Officer stating the purpose for which the income is being accumulated or set apart and the period for which the income is to be accumulated or set apart, which shall in no case exceed five years;

(*b*) the money so accumulated or set apart is invested or deposited in the forms or modes specified in sub-section (5) of section 11; and

(*c*) the statement referred to in clause (*a*) is furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year:

Provided that in computing the period of five years referred to in clause (*a*), the period during which the income could not be applied for the purpose for which it is so accumulated or set apart, due to an order or injunction of any court, shall be excluded.

Explanation 4.—Any income referred to in *Explanation* 3, which—

(a) is applied for purposes other than wholly and exclusively to the objects for which the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) is established or ceases to be accumulated or set apart for application thereto; or

(b) ceases to remain invested or deposited in any of the forms or modes specified in sub-section (5) of section 11; or

(c) is not utilised for the purpose for which it is so accumulated or set apart during the period referred to in clause (a) of *Explanation* 3; or

(d) is credited or paid to any trust or institution registered under section 12AA or section 12AB or to 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),

shall be deemed to be the income of such person of the previous year—

(i) in which it is so applied or ceases to be so accumulated or set apart under clause (a); or

(ii) in which it ceases to remain so invested or deposited under clause (b); or

(iii) being the last previous year of the period, for which the income is accumulated or set apart under clause (a) of *Explanation* 3, but not utilised for the purpose for which it is so accumulated or set apart under clause (c); or

(iv) in which it is credited or paid to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution under clause (d).

Explanation 5.—Notwithstanding anything contained in *Explanation* 4, where due to circumstances beyond the control of the person in receipt of the income, any income invested or deposited in accordance with the provisions of clause (b) of *Explanation* 3 cannot be applied for the purpose for which it was accumulated or set apart, the Assessing Officer may, on an application made to him in this behalf, allow such person to apply such income for such other purpose in India as is specified in the application by that person and as is in conformity with the

objects for which the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) is established; and thereupon the provisions of *Explanation* 4 shall apply as if the purpose specified by that person in the application under this *Explanation* were a purpose specified in the notice given to the Assessing Officer under clause (a) of *Explanation* 3:

Provided that the Assessing Officer shall not allow application of such income by way of payment or credit made for the purposes referred to in clause (d) of *Explanation* 4:";

(iii) for the tenth proviso, the following proviso shall be substituted with effect from the 1st day of April, 2023, namely:—

"Provided also that where the total income of the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), without giving effect to the provisions of the said sub-clauses, exceeds the maximum amount which is not chargeable to tax in any previous year, such fund or institution or trust or any university or other educational institution or any hospital or other medical institution shall—

(a) keep and maintain books of account and other documents in such form and manner and at such place, as may be prescribed; and

(b) get its accounts audited in respect of that year by an accountant as defined in the *Explanation* below sub-section (2) of section 288 before the specified date referred to in section 44AB and furnish by that date, the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed:";

(iv) for the fifteenth proviso, the following proviso shall be substituted, namely:—

'Provided also that where the fund or institution referred to in sub-clause (*iv*) or trust or institution referred to in sub-clause (*v*) or any university or other educational institution referred to in sub-clause (*vi*) or any hospital or other medical institution referred to in sub-clause (*via*) is approved under the said clause and subsequently—

(a) the Principal Commissioner or Commissioner has noticed occurrence of one or more specified violations during any previous year; or

(b) the Principal Commissioner or Commissioner has received a reference from the Assessing Officer under the second proviso to sub-section (3) of section 143 for any previous year; or

(c) such case has been selected in accordance with the risk management strategy, formulated by the Board from time to time, for any previous year,

the Principal Commissioner or Commissioner shall—

(i) call for such documents or information from the fund or institution or trust or any university or other educational institution or any hospital or other medical institution, or make such inquiry as he thinks necessary in order to satisfy himself about the occurrence of any specified violation;

(ii) pass an order in writing cancelling the approval of such fund or institution or trust or any university or other educational institution or any hospital or other medical institution, on or before the specified date, after affording a reasonable opportunity of being heard, for such previous year and all subsequent previous years, if he is satisfied that one or more specified violation has taken place;

(iii) pass an order in writing refusing to cancel the approval of such fund or institution or trust or any university or other educational institution or any hospital or other medical institution, on or before the specified date, if he is not satisfied about the occurrence of one or more specified violations;

(iv) forward a copy of the order under clause (ii) or clause (iii), as the case may be, to the Assessing

Officer and such fund or institution or trust or any university or other educational institution or any hospital or other medical institution.

Explanation 1.—For the purposes of this proviso, "specified date" shall mean the day on which the period of six months, calculated from the end of the quarter in which the first notice is issued by the Principal Commissioner or Commissioner, on or after the 1st day of April, 2022, calling for any document or information, or for making any inquiry, under clause (i) expires.

Explanation 2.—For the purposes of this proviso, the following shall mean "specified violation",—

(a) where any income of the fund or institution or trust or any university or other educational institution or any hospital or other medical institution has been applied other than for the objects for which it is established; or

(b) the fund or institution or trust or any university or other educational institution or any hospital or other medical institution has income from profits and gains of business, which is not incidental to the attainment of its objectives or separate books of account are not maintained by it in respect of the business which is incidental to the attainment of its objectives; or

(c) any activity of the fund or institution or trust or any university or other educational institution or any hospital or other medical institution—

(A) is not genuine; or

(B) is not being carried out in accordance with all or any of the conditions subject to which it was notified or approved; or

(d) the fund or institution or trust or any university or other educational institution or any hospital or other medical institution has not complied with the requirement of any other law for the time being in force, and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or has attained finality.

Explanation 3.—For the purposes of clause (b) of this proviso, where the Assessing Officer has intimated

the Central Government or the prescribed authority under the first proviso of sub-section (3) of section 143 about the contravention of the provisions of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of this clause by any fund or institution or trust or university or other educational institution or any hospital or other medical institution in respect of an assessment year, and the approval granted to such fund or institution or trust or university or other educational institution or any hospital or other medical institution has not been withdrawn, or the notification issued in its case has not been rescinded, on or before the 31st day of March, 2022, such intimation shall be deemed to be a reference received by the Principal Commissioner or Commissioner as on the 1st day of April, 2022, and the provisions of clause (b) of the second proviso to sub-section (3) of section 143 shall apply accordingly for such assessment year:';

(v) for the nineteenth proviso, the following proviso shall be substituted, namely:—

"Provided also that where the fund or institution referred to in sub-clause (*iv*) or the trust or institution referred to in sub-clause (*v*) or any university or other educational institution referred to in sub-clause (*vi*) or any hospital or other medical institution referred to in sub-clause (*via*) has been approved by the Principal Commissioner or Commissioner, and the approval is in force for any previous year, then, nothing contained in any other provision of this section, other than clause (*1*) thereof, shall operate to exclude any income received on behalf of such fund or institution or trust or university or other educational institution or hospital or other medical institution, as the case may be, from the total income of the person in receipt thereof for that previous year:";

(vi) after the nineteenth proviso and before *Explanation* 1, the following provisos shall be inserted with effect from the 1st day of April, 2023, namely:—

'Provided also that the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*) shall furnish the return of income for the previous year in accordance with the provisions of sub-section (4C) of section 139, within the time allowed under that section:

Provided also that where the income or part of income or property of 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), has been applied directly or indirectly for the benefit of any person referred to in sub-section (3) of section 13, such income or part of income or property shall, after taking into account the provisions of sub-sections (2), (4) and (6) of the said section, be deemed to be the income of such person of the previous year in which it is so applied:

Provided also that where 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) violates the conditions of the tenth proviso or twentieth proviso, or where the provisions of the eighteenth proviso are applicable, its income chargeable to tax shall be computed after allowing deduction for the expenditure (other than capital expenditure) incurred in India, for the objects of the fund or institution or trust or the university or other educational institution or the hospital or other medical institution, subject to fulfilment of the following conditions, namely:—

(a) such expenditure is not from the corpus standing to the credit of the fund or institution or trust or the university or other educational institution or the hospital or other medical institution as on the end of the financial year immediately preceding the previous year relevant to the assessment year for which the income is being computed;

(b) such expenditure is not from any loan or borrowing;

(c) claim of depreciation is not in respect of an asset, acquisition of which has been claimed as application of income in the same or any other previous year; and

(d) such expenditure is not in the form of any contribution or donation to any person.

Explanation.—For the purposes of determining the amount of expenditure under this proviso, the provisions

of sub-clause (*ia*) of clause (*a*) of section 40 and sub-sections (3) and (3A) of section 40A shall, *mutatis mutandis*, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession":

Provided also that for the purposes of computing income chargeable to tax under the twenty-second proviso, no deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed to the assessee under any other provision of this Act:'.

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

"*Explanation* 3.—For the purposes of this clause, any sum payable by 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) shall be considered as application of income during the previous year in which such sum is actually paid by it (irrespective of the previous year in which the liability to pay such sum was incurred by the fund or institution or trust or any university or other educational institution or any hospital or other medical institution according to the method of accounting regularly employed by it):

Provided that where during any previous year any sum has been claimed to have been applied by the fund or institution or trust or any university or other educational institution or any hospital or other medical institution, such sum shall not be allowed as application in any subsequent previous year;".

Amendment of section 11.

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

(a) in sub-section (1), after *Explanation* 3, the following *Explanations* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

"*Explanation* 3A.—For the purposes of this sub-section, where the property held under a trust or institution includes any temple, mosque, gurdwara, church or other place notified under clause (b) of sub-section (2) of section 80G, any sum received by such trust or institution as voluntary contribution for the purpose of renovation or repair of such temple, mosque, gurdwara,

church or other place, may, at its option, be treated by such trust or institution as forming part of the corpus of the trust or the institution, subject to the condition that the trust or the institution—

(a) applies such corpus only for the purpose for which the voluntary contribution was made;

(b) does not apply such corpus for making contribution or donation to any person;

(c) maintains such corpus as separately identifiable; and

(d) invests or deposits such corpus in the forms and modes specified under sub-section (5) of section 11.

Explanation 3B.—For the purposes of *Explanation* 3A, where any trust or institution has treated any sum received by it as forming part of the corpus, and subsequently any of the conditions specified in clause (a) or clause (b) or clause (c) or clause (d) of the said *Explanation* is violated, such sum shall be deemed to be the income of such trust or institution of the previous year during which the violation takes place.";

(b) in sub-section (3), with effect from the 1st day of April, 2023,—

(a) in clause (c), the words "or in the year immediately following the expiry thereof" shall be omitted;

(b) for the long line, the following long line shall be substituted, namely:—

"shall be deemed to be the income of such person of the previous year—

(i) in which it is so applied or ceases to be so accumulated or set apart under clause (a); or

(ii) in which it ceases to remain so invested or deposited under clause (b); or

(iii) being the last previous year of the period, for which the income is accumulated or set apart but not utilised for the purpose for which it is so accumulated or set apart under clause (c); or

(iv) in which it is credited or paid to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution under clause (d).";

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

"*Explanation*.—For the purposes of this section, any sum payable by any trust or institution shall be considered as application of income in the previous year in which such sum is actually paid by it (irrespective of the previous year in which the liability to pay such sum was incurred by the trust or institution according to the method of accounting regularly employed by it):

Provided that where during any previous year, any sum has been claimed to have been applied by the trust or institution, such sum shall not be allowed as application in any subsequent previous year.".

Amendment of section 12A.

6. In section 12A of the Income-tax Act, in sub-section (1), for clause (b), the following clause shall be substituted with effect from the 1st day of April, 2023, namely:—

"(b) where the total income of the trust or institution as computed under this Act without giving effect to the provisions of sections 11 and 12 exceeds the maximum amount which is not chargeable to income-tax in any previous year,—

(i) the books of account and other documents have been kept and maintained in such form and manner and at such place, as may be prescribed; and

(ii) the accounts of the trust or institution for that year have been audited by an accountant defined in the *Explanation* below sub-section (2) of section 288 before the specified date referred to in section 44AB and the person in receipt of the income furnishes by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed; ".

Amendment of section 12AB.

7. In section 12AB of the Income-tax Act, for sub-sections (4) and (5), the following the sub-sections shall be substituted, namely:—

‘(4) Where registration or provisional registration of a trust or an institution has been granted under clause (a) or clause (b) or clause (c) of sub-section (1) or clause (b) of sub-section (1) of section 12AA, as the case may be, and subsequently,—

(a) the Principal Commissioner or Commissioner has noticed occurrence of one or more specified violations during any previous year; or

(b) the Principal Commissioner or Commissioner has received a reference from the Assessing Officer under the second proviso to sub-section (3) of section 143 for any previous year; or

(c) such case has been selected in accordance with the risk management strategy, formulated by the Board from time to time, for any previous year,

the Principal Commissioner or Commissioner shall—

(i) call for such documents or information from the trust or institution, or make such inquiry as he thinks necessary in order to satisfy himself about the occurrence or otherwise of any specified violation;

(ii) pass an order in writing, cancelling the registration of such trust or institution, after affording a reasonable opportunity of being heard, for such previous year and all subsequent previous years, if he is satisfied that one or more specified violations have taken place;

(iii) pass an order in writing, refusing to cancel the registration of such trust or institution, if he is not satisfied about the occurrence of one or more specified violations;

(iv) forward a copy of the order under clause (ii) or clause (iii), as the case may be, to the Assessing Officer and such trust or institution.

Explanation.—For the purposes of this sub-section, the following shall mean “specified violation”,—

(a) where any income derived from property held under trust, wholly or in part for charitable or religious purposes, has been applied, other than for the objects of the trust or institution; or

(b) the trust or institution has income from profits and gains of business which is not incidental to the attainment

of its objectives or separate books of account are not maintained by such trust or institution in respect of the business which is incidental to the attainment of its objectives; or

(c) the trust or institution has applied any part of its income from the property held under a trust for private religious purposes, which does not enure for the benefit of the public; or

(d) the trust or institution established for charitable purpose created or established after the commencement of this Act, has applied any part of its income for the benefit of any particular religious community or caste; or

(e) any activity being carried out by the trust or institution—

(i) is not genuine; or

(ii) is not being carried out in accordance with all or any of the conditions subject to which it was registered; or

(f) the trust or institution has not complied with the requirement of any other law, as referred to in item (B) of sub-clause (i) of clause (b) of sub-section (1), and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or has attained finality.

(5) The order under clause (ii) or clause (iii) of sub-section (4), as the case may be, shall be passed before the expiry of a period of six months, calculated from the end of the quarter in which the first notice is issued by the Principal Commissioner or Commissioner, on or after the 1st day of April, 2022, calling for any document or information, or for making any inquiry, under clause (i) of sub-section (4).'.

Amendment of section 13.

8. In section 13 of the Income-tax Act, with effect from the 1st day of April, 2023,—

(a) in sub-section (1),—

(i) in clause (c), in the long line, for the word, brackets and figure "sub-section (3)", the words, brackets and figures "sub-section (3), such part of income as referred to in sub-clauses (i) and (ii)" shall be substituted;

(ii) in clause (d), in the long line, for the word and figures "November, 1983", the words, figures and brackets "November, 1983, to the extent of such deposits or investments referred to in sub-clauses (i), (ii) and (iii)" shall be substituted;

(b) after sub-section (9) and before *Explanation* 1, the following sub-sections shall be inserted, namely:—

'(10) Where the provisions of sub-section (8) are applicable to any trust or institution or it violates the conditions specified under clause (b) or clause (ba) of sub-section (1) of section 12A, its income chargeable to tax shall be computed after allowing deduction for the expenditure (other than capital expenditure) incurred in India, for the objects of the trust or institution, subject to fulfilment of the following conditions, namely:—

(a) such expenditure is not from the corpus standing to the credit of the trust or institution as on the end of the financial year immediately preceding the previous year relevant to the assessment year for which income is being computed;

(b) such expenditure is not from any loan or borrowing;

(c) claim of depreciation is not in respect of an asset, acquisition of which has been claimed as application of income, in the same or any other previous year; and

(d) such expenditure is not in the form of any contribution or donation to any person.

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

(11) For the purposes of computing income chargeable to tax under sub-section (10), no deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed to the assessee under any other provision of this Act.'.

Amendment of section 14A.

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

(a) in sub-section (1), for the words "For the purposes of", the words "Notwithstanding anything to the contrary contained in this Act, for the purposes of" shall be substituted;

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

"*Explanation.*—For the removal of doubts, it is hereby clarified that notwithstanding anything to the contrary contained in this Act, the provisions of this section shall apply and shall be deemed to have always applied in a case where the income, not forming part of the total income under this Act, has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such income not forming part of the total income.".

Amendment of section 17.

10. In section 17 of the Income-tax Act, in clause (2), in the first proviso, in clause (ii), after sub-clause (b), the following sub-clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2020, namely:—

"(c) in respect of any illness relating to COVID-19 subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf:".

Amendment of section 35.

11. In section 35 of the Income-tax Act, in sub-section (1A), for the words, brackets, figures and letter "the research association, university, college or other institution referred to in clause (ii) or clause (iii) or the company referred to in clause (iia) of sub-section (1) shall not be entitled to deduction under the respective clauses of the said sub-section", the words, brackets, figures and letter "the deduction in respect of any sum paid to the research association, university, college or other institution referred to in clause (ii) or clause (iii), or the company referred to in clause (iia) of sub-section (1), shall not be allowed" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021.

Amendment of section 37.

12. In section 37 of the Income-tax Act, in sub-section (1), after *Explanation* 2, the following *Explanation* shall be inserted, namely:—

'*Explanation* 3.—For the removal of doubts, it is hereby clarified that the expression "expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law" under *Explanation* 1, shall include and

shall be deemed to have always included the expenditure incurred by an assessee,—

(i) for any purpose which is an offence under, or which is prohibited by, any law for the time being in force, in India or outside India; or

(ii) to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guideline, as the case may be, for the time being in force, governing the conduct of such person; or

(iii) to compound an offence under any law for the time being in force, in India or outside India.'.

Amendment of section 40.

13. In section 40 of the Income-tax Act, in clause (a), in sub-clause (ii), after *Explanation* 2, the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2005, namely:—

'Explanation 3.— For the removal of doubts, it is hereby clarified that for the purposes of this sub-clause, the term "tax" shall include and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax.'.

Amendment of section 43B.

14. In section 43B of the Income-tax Act, with effect from the 1st day of April, 2023,—

(i) in *Explanation* 3C, after the words "loan or borrowing", the words "or debenture or any other instrument by which the liability to pay is deferred to a future date" shall be inserted;

(ii) in *Explanation* 3CA, after the words "loan or borrowing", the words "or debenture or any other instrument by which the liability to pay is deferred to a future date" shall be inserted;

(iii) in *Explanation* 3D, after the words "loan or advance", the words "or debenture or any other instrument by which the liability to pay is deferred to a future date" shall be inserted.

Amendment of section 50.

15. In section 50 of the Income-tax Act, after the proviso, the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

"*Explanation*.—For the purposes of this section, reduction of the amount of goodwill of a business or profession, from the block of asset in accordance with sub-item (B) of item (ii) of sub-clause (c) of clause (6) of section 43 shall be deemed to be transfer.".

Amendment of section 56.

16. In section 56 of the Income-tax Act, in sub-section (2),—

(a) in clause (viib), in the *Explanation*, in clause (aa), after the words and figures "Securities and Exchange Board of India Act, 1992", the words and figures "or regulated under the International Financial Services Centres Authority Act, 2019" shall be inserted with effect from the 1st day of April, 2023; 15 of 1992. 50 of 2019.

(b) in clause (x),—

(i) in the proviso occurring after item (B) in sub-clause (c), after clause (XI) and before the *Explanation*, the following clauses shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2020, namely:—

'(XII) by an individual, from any person, in respect of any expenditure actually incurred by him on his medical treatment or treatment of any member of his family, for any illness related to COVID-19 subject to such conditions, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(XIII) by a member of the family of a deceased person—

(A) from the employer of the deceased person; or

(B) from any other person or persons to the extent that such sum or aggregate of such sums does not exceed ten lakh rupees,

where the cause of death of such person is illness related to COVID-19 and the payment is—

(i) received within twelve months from the date of death of such person; and

(ii) subject to such other conditions, as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Explanation.—For the purposes of clauses (XII) and (XIII) of this proviso, "family", in relation to an individual, shall have the same meaning as assigned to it in *Explanation* 1 to clause (5) of section 10.';

(ii) for the *Explanation*, the following *Explanation* shall be substituted with effect from the 1st day of April, 2023, namely:—

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

(a) the expressions "assessable", "fair market value", "jewellery", "relative" and "stamp duty value" shall have the same meanings as respectively assigned to them in the *Explanation* to clause (vii); and

(b) the expression "property" shall have the same meaning as assigned to it in clause (d) of the *Explanation* to clause (vii) and shall include virtual digital asset.'.

Amendment of section 68.

17. In section 68 of the Income-tax Act, with effect from the 1st day of April, 2023—

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

"Provided that where the sum so credited consists of loan or borrowing or any such amount, by whatever name called, any explanation offered by such assessee shall be deemed to be not satisfactory, unless—

(a) the person in whose name such credit is recorded in the books of such assessee also offers an explanation about the nature and source of such sum so credited; and

(b) such explanation in the opinion of the Assessing Officer aforesaid has been found to be satisfactory:

Provided further that";

(ii) in the second proviso,—

(a) for the words "Provided further", the words "Provided also" shall be substituted;

(b) for the words "first proviso", the words "first proviso or second proviso" shall be substituted.

Amendment of section 79.

18. In section 79 of the Income-tax Act,—

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

"(f) to an erstwhile public sector company subject to the condition that the ultimate holding company of such company, immediately after the completion of strategic disinvestment, continues to hold, directly or through its subsidiary or subsidiaries, at least fifty-one per cent. of the voting power of such company in aggregate.";

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

"(3) Notwithstanding anything contained in sub-section (2), if the condition specified in clause (f) of the said sub-section is not complied with in any previous year after the completion of strategic disinvestment, the provisions of sub-section (1) shall apply for such previous year and subsequent previous years.";

(iii) in the *Explanation*, after clause (i), the following clauses shall be inserted, namely:—

'(ia) "erstwhile public sector company" shall have the same meaning as assigned to it in clause (ii) of the *Explanation* to clause (d) of sub-section (1) of section 72A;

(ib) "strategic disinvestment" shall have the same meaning as assigned to it in clause (iii) of the *Explanation* to clause (d) of sub-section (1) of section 72A;'.

Insertion of new section 79A.

19. After section 79 of the Income tax Act, the following section shall be inserted, namely:—

No set off of losses consequent to search, requisition and survey.

'79A. Notwithstanding anything contained in this Act, where consequent to a search under section 132 or a requisition under section 132A or a survey under section 133A other than under sub-section (2A) of that section, the total income of any previous year of an assessee includes any undisclosed income, no set off, against such undisclosed income, of any loss, whether brought forward or otherwise, or unabsorbed depreciation under sub-section (2) of section 32, shall be allowed to the assessee under any provision of

this Act in computing his total income for such previous year.

Explanation.—For the purposes of this section, the expression "undisclosed income" means,—

(i) any income of the previous year represented, either wholly or partly, by any money, bullion, jewellery or other valuable article or thing or any entry in the books of account or other documents or transactions found in the course of a search under section 132 or a requisition under section 132A or a survey under section 133A other than under sub-section (2A) of that section, which has—

(A) not been recorded on or before the date of search or requisition or survey, as the case may be, in the books of account or other documents maintained in the normal course relating to such previous year; or

(B) not been disclosed to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner before the date of search or requisition or survey, as the case may be; or

(ii) any income of the previous year represented, either wholly or partly, by any entry in respect of an expense recorded in the books of account or other documents maintained in the normal course relating to the previous year which is found to be false and which would not have been found to be so, had the search not been initiated or the survey not been conducted or the requisition not been made.'.

Amendment of section 80CCD.

20. In section 80CCD of the Income-tax Act, in sub-section (2), for the words "Central Government" wherever they occur, the words "Central Government or the State Government" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2020.

Amendment of section 80DD.

21. In section 80DD of the Income-tax Act, with effect from the 1st day of April 2023,—

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

"(a) the scheme referred to in clause (b) of sub-section (1) provides for payment of annuity or lump sum amount for the benefit of a dependant, being a person with disability,—

(i) in the event of the death of the individual or the member of the Hindu undivided family in whose name subscription to the scheme has been made; or

(ii) on attaining the age of sixty years or more by such individual or the member of the Hindu undivided family, and the payment or deposit to such scheme has been discontinued;";

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

"(3A) The provisions of sub-section (3) shall not apply to the amount received by the dependant, being a person with disability, before his death, by way of annuity or lump sum by application of the condition referred to in sub-clause (ii) of clause (a) of sub-section (2).".

Amendment of section 80-IAC.

22. In section 80-IAC of the Income-tax Act, in the *Explanation* below sub-section (4), in clause (ii), in sub-clause (a), for the figures "2022", the figures "2023" shall be substituted.

Amendment of section 80LA.

23. In section 80LA of the Income-tax Act, in sub-section (2), in clause (d), with effect from the 1st day of April, 2023,—

(i) after the words "being an aircraft", the words "or a ship" shall be inserted;

(ii) in the *Explanation*, for the words 'this clause, "aircraft" shall', the words 'this clause, "aircraft" and "ship" shall' shall be substituted.

Amendment of section 92CA.

24. In section 92CA of the Income-tax Act, in sub-section (9), in the proviso, for the figures "2022", the figures "2024" shall be substituted.

Amendment of section 94.

25. In section 94 of the Income-tax Act, with effect from the 1st day of April, 2023,—

(i) in sub-section (8), for the word "units" wherever it occurs, the words "securities or units" shall be substituted;

(ii) in the *Explanation*,—

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

'(*aa*) "record date" means such date as may be fixed by—

(*i*) a company;

(*ii*) a Mutual Fund or the Administrator of the specified undertaking or the specified company referred to in the *Explanation* to clause (*35*) of section 10; or

(iii) a business trust defined in clause (13A) of section 2; or

(iv) an Alternative Investment Fund defined in clause (b) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992, 15 of 1992.

for the purposes of entitlement of the holder of the securities or units, as the case may be, to receive dividend, income, or additional securities or units without any consideration, as the case may be,';

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

'(d) "unit" shall mean,—

(i) a unit of a business trust defined in clause (13A) of section 2;

(ii) a unit defined in clause (*b*) of the *Explanation* to section 115AB; or

(iii) beneficial interest of an investor in an Alternative Investment Fund, defined in clause (b) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992, and shall include shares or partnership interests.'. 15 of 1992.

Amendment of section 115BAB.

26. In section 115BAB of the Income-tax Act, in sub-section (2), in clause (a), for the figures "2023", the figures "2024" shall be substituted.

Amendment of section 115BBD.

27. In section 115BBD of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted with effect from the 1st day of April, 2023, namely:—

"(4) The provisions of this section shall not apply to any assessment year beginning on or after the 1st day of April, 2023.".

Insertion of new sections 115BBH and 115BBI.

28. After section 115BBG of the Income-tax Act, the following sections shall be inserted with effect from the 1st day of April, 2023, namely:—

Tax on income from virtual digital assets.

'115BBH. (1) Where the total income of an assessee includes any income from the transfer of any virtual digital asset, the income-tax payable shall be the aggregate of—

(a) the amount of income-tax calculated on the income from transfer of such virtual digital asset at the rate of thirty per cent.; and

(b) the amount of income-tax with which the assessee would have been chargeable, had the total income of the assessee been reduced by the income referred to in clause (a).

(2) Notwithstanding anything contained in any other provision of this Act,—

(a) no deduction in respect of any expenditure (other than cost of acquisition) or allowance or set off of any loss shall be allowed to the assessee under any provision of this Act in computing the income referred to in clause (a) of sub-section (1); and

(b) no set off of loss from transfer of the virtual digital asset computed under clause (a) of sub-section (1) shall be allowed against income computed under any other provision of this Act to the assessee and such loss shall not be allowed to be carried forward to succeeding assessment years.

Specified income of certain institutions.

115BBI. (1) Where the total income of an assessee, being a person in receipt of income on behalf of any fund or institution referred to in sub-clause (iv) or any trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via), of clause (23C) of section 10 or any trust or institution referred to in section 11, includes any income by way of any specified income, the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated at the rate of thirty per cent. on the aggregate of such specified income; and

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

(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provision of this Act in computing the specified income referred to in clause (i) of sub-section (1).

Explanation.—For the purposes of this section, "specified income" means—

(a) income accumulated or set apart in excess of fifteen per cent. of the income where such accumulation is not allowed under any specific provision of this Act; or

(b) deemed income referred to in *Explanation* 4 to the third proviso to clause (23C) of section 10, or sub-section (1B) or sub-section (3) of section 11; or

(c) any income, which is not exempt under clause (23C) of section 10 on account of violation of the provisions of clause (b) of the third proviso of clause (23C) of section 10, or not to be excluded from the total income under the provisions of clause (d) of sub-section (1) of section 13; or

(d) any income which is deemed to be income under the twenty-first proviso to clause (23C) of section 10 or which is not excluded from the total income under clause (c) of sub-section (1) of section 13; or

(e) any income which is not excluded from the total income under clause (c) of sub-section (1) of section 11.'.

Amendment of section 115JC.

29. In section 115JC of the Income-tax Act, for sub-section (4), the following sub-section shall be substituted with effect from the 1st day of April, 2023, namely:—

'(4) Notwithstanding anything contained in sub-section (1), where the person referred to therein, is a—

(i) unit located in an International Financial Services Centre and derives its income solely in convertible foreign

exchange, the provisions of sub-section (1) shall have effect as if for the words "eighteen and one-half per cent.", the words "nine per cent." had been substituted;

(ii) co-operative society, the provisions of sub-section (1) shall have effect as if for the words "eighteen and one-half per cent.", the words "fifteen per cent." had been substituted.'.

Amendment of section 115JF.

30. In section 115JF of the Income-tax Act, in clause (b), for sub-clause (i), the following sub-clauses shall be substituted with effect from the 1st day of April, 2023, namely:—

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

(ia) in case of an assessee, being a co-operative society referred to in clause (ii) of sub-section (4) of section 115JC, at the rate of fifteen per cent.;'.

Amendment of section 115TD.

31. In section 115TD of the Income-tax Act, with effect from the 1st day of April, 2023,—

(a) for sub-sections (1), (2) and (3), the following shall be substituted, namely:—

"(1) Notwithstanding anything contained in this Act, where in any previous year, a specified person has—

(a) converted into any form which is not eligible for grant of registration under section 12AA or section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 ;

(b) merged with any entity other than an entity which is a trust or institution having objects similar to it and registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or

(c) failed to transfer upon dissolution all its assets to any other specified person within a period of twelve months from the end of the month in which the dissolution takes place,

then, in addition to the income-tax chargeable in respect of the total income of such specified person, the accreted

income of the specified person as on the specified date shall be charged to tax and such specified person shall be liable to pay additional income-tax (herein referred to as tax on accreted income) at the maximum marginal rate on the accreted income.

(2) The accreted income for the purposes of sub-section (1) means the amount by which the aggregate fair market value of the total assets of the specified person, as on the specified date, exceeds the total liability of such specified person, computed in accordance with the method of valuation, as may be prescribed:

Provided that so much of the accreted income as is attributable to the following asset and liability, if any, related to such asset, shall be ignored for the purposes of sub-section (1), namely:—

(i) any asset which is established to have been directly acquired by the specified person out of its income of the nature referred to in clause (1) of section 10;

(ii) any asset acquired by the specified person during the period beginning from the date of its creation or establishment and ending on the date from which the registration under section 12AA or section 12AB or approval under clause (23C) of section 10 became effective, if the specified person has not been allowed any benefit of sections 11 and 12 or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 during the said period:

Provided further that where due to the provisions of the first proviso or the second proviso to sub-section (2) of section 12A or the eighth proviso to clause (23C) of section 10, the benefit of sections 11 and 12, or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 have been allowed to the specified person in respect of any previous year or years beginning prior to the date from which the registration under section 12AA or section 12AB or approval under clause (23C) of section 10 is effective, then, for the purposes of clause (ii) of the first proviso, the registration or approval shall be deemed to have become effective from the first day of the earliest previous year:

Provided also that while computing the accreted income in respect of a case referred to in clause (c) of sub-section (1), assets and liabilities, if any, related to such asset, which have been transferred to any other specified person within the period specified in the said clause, shall be ignored.

(3) For the purposes of sub-section (1), a specified person shall be deemed to have been converted into any form not eligible for registration under section 12AA or section 12AB or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 in a previous year, if,—

(i) the registration or approval granted to it under section 12AA, or section 12AB, or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, has been cancelled; or

(ii) it has adopted or undertaken modification of its objects which do not conform to the conditions of registration and it—

(a) has not applied for fresh registration under section 12AA, or section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 in the said previous year; or

(b) has filed application for fresh registration under section 12AA or, section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 but the said application has been rejected.";

(b) in sub-sections (4), (5), (6) and (7), for the words "trust or the institution" and the words "trust or institution" wherever they occur, the words "specified person" shall be substituted;

(c) in the *Explanation*,—

(I) in clause (i), in sub-clause (a), for the word, figures and letters "section 12AB", the words, figures, letters and brackets "section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10" shall be substituted;

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

'(iia) "specified person" means—

(a) 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 clause (23C) of section 10; or

(b) a trust or institution registered under section 12AA or section 12AB;'.

Amendment of section 115TE.

32. In section 115TE of the Income-tax Act, with effect from the 1st day of April, 2023,—

(a) in the marginal heading, for the words "trust or institution", the words "specified person" shall be substituted;

(b) for the words "trust or the institution" at both the places where they occur, the words "specified person" shall be substituted;

(c) the following *Explanation* shall be inserted, namely:–

'Explanation.—For the purposes of this section, "specified person" shall have the same meaning as assigned to in clause (iia) of the *Explanation* to section 115TD.'.

Amendment of section 115TF.

33. In section 115TF of the Income-tax Act, with effect from the 1st day of April, 2023,—

(a) in the marginal heading, for the words "trust or institution", the words "specified person" shall be substituted;

(b) in sub-section (1), for the words "trust or the institution" at both the places where they occur, the words "specified person" shall be substituted;

(c) the following *Explanation* shall be inserted, namely:–

'Explanation.—For the purposes of this section, "specified person" shall have the same meaning as assigned to in clause (iia) of the *Explanation* to section 115TD.'.

Amendment of section 119.

34. In section 119 of the Income-tax Act, in sub-section (2), in clause (a), after the figures and letter "234E,", the figures and letter "234F," shall be inserted.

Amendment of section 132.

35. In section 132 of the Income-tax Act, in sub-section (8), for the words "order of assessment under", the words, brackets and figures "order of assessment or reassessment or recomputation under sub-section (3) of section 143 or section 144 or section 147 or*"* shall be substituted.

Amendment of section 132B.

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

(i) in sub-section (1), in clause (i), for the words, figures and letter "completion of the assessment under section 153A", the words "completion of the assessment or reassessment or recomputation" shall be substituted;

(ii) in sub-section (4), in clause (b), for the words, figures and letters "under section 153A or under Chapter XIV-B", the words "or reassessment or recomputation" shall be substituted.

Amendment of section 133A.

37. In section 133A of the Income-tax Act, in the *Explanation* occurring after sub-section (6), in clause (a), for the long line, the following long line shall be substituted, namely:—

"who is subordinate to the Principal Director General or the Director General or the Principal Chief Commissioner or the Chief Commissioner, as may be specified by the Board;".

Amendment of section 139.

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

(i) after sub-section (8), the following sub-section shall be inserted, namely:—

"(8A) Any person, whether or not he has furnished a return under sub-section (1) or sub-section (4) or sub-section (5), for an assessment year (herein referred to as the relevant assessment year), may furnish an updated return of his income or the income of any other person in respect of which he is assessable under this Act, for the previous year relevant to such assessment year, in the prescribed form, verified in such manner and setting forth such particulars as may be prescribed, at any time within twenty-four months from the end of the relevant assessment year:

Provided that the provision of this sub-section shall not apply, if the updated return,—

(a) is a return of a loss; or

(b) has the effect of decreasing the total tax liability determined on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5); or

(c) results in refund or increases the refund due on the basis of return furnished under under sub-section (1) or sub-section (4) or sub-section (5),

of such person under this Act for the relevant assessment year:

Provided further that a person shall not be eligible to furnish an updated return under this sub-section, where—

(a) a search has been initiated under section 132 or books of account or other documents or any assets are requisitioned under section 132A in the case of such person; or

(b) a survey has been conducted under section 133A, other than sub-section (2A) of that section, in the case such person; or

(c) a notice has been issued to the effect that any money, bullion, jewellery or valuable article or thing, seized or requisitioned under section 132 or section 132A in the case of any other person belongs to such person; or

(d) a notice has been issued to the effect that any books of account or documents, seized or requisitioned under section 132 or section 132A in the case of any other person, pertain or pertains to, or any other information contained therein, relate to, such person,

for the assessment year relevant to the previous year in which such search is initiated or survey is conducted or requisition is made and two assessment years preceding such assessment year:

Provided also that no updated return shall be furnished by any person for the relevant assessment year, where—

(a) an updated return has been furnished by him under this sub-section for the relevant assessment year; or

(b) any proceeding for assessment or reassessment or recomputation or revision of income under this Act is pending or has been completed for the relevant assessment year in his case; or

(c) the Assessing Officer has information in respect of such person for the relevant assessment year in his possession under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 or the Prohibition of *Benami* Property Transactions Act, 1988 or the Prevention of Money-laundering Act, 2002 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 and the same has been communicated to him, prior to the date of furnishing of return under this sub-section; or

13 of 1976.
45 of 1988.
15 of 2003.
22 of 2015.

(d) information for the relevant assessment year has been received under an agreement referred to in section 90 or section 90A in respect of such person and the same has been communicated to him, prior to the date of furnishing of return under this sub-section; or

(e) any prosecution proceedings under the Chapter XXII have been initiated for the relevant assessment year in respect of such person, prior to the date of furnishing of return under this sub-section; or

(f) he is such person or belongs to such class of persons, as may be notified by the Board in this regard.";

(ii) in sub-section (9), in the *Explanation*, after clause (c), the following clause shall be inserted, namely:—

"(ca) the return is accompanied by the proof of payment of tax as required under section 140B, if the return of income is a return furnished under sub-section (8A);".

Insertion of new section 140B.

39. After section 140A of the Income-tax Act, the following section shall be inserted, namely:—

Tax on updated return.

'140B. (1) Where no return of income under sub-section (1) or sub-section (4) of section 139 has been furnished by an

assessee and tax is payable, on the basis of return to be furnished by such assessee under sub-section (8A) of section 139, after taking into account,—

(i) the amount of tax, if any, already paid as advance tax;

(ii) any tax deducted or collected at source;

(iii) any relief of tax claimed under section 89;

(iv) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;

(v) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and

(vi) any tax credit claimed to be set off in accordance with the provisions of section 115JAA or section 115JD,

the assessee shall be liable to pay such tax together with interest and fee payable under any of the provisions of this Act for any delay in furnishing the return or any default or delay in payment of advance tax, along with the payment of additional income-tax computed in accordance with sub-section (3), before furnishing the return and the return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

(2) Where, return of income under sub-section (1) or sub-section (4) or sub-section (5) of section 139 (referred to as earlier return) has been furnished by an assessee and tax is payable on the basis of return to be furnished by such assessee under sub-section (8A) of section 139,—

(a) after taking into account,—

(*i*) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been taken in the earlier return;

(*ii*) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;

(*v*) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return; and

(b) as increased by the amount of refund, if any, issued in respect of such earlier return,

the assessee shall be liable to pay such tax together with interest payable under any provision of this Act for any default or delay in payment of advance tax along with the payment of additional income-tax, as computed in accordance with sub-section (3), as reduced by the amount of interest paid under the provisions of this Act in the earlier return, before furnishing the return and the return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

(3) For the purposes of sub-sections (1) and (2), the additional income-tax payable at the time of furnishing the return under sub-section (8A) of section 139 shall be equal to,—

(i) twenty-five per cent. of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after expiry of the time available under sub-section (4) or sub-section (5) of section 139 and before completion of the period of twelve months from the end of the relevant assessment year; or

(ii) fifty per cent. of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after the expiry of twelve months from the end of the relevant assessment year but before completion of the period of twenty-four months from the end of the relevant assessment year.

Explanation.—For the purposes of computation of "additional income-tax", tax shall include surcharge and cess, by whatever name called, on such tax.

(4) Notwithstanding anything contained in *Explanation* 1 to section 234B, for the purposes of sub-section (2), interest payable under section 234B shall be computed on an amount equal to the assessed tax or, as the case may be, on the amount by which the advance tax paid falls short of the assessed tax, where, "assessed tax" means the tax on the total income as declared in the return to be furnished under sub-section (8A) of section 139,—

(a) after taking into account,—

(i) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been claimed in the earlier return;

(ii) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing such total income, which has not been included in the earlier return;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;

(v) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return; and

(b) as increased by the amount of refund, if any, issued in respect of such earlier return.

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

(6) Every guideline issued under sub-section (5) shall be laid before each House of Parliament.

Explanation.—For the purposes of this section,—

(i) interest payable under section 234A, for the purposes of sub-section (1), shall be computed on the amount of tax on the total income as declared in the return, under sub-section (8A) of section 139, in accordance with the provisions of sub-section (1A) of section 140A;

(ii) interest payable under section 234C, for the purposes of sub-section (2), shall be computed after taking into account the total income furnished in the return under sub-section (8A) of section 139 as the returned income;

(iii) interest payable, for the purposes of sub-section (3), shall be the interest chargeable under any provision of this Act, on the income as per return furnished under sub-section (8A) of section 139, as reduced by interest paid, in accordance with the earlier return, if any:

Provided that for the purposes of this clause, the interest paid in the earlier return shall be nil if such return is an updated return referred to in sub-section (1).'.

Amendment of section 143.

40. In section 143 of the Income-tax Act, in sub-section (3),—

(a) for the first proviso, the following proviso shall be substituted, namely:—

"Provided that in the case of a—

(a) research association referred to in clause (21) of section 10;

(b) news agency referred to in clause (22B) of section 10;

(c) association or institution referred to in clause (23A) of section 10;

(d) institution referred to in clause (23B) of section 10,

which is required to furnish the return of income under sub-section (4C) of section 139, no order making an assessment of the total income or loss of such research association, news agency, association or institution, shall be made by the Assessing Officer, without giving effect to the provisions of section 10, unless—

(i) the Assessing Officer has intimated the Central Government or the prescribed authority the contravention of the provisions of clause (21) or clause (22B) or clause (23A) or clause (23B), as the case may be, by such research association, news agency, association or institution, where in his view such contravention has taken place; and

(ii) the approval granted to such research association or other association or institution has been withdrawn or notification issued in respect of such news agency or association or institution has been rescinded:";

(b) in the second proviso, for the words "Provided further", the following shall be substituted, namely:—

"Provided further that where the Assessing Officer is satisfied that any fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via), of clause (23C) of section 10, or any trust or institution referred to in section 11, has committed any specified violation as defined in *Explanation* 2 to the fifteenth proviso to clause (23C) of section 10 or the *Explanation* to sub-section (4) of section 12AB, as the case may be, he shall—

(a) send a reference to the Principal Commissioner or Commissioner to withdraw the approval or registration, as the case may be; and

(b) no order making an assessment of the total income or loss of such fund or institution or trust or any university or other educational institution or any hospital or other medical institution shall be made by him without giving effect to the order passed by the Principal Commissioner or Commissioner under clause (ii) or clause (iii) of the fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB:

Provided also";

(c) the third proviso shall be omitted.

Amendment of section 144.

41. In section 144 of the Income-tax Act, in sub-section (1), in clause (a), after the words, brackets and figure "or sub-section (5)", the words, brackets, figure and letter "or an updated return under sub-section (8A)" shall be inserted.

Amendment of section 144B.

42. In section 144B of the Income-tax Act,—

(a) for sub-sections (1) to (8), the following sub-sections shall be substituted, namely:—

"(1) Notwithstanding anything to the contrary contained in any other provision of this Act, the assessment, reassessment or recomputation under sub-section (3) of section 143 or under section 144 or under section 147, as the case may be, with respect to the cases referred to in sub-section (2), shall be made in a faceless manner as per the following procedure, namely:—

(i) the National Faceless Assessment Centre shall assign the case selected for the purposes of faceless assessment under this section to a specific assessment unit through an automated allocation system;

(ii) the National Faceless Assessment Centre shall intimate the assessee that assessment in his case shall be completed in accordance with the procedure laid down under this section;

(iii) a notice shall be served on the assessee, through the National Faceless assessment Centre, under sub-section (2) of section 143 or under sub-section (1) of section 142 and the assessee may file his response to such notice within the date specified therein, to the National Faceless Assessment Centre which shall forward the same to the assessment unit;

(iv) where a case is assigned to the assessment unit, under clause (i), it may make a request through the National Faceless Assessment Centre for—

(a) obtaining such further information, documents or evidence from the assessee or any other person, as it may specify;

(b) conducting of enquiry or verification by verification unit;

(c) seeking technical assistance in respect of determination of arm's length price, valuation of property, withdrawal of registration, approval, exemption or any other technical matter by referring to the technical unit;

(v) where a request under sub-clause (a) of clause (iv) has been initiated by the assessment unit, the National Faceless Assessment Centre shall serve appropriate notice or requisition on the assessee or any other person for obtaining the information, documents or evidence requisitioned by the assessment unit and the assessee or any other person, as the case may be, shall file his response to such notice within the time specified therein or such time as may be extended on the basis of an application in this regard, to the National Faceless Assessment Centre which shall forward the reply to the assessment unit;

(vi) where a request,—

(a) for conducting of enquiry or verification by the verification unit has been made by the assessment unit under sub-clause (b) of clause (iv), the request shall be assigned by the National Faceless Assessment Centre to a verification unit through an automated allocation system; or

(b) for reference to the technical unit has been made by the assessment unit under sub-clause (c) of clause (iv), the request shall be assigned by the National Faceless Assessment Centre to a technical unit through an automated allocation system;

(vii) the National Faceless Assessment Centre shall send the report received from the verification unit or the technical unit, as the case may be, based on the request referred to in clause (vi) to the concerned assessment unit;

(viii) where the assessee fails to comply with the notice served under clause (v) or notice issued under sub-section (1) of section 142 or the terms of notice issued under sub-section (2) of section 143, the

National Faceless Assessment Centre shall intimate such failure to the assessment unit;

(ix) the assessment unit shall serve upon such assessee, as referred to in clause (viii), a notice, through the National Faceless Assessment Centre, under section 144, giving him an opportunity to show-cause on a date and time as specified in such notice as to why the assessment in his case should not be completed to the best of its judgement;

(x) the assessee shall, within the time specified in the notice referred to in clause (ix) or such time as may be extended on the basis of an application in this regard, file his response to the National Faceless Assessment Centre which shall forward the same to the assessment unit;

(xi) where the assessee fails to file response to the notice served under clause (ix) within the time specified therein or within the extended time, if any, the National Faceless Assessment Centre shall intimate such failure to the assessment unit;

(xii) the assessment unit shall, after taking into account all the relevant material available on the record, prepare, in writing,—

(a) an income or loss determination proposal, where no variation prejudicial to assessee is proposed and send a copy of such income or loss determination proposal to the National Faceless Assessment Centre; or

(b) in any other case, a show cause notice stating the variations prejudicial to the interest of assessee proposed to be made to the income of the assessee and calling upon him to submit as to why the proposed variation should not be made and serve such show cause notice, on the assessee, through the National Faceless Assessment Centre;

(xiii) the assessee shall file his reply to the show cause notice served under sub-clause (b) of clause (xii) on a date and time as specified therein or such time as may be extended on the basis of an application made in this regard, to the National Faceless Assessment Centre, which shall forward the reply to the assessment unit;

(xiv) where the assessee fails to file response to the notice served under sub-clause (b) of clause (xii) within the time specified therein or within the extended time, if any, the National Faceless Assessment Centre shall intimate such failure to the assessment unit;

(xv) the assessment unit shall, after considering the response received under clause (xiii) or after receipt of intimation under clause (xiv), as the case may be, and taking into account all relevant material available on record, prepare an income or loss determination proposal and send the same to the National Faceless Assessment Centre;

(xvi) upon receipt of the income or loss determination proposal, as referred to in sub-clause (a) of clause (xii) or clause (xv), as the case may be, the National Faceless Assessment Centre may, on the basis of guidelines issued by the Board,—

(a) convey to the assessment unit to prepare draft order in accordance with the income or loss determination proposal, which shall thereafter prepare a draft order; or

(b) assign the income or loss determination proposal to a review unit through an automated allocation system, for conducting review of such proposal;

(xvii) the review unit shall conduct review of the income or loss determination proposal assigned to it by the National Faceless Assessment Centre, under sub-clause (b) of clause (xvi), whereupon it shall prepare a review report and send the same to the National Faceless Assessment Centre;

(xviii) the National Faceless Assessment Centre shall, upon receiving the review report under clause (xvii), forward the same to the assessment unit which had proposed the income or loss determination proposal;

(xix) the assessment unit shall, after considering such review report, accept or reject some or all of the modifications proposed therein and after recording reasons in case of rejection of such modifications, prepare a draft order;

(xx) the assessment unit shall send such draft order prepared under sub-clause (a) of clause (xvi) or under clause (xix) to the National Faceless Assessment Centre;

(xxi) in case of an eligible assessee, where there is a proposal to make any variation which is prejudicial to the interest of such assessee, as mentioned in sub-section (1) under section 144C, the National Faceless Assessment Centre shall serve the draft order referred to in clause (xx) on the assessee;

(xxii) in any case other than that referred to in clause (xxi), the National Faceless Assessment Centre shall convey to the assessment unit to pass the final assessment order in accordance with such draft order, which shall thereafter pass the final assessment order and initiate penalty proceedings, if any, and send it to the National Faceless Assessment Centre;

(xxiii) upon receiving the final assessment order as per clause (xxii), the National Faceless Assessment Centre shall serve a copy of such order and notice for initiating penalty proceedings, if any, on the assessee, along with the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(xxiv) where a draft order is served on the assessee as referred to in clause (xxi), such assessee shall,—

(a) file his acceptance of the variations proposed in such draft order to the National Faceless Assessment Centre; or

(b) file his objections, if any, to such variations, with—

(I) the Dispute Resolution Panel, and

(II) the National Faceless Assessment Centre,

within the period specified in the sub-section (2) of section 144C;

(xxv) the National Faceless Assessment Centre shall,—

(a) upon receipt of acceptance from the eligible assessee; or

(b) if no objections are received from the eligible assessee, within the period specified in sub-section (2) of section 144C,

intimate the assessment unit to complete the assessment on the basis of the draft order;

(xxvi) the assessment unit shall, upon receipt of intimation under clause (xxv), pass the assessment order, in accordance with the relevant draft order, within the time allowed under sub-section (4) of section 144C and initiate penalty proceedings, if any, and send the order to the National Faceless Assessment Centre;

(xxvii) where the eligible assessee files objections with the Dispute Resolution Panel, under sub-clause (b) of clause (xxiv), the National Faceless Assessment Centre shall send such intimation along with a copy of objections filed to the assessment unit;

(xxviii) the National Faceless Assessment Centre shall, in a case referred to in clause (xxvii), upon receipt of the directions issued by the Dispute Resolution Panel under sub-section (5) of section 144C, forward such directions to the assessment unit;

(xxix) the assessment unit shall, in conformity with the directions issued by the Dispute Resolution Panel under sub-section (5) of section 144C, complete the assessment within the time allowed in sub-section (13) of section 144C and initiate penalty proceedings, if any, and send a copy of the assessment order to the National Faceless Assessment Centre;

(xxx) the National Faceless Assessment Centre shall, upon receipt of the assessment order referred to in clause(xxvi) or clause (xxix), as the case may be, serve a copy of such order and notice for initiating penalty proceedings, if any, on the assessee, along with the demand notice, specifying the sum payable by, or the amount of refund due to, the assessee on the basis of such assessment;

(xxxi) the National Faceless Assessment Centre shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer

having jurisdiction over the said case for such action as may be required under the provisions of this Act;

(xxxii) if at any stage of the proceedings before it, the assessment unit having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary to do so, it may, upon recording its reasons in writing, refer the case to the National Faceless Assessment Centre stating that the provisions of sub-section (2A) of section 142 may be invoked and such case shall be dealt with in accordance with the provisions of sub-section (7).

(2) The faceless assessment under sub-section (1) shall be made in respect of such territorial area, or persons or class of persons, or incomes or class of incomes, or cases or class of cases, as may be specified by the Board.

(3) The Board may, for the purposes of faceless assessment, set up the following Centre and units and specify their functions and jurisdiction, namely:—

(i) a National Faceless Assessment Centre to facilitate the conduct of faceless assessment proceedings in a centralised manner;

(ii) such assessment units, as it may deem necessary to conduct the faceless assessment, to perform the function of making assessment, which includes identification of points or issues material for the determination of any liability (including refund) under this Act, seeking information or clarification on points or issues so identified, analysis of the material furnished by the assessee or any other person, and such other functions as may be required for the purposes of making faceless assessment, and the term "assessment unit", wherever used in this section, shall refer to an Assessing Officer having powers so assigned by the Board;

(iii) such verification units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of verification, which includes enquiry, cross verification, examination of books of account, examination of witnesses and recording of statements, and such other

functions as may be required for the purposes of verification and the term "verification unit", wherever used in this section, shall refer to an Assessing Officer having powers so assigned by the Board:

Provided that the function of verification unit under this section may also be performed by a verification unit located in any other faceless centre set up under the provisions of this Act or under any scheme notified under the provisions of this Act; and the request for verification may also be assigned through the National Faceless Assessment Centre to such verification unit;

(iv) such technical units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of providing technical assistance which includes any assistance or advice on legal, accounting, forensic, information technology, valuation, transfer pricing, data analytics, management or any other technical matter under this Act or an agreement entered into under section 90 or 90A, which may be required in a particular case or a class of cases, under this section and the term "technical unit", wherever used in this section, shall refer to an Assessing Officer having powers so assigned by the Board;

(v) such review units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of review of the income determination proposal assigned under sub-clause (b) of clause (xvi) of sub-section (1), which includes checking whether the relevant and material evidence has been brought on record, relevant points of fact and law have been duly incorporated, the issues requiring addition or disallowance have been incorporated and such other functions as may be required for the purposes of review and the term "review unit", wherever used in this section, shall refer to an Assessing Officer having powers so assigned by the Board;

(4) The assessment unit, verification unit, technical unit and the review unit shall have the following authorities, namely:—

(i) Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, as the case may be;

(ii) Deputy Commissioner or Deputy Director or Assistant Commissioner or Assistant Director, or Income-tax Officer, as the case may be;

(iii) such other income-tax authority, ministerial staff, executive or consultant, as may be considered necessary by the Board.

(5) All communications,—

(i) among the assessment unit, review unit, verification unit or technical unit or with the assessee or any other person with respect to the information or documents or evidence or any other details, as may be necessary for the purposes of making a faceless assessment shall be through the National Faceless Assessment Centre;

(ii) between the National Faceless Assessment Centre and the assessee, or his authorised representative, or any other person shall be exchanged exclusively by electronic mode; and

(iii) between the National Faceless Assessment Centre and various units shall be exchanged exclusively by electronic mode:

Provided that the provisions of this sub-section shall not apply to the enquiry or verification conducted by the verification unit in the circumstances as may be specified by the Board in this behalf.

(6) For the purposes of faceless assessment—

(i) an electronic record shall be authenticated by—

(a) the National Faceless Assessment Centre by way of an electronic communication;

(b) the assessment unit or verification unit or technical unit or review unit, as the case may be, by affixing digital signature;

(c) assessee or any other person, by affixing his digital signature or under electronic verification code, or by logging into his registered account in the designated portal;

(ii) every notice or order or any other electronic communication shall be delivered to the addressee, being the assessee, by way of—

(a) placing an authenticated copy thereof in the registered account of the assessee; or

(b) sending an authenticated copy thereof to the registered email address of the assessee or his authorised representative; or

(c) uploading an authenticated copy on the Mobile App of the assessee,

and followed by a real time alert;

(iii) every notice or order or any other electronic communication shall be delivered to the addressee, being any other person, by sending an authenticated copy thereof to the registered email address of such person, followed by a real time alert;

(iv) the assessee shall file his response to any notice or order or any other electronic communication, through his registered account, and once an acknowledgement is sent by the National Faceless Assessment Centre containing the hash result generated upon successful submission of response, the response shall be deemed to be authenticated;

(v) the time and place of dispatch and receipt of electronic record shall be determined in accordance with the provisions of section 13 of the Information Technology Act, 2000; 21 of 2000.

(vi) a person shall not be required to appear either personally or through authorised representative in connection with any proceedings before any unit set up under this section;

(vii) in a case where a variation is proposed in the income or loss determination proposal or the draft order, and an opportunity is provided to the assessee by serving a notice calling upon him to show cause as to why the assessment should not be completed as per such income or loss determination proposal, the assessee or his authorised representative, as the case may be, may request for personal hearing so as to

make his oral submissions or present his case before the income-tax authority of the relevant unit;

(viii) where the request for personal hearing has been received, the income-tax authority of relevant unit shall allow such hearing, through National Faceless Assessment Centre, which shall be conducted exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony, to the extent technologically feasible, in accordance with the procedure laid down by the Board;

(ix) subject to the proviso to sub-section (5), any examination or recording of the statement of the assessee or any other person (other than the statement recorded in the course of survey under section 133A) shall be conducted by an income-tax authority in the relevant unit, exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony, to the extent technologically feasible, in accordance with the procedure laid down by the Board;

(x) the Board shall establish suitable facilities for video conferencing or video telephony including telecommunication application software which supports video conferencing or video telephony at such locations as may be necessary, so as to ensure that the assessee, or his authorised representative, or any other person is not denied the benefit of faceless assessment merely on the consideration that such assessee or his authorised representative, or any other person does not have access to video conferencing or video telephony at his end;

(xi) the Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of the National Faceless Assessment Centre shall, with the prior approval of the Board, lay down the standards, procedures and processes for effective functioning of the National Faceless Assessment Centre and the units set up, in an automated and mechanised environment.

(7) (a)The Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of the National Faceless Assessment Centre shall, in

accordance with the procedure laid down by the Board in this regard, if he considers appropriate that the provisions of sub-section (2A) of section 142 may be invoked in the case,—

(i) forward the reference received from an assessment unit under clause (xxxii) of sub-section (1) to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner having jurisdiction over such case, and inform the assessment unit accordingly;

(ii) transfer the case to the Assessing Officer having jurisdiction over such case in accordance sub-section (8);

(b) where a reference has been received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner under sub-clause (i) of clause (a), he shall direct the Assessing Officer, having jurisdiction over the case, to invoke the provisions of sub-section (2A) of section 142;

(c) where a reference has not been forwarded to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, having jurisdiction over the case, in a case referred to in sub-clause (i) of clause (a), the assessment unit shall proceed to complete the assessment in accordance with the procedure laid down in this section.

(8) Notwithstanding anything contained in sub-section (1) or sub-section (2), the Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of National Faceless Assessment Centre may, at any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case, with the prior approval of the Board.";

(b) sub-section (9) shall be omitted and shall be deemed to have been omitted with effect from the 1st day of April, 2021;

(c) sub-section (10) shall be omitted;

(d) in the *Explanation*,—

(i) after clause (l), the following clause shall be inserted, namely:–

‘(la) “electronic verification code” means a code generated for the purpose of electronic verification as per the data structure and standards specified by the Principal Director General or Director General, as the case may be, in charge of information technology;’;

(ii) clause (q) shall be omitted.

Amendment of section 144C.

43. In section 144C of the Income-tax Act, in sub-section (14C), in the proviso, for the figures “2022”, the figures “2024” shall be substituted.

Amendment of section 148.

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

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

“Provided further that no such approval shall be required where the Assessing Officer, with the prior approval of the specified authority, has passed an order under clause (d) of section 148A to the effect that it is a fit case to issue a notice under this section.”;

(ii) in *Explanation* 1,—

(a) in clause (i), the word “flagged” shall be omitted;

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

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

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

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

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

(iii) in *Explanation* 2,—

(a) in clause (ii), the words, brackets and figure “or sub-section (5)” shall be omitted;

(b) in the long line, for the words "for the three assessment years immediately preceding the assessment year relevant to the previous year in which", the word "where" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021.

Amendment of section 148A.

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

(i) in clause (b), the words "with the prior approval of specified authority," shall be omitted;

(ii) in the proviso, in clause (c), for the words "relate to, the assessee." the following shall be substituted, namely:—

"relate to, the assessee; or

(d) the Assessing Officer has received any information under the scheme notified under section 135A pertaining to income chargeable to tax escaping assessment for any assessment year in the case of the assessee.".

Insertion of new section 148B.

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

Prior approval for assessment, reassessment or recomputation in certain cases.

"148B. No order of assessment or reassessment or recomputation under this Act shall be passed by an Assessing Officer below the rank of Joint Commissioner, in respect of an assessment year to which clause (i) or clause (ii) or clause (iii) or clause (iv) of *Explanation* 2 to section 148 apply except with the prior approval of the Additional Commissioner or Additional Director or Joint Commissioner or Joint Director.".

Amendment of section 149.

47. In section 149 of the Income-tax Act, in sub-section (1),—

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

"(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 account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of—

(i) an asset;

(ii) expenditure in respect of a transaction or in relation to an event or occasion; or

(iii) an entry or entries in the books of account,

which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more:";

(ii) in the first proviso, for the words, brackets, letter and figure "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", the words, figures, letters and brackets "a notice under section 148 or section 153A or section 153C 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 or section 153A or section 153C, as the case may be" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021;

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

"(1A) Notwithstanding anything contained in sub-section (1), where the income chargeable to tax represented in the form of an asset or expenditure in relation to an event or occasion of the value referred to in clause (b) of sub-section (1), has escaped the assessment and the investment in such asset or expenditure in relation to such event or occasion has been made or incurred, in more than one previous years relevant to the assessment years within the period referred to in clause (b) of sub-section (1), a notice under section 148 shall be issued for every such assessment year for assessment, reassessment or recomputation, as the case may be.".

Amendment of section 153.

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

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

"(1A) Notwithstanding anything contained in sub-section (1), where a return under sub-section (8A) of section 139 is furnished, an order of assessment under section 143 or section 144 may be made at any time before the expiry of nine months from the end of the financial year in which such return was furnished.";

(b) in sub-section (3),—

(i) after the words "fresh assessment", the words, figures and letters "or fresh order under section 92CA, as the case may be," shall be inserted;

(ii) after the words "cancelling an assessment,", the words, letters and figures "or an order under section 92CA, as the case may be" shall be inserted;

(c) in sub-section (5),—

(i) after the words "Assessing Officer" wherever they occur, the words "or the Transfer Pricing Officer, as the case may be," shall be inserted;

(ii) after the words "fresh assessment or reassessment", the words, figures and letters "or fresh order under section 92CA, as the case may be," shall be inserted;

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

"(5A) Where the Transfer Pricing Officer gives effect to an order or direction under section 263 by an order under section 92CA and forwards such order to the Assessing Officer, the Assessing Officer shall proceed to modify the order of assessment or reassessment or recomputation, in conformity with such order of the Transfer Pricing Officer, within two months from the end of the month in which such order of the Transfer Pricing Officer is received by him.";

(e) in sub-section (6), for the words, brackets and figures "sub-sections (3) and (5)", the words, brackets, figures and letter "sub-sections (3), (5) and (5A)" shall be substituted;

(f) in *Explanation* 1,—

(I) in clause (iii), for the words, brackets, figures and letters "or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, under clause (i) of the proviso", the words, brackets and figure ", under clause (i) of the first proviso" shall be substituted;

(II) in clause (xi), for the words "Assessing Officer,", the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021, namely:—

"Assessing Officer; or

(xii) the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account or other documents, or any money, bullion, jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee,—

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

(b) to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to; or

(c) to whom any books of account or documents seized or requisitioned pertains or pertains to, or any information contained therein, relates to; or";

(III) after clause (xii), before the longline, the following clause shall be inserted, namely:—

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

Amendment of section 153B.

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

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

"(4) Nothing contained in this section shall apply to any search initiated under section 132 or requisition made under section 132A on or after the 1st day of April, 2021.";

(b) in the *Explanation*,—

(i) in clause (x), for the words "Assessing Officer,", the words "Assessing Officer; or" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021;

(ii) after clause (x), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

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

Insertion of new section 156A.

50. After section 156 of the Income tax Act, the following section shall be inserted, namely:—

Modification and revision of notice in certain cases.

"156A.(1) Where any tax, interest, penalty, fine or any other sum in respect of which a notice of demand has been issued under section 156, is reduced as a result of an order of the Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016, the Assessing Officer shall modify the demand payable in conformity with such order and shall thereafter serve on the assessee a notice of demand specifying the sum payable, if any, and such notice of demand shall be deemed to be a notice under section 156 and the provisions of this Act shall accordingly, apply in relation to such notice. 31 of 2016.

(2) Where the order referred to in sub-section (1) is modified by the National Company Law Appellate Tribunal or the Supreme Court, as the case may be, the modified notice of demand as referred to in sub-section (1), issued by the Assessing Officer shall be revised accordingly.".

Amendment of section 158AA.

51. In section 158AA of the Income-tax Act, in sub-section (1), the following proviso shall be inserted, namely:—

"Provided that no such direction shall be given on or after the 1st day of April, 2022.".

Insertion of new section 158AB.

52. After section 158AA of the Income-tax Act, the following section shall be inserted, namely:—

Procedure where an identical question of law is pending before High Courts or Supreme Court.

'158AB.(1) Notwithstanding anything contained in this Act, where the collegium is of the opinion that—

(a) any question of law arising in the case of an assessee for any assessment year (such case being herein referred to as the relevant case) is identical with a question of law arising,—

(i) in his case for any other assessment year; or

(ii) in the case of any other assessee for any assessment year; and

(b) such question is pending before the jurisdictional High Court under section 260A or the Supreme Court in an appeal under section 261 or in a special leave petition under article 136 of the Constitution, against the order of the Appellate Tribunal or the jurisdictional High Court, as the case may be, which is in favour of such assessee (such case being herein referred to as the other case),

the collegium may, decide and inform the Principal Commissioner or Commissioner not to file any appeal, at this stage, to the Appellate Tribunal under sub-section (2) of section 253 or to the jurisdictional High Court under sub-section (2) of section 260A in the relevant case against the order of the Commissioner (Appeals) or the Appellate Tribunal, as the case may be.

(2) The Principal Commissioner or the Commissioner shall, on receipt of a communication from the collegium under sub-section (1), direct the Assessing Officer to make an application to the Appellate Tribunal or the jurisdictional High Court, as the case may be, in such form as may be prescribed within a period of sixty days from the date of receipt of the order of the Commissioner (Appeals) or within a period of one hundred and twenty days from the date of receipt of the order of the Appellate Tribunal, as the case may be, stating that an appeal on the question of law arising in the

relevant case may be filed when the decision on such question of law becomes final in the other case.

(3) The Principal Commissioner or Commissioner shall direct the Assessing Officer to make an application under sub-section (2) only if an acceptance is received from the assessee to the effect that the question of law in the other case is identical to that arising in the relevant case; and in case no such acceptance is received, the Principal Commissioner or Commissioner shall proceed in accordance with the provisions contained in sub-section (2) of section 253 or in sub-section (2) of section 260A.

(4) Where the order of the Commissioner (Appeals) or the order of the Appellate Tribunal, as the case may be, referred to in sub-section (1) is not in conformity with the final decision on the question of law in the other case, as and when such order is received, the Principal Commissioner or Commissioner may direct the Assessing Officer to appeal to the Appellate Tribunal or the jurisdictional High Court, as the case may be, against such order and save as otherwise provided in this section all other provisions of Part B of Chapter XX shall apply accordingly.

(5) Every appeal under sub-section (4) shall be filed within a period of sixty days from the date on which the order of the jurisdictional High Court or the Supreme Court in the other case is communicated, in accordance with the procedure specified by the Board in this behalf, to the Principal Commissioner or Commissioner.

Explanation.—For the purposes of this section, "collegium" means a collegium comprising of two or more Chief Commissioners or Principal Commissioners or Commissioners, as may be specified by the Board in this behalf.'.

Amendment of section 170.

53. In section 170 of the Income-tax Act,—

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

'(2A) Notwithstanding anything contained in sub-sections (1) and (2), where there is a business reorganisation, the assessment or reassessment or other proceedings, made on the predecessor during the course of pendency of such reorganisation, shall be deemed to have been made on the successor and all the provisions of this Act shall, so far as may be, apply accordingly.

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

(i) "business reorganisation" means the reorganisation of business involving the amalgamation or de-merger or merger of business of one or more persons;

(ii) "pendency" means the period commencing from the date of filing of application for such reorganisation of business before the High Court or tribunal or the date of admission of an application for corporate insolvency resolution by the Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 and ending with the date on which the order of such High Court or tribunal or such Adjudicating Authority, as the case may be, is received by the Principal Commissioner or the Commissioner.'. 31 of 2016.

Insertion of new section 170A.

54. After section 170 of the Income-tax Act, the following section shall be inserted, namely:—

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

'170A. Notwithstanding anything to the contrary contained in section 139, in a case of business reorganisation, where prior to the date of order of a High Court or tribunal or an Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016, as the case may be, any return of income has been furnished by the successor under the provisions of section 139 for any assessment year relevant to the previous year to which such order applies, such successor shall furnish, within a period of six months from the end of the month in which the said order was issued, a modified return in such form and manner, as may be prescribed, in accordance with and limited to the said order. 31 of 2016.

Explanation.—In this section, "business reorganisation" shall have the same meaning as assigned to it in clause (i) of the *Explanation* to sub-section (2A) of section 170.'.

Amendment of section 179.

55. In section 179 of the Income-tax Act,—

(a) in the marginal heading, the words "in liquidation" shall be omitted;

(b) in the *Explanation*, after the word "interest", the word ", fees" shall be inserted.

Amendment of section 194-IA.

56. In section 194-IA of the Income-tax Act,—

(i) in sub-section (1), after the words "one per cent. of such sum", the words "or the stamp duty value of such property, whichever is higher," shall be inserted;

(ii) in sub-section (2), for the words "immovable property is", the words "immovable property and the stamp duty value of such property, are both," shall be inserted;

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

'(c) "stamp duty value" shall have the same meaning as assigned to it in clause (f) of the *Explanation* to clause (vii) of sub-section (2) of section 56.'.

Amendment of section 194-IB.

57. In section 194-IB of the Income-tax Act, in sub-section (4), the words, figures and letters "or section 206AB" shall be omitted.

Insertion of new section 194R.

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

Deduction of tax on benefit of perquisite in respect of business or profession.

'194R. Any person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession, by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent. of the value or aggregate of value of such benefit or perquisite:

Provided that in a case where the benefit or perquisite, as the case may be, is wholly in kind or partly in cash and partly in kind but such part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such benefit or perquisite, the person responsible for providing such benefit or perquisite shall, before releasing the benefit or perquisite, ensure that tax has been paid in respect of the benefit or perquisite:

Provided further that the provisions of this section shall not apply in case of a resident where the value or aggregate of value of the benefit or perquisite provided or likely to be provided to such resident during the financial year does not exceed twenty thousand rupees:

Provided also that the provisions of this section shall not apply to a person being an individual or a Hindu undivided

family, whose total sales, gross receipts or turnover does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession, during the financial year immediately preceding the financial year in which such benefit or perquisite, as the case may be, is provided by such person.

Explanation.—For the purposes of this section, the expression "person responsible for providing" means the person providing such benefit or perquisite, or in case of a company, the company itself including the principal officer thereof.'.

Insertion of new section 194S.

59. After section 194R of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2022, namely:—

Payment on transfer of virtual digital asset.

'194S. (1) Any person responsible for paying to a resident any sum by way of consideration for transfer of a virtual digital asset, shall, at the time of credit of such sum to the account of the resident or at the time of payment of such sum by any mode, whichever is earlier, deduct an amount equal to one per cent. of such sum as income-tax thereon:

Provided that in a case where the consideration for transfer of virtual digital asset is—

(a) wholly in kind or in exchange of another virtual digital asset, where there is no part in cash; or

(b) partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such transfer,

the person responsible for paying such consideration shall, before releasing the consideration, ensure that tax has been paid in respect of such consideration for the transfer of virtual digital asset.

(2) The provisions of sections 203A and 206AB shall not apply to a specified person.

(3) Notwithstanding anything contained in sub-section (1), no tax shall be deducted in a case, where—

(a) the consideration is payable by a specified person and the value or aggregate value of such consideration does not exceed fifty thousand rupees during the financial year; or

(b) the consideration is payable by any person other than a specified person and the value or aggregate value of such consideration does not exceed ten thousand rupees during the financial year.

(4) Notwithstanding anything contained in this Chapter, a transaction in respect of which tax has been deducted under sub-section (1) shall not be liable to deduction or collection of tax at source under any other provisions of this Chapter.

(5) 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 sum, such credit of the sum shall be deemed to be the credit of such sum to the account of the payee and the provisions of this section shall apply accordingly.

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

(7) Every guideline issued by the Board under sub-section (6) shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the person responsible for paying the consideration on transfer of such virtual digital asset.

(8) Notwithstanding anything contained in section 194-O, in case of a transaction to which the provisions of the said section are also applicable along with the provisions of this section, then, tax shall be deducted under sub-section (1).

Explanation.—For the purposes of this section "specified person" means a person,—

(a) being an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business carried on by him or profession exercised by him does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession, during the financial year immediately preceding the financial year in which such virtual digital asset is transferred;

(b) being an individual or a Hindu undivided family, not having any income under the head "Profits and gains of business or profession".'.

Amendment of section 201.

60. In section 201 of the Income-tax Act, in sub-section (1A), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that where an order is made by the Assessing Officer for the default under sub-section (1), the interest shall be paid by the person in accordance with such order.".

Amendment of section 206AB.

61. In section 206AB of the Income-tax Act,—

(a) in sub-section (1),—

(i) for the figures, letters and word "194LBC or 194N", the figures, letters and word "194-IA, 194-IB, 194LBC, 194M or 194N" shall be substituted;

(ii) the brackets and words "(hereafter referred to as deductee)" shall be omitted;

(b) in sub-section (3), for the portion beginning with the words "filed the returns of income" and ending with the words "each of these two previous years:", the following shall be substituted, namely:—

"furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the 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 the said previous year:".

Amendment of section 206C.

62. In section 206C of the Income-tax Act, in sub-section (7), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that where an order is made by the Assessing Officer for the default under sub-section (6A), the interest shall be paid by the person in accordance with such order.".

Amendment of section 206CCA.

63. In section 206CCA of the Income-tax Act,—

(a) in sub-section (1), the brackets and words "(hereafter referred to as collectee)" shall be omitted;

(b) in sub-section (3), for the portion beginning with the words "filed the returns of income" and ending with the words "each of these two previous years:", the following shall be substituted, namely:—

"furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected, for which the time limit for furnishing the 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 the said previous year:".

Amendment of section 234A.

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

(i) after the words, brackets and figure "or sub-section (4)", the words, brackets, figure and letter "or sub-section (8A)" shall be inserted;

(ii) for *Explanation* 2, the following *Explanation* shall be substituted, namely:–

'*Explanation* 2.—In this sub-section,—

(i) "tax on total income as determined under sub-section (1) of section 143" shall not include the additional income-tax, if any, payable under section 140B or section 143; and

(ii) tax on the total income determined under regular assessment shall not include the additional income-tax payable under section 140B.'.

Amendment of section 234B.

65. In section 234B of the Income-tax Act, in sub-section (1), for *Explanation* 3, the following *Explanation* shall be substituted, namely:—

'*Explanation* 3.—In *Explanation* 1 and in sub-section (3),—

(i) "tax on total income as determined under sub-section (1) of section 143" shall not include the additional income-tax, if any, payable under section 140B or section 143; and

(ii) tax on the total income determined under such regular assessment shall not include the additional income-tax payable under section 140B.'.

Insertion of new section 239A.

66. After section 239 of the Income-tax Act, the following section shall be inserted, namely:—

Refund for denying liability to deduct tax in certain cases.

"239A.(1) Where under an agreement or other arrangement, in writing, the tax deductible on any income, other than interest, under section 195 is to be borne by the person by whom the income is payable, and such person having paid such tax to the credit of the Central Government claims that no tax was required to be deducted on such income, may, within a period of thirty days from the date of payment of such tax, file an application before the Assessing Officer for refund of such tax in such form and such manner as may be prescribed.

(2) The Assessing Officer shall, by an order in writing, allow or reject the application:

Provided that no application under sub-section (1) shall be rejected unless an opportunity of being heard has been given to the applicant.

(3) The Assessing Officer may, before passing an order under sub-section (2), make such inquiry as he considers necessary.

(4) The order under sub-section (2) shall be passed within six months from the end of the month in which application under sub-section (1) is received.".

Amendment of section 245MA.

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

"(2A) Notwithstanding anything contained in section 144C, upon receipt of the order of the Dispute Resolution Committee under this section, the Assessing Officer shall,—

(a) in a case where the specified order is a draft of the proposed order of assessment under sub-section (1) of section 144C, pass an order of assessment, reassessment or recomputation; or

(b) in any other case, modify the order of assessment, reassessment or recomputation,

in conformity with the directions contained in the order of the Dispute Resolution Committee within a period of one month from the end of the month in which such order is received.".

Amendment of section 246A.

68. In section 246A of the Income-tax Act, in sub-section (1), after clause (i), the following clause shall be inserted, namely:—

"(ia) an order made under section 239A;".

Amendment of section 248.

69. In section 248 of the Income-tax Act, the following proviso shall be inserted, namely:—

"Provided that no appeal shall be filed where tax is paid to the credit of the Central Government on or after the 1st day of April, 2022.".

Amendment of section 253.

70. In section 253 of the Income-tax Act, in sub-section (9), in the proviso, for the figures "2022", the figures "2024" shall be substituted.

Amendment of section 255.

71. In section 255 of the Income-tax Act, in sub-section (8), in the proviso, for the figures "2023", the figures "2024" shall be substituted.

Amendment of section 263.

72. In section 263 of the Income-tax Act, in sub-section (1),–

(a) after the words "Assessing Officer" wherever they occur, the words "or the Transfer Pricing Officer, as the case may be," shall be inserted;

(b) for the words "including an order enhancing or modifying the assessment, or cancelling the assessment and directing a fresh assessment", the following shall be substituted, namely:—

"including,—

(i) an order enhancing or modifying the assessment or cancelling the assessment and directing a fresh assessment; or

(ii) an order modifying the order under section 92CA; or

(iii) an order cancelling the order under section 92CA and directing a fresh order under the said section.";

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

"(iii) an order under section 92CA by the Transfer Pricing Officer;";

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

'*Explanation* 3.—For the purposes of this section, "Transfer Pricing Officer" shall have the same meaning as assigned to it in the *Explanation* to section 92CA.'.

Amendment of section 271AAB.

73. In section 271AAB of the Income-tax Act,—

(a) in sub-section (1), in the opening portion, after the words "The Assessing Officer", the words and brackets "or the Commissioner (Appeals)" shall be inserted;

(b) in sub-section (1A), in the opening portion, after the words "The Assessing Officer", the words and brackets "or the Commissioner (Appeals)" shall be inserted;

(c) in the *Explanation*, in clause (a), for the words figures and letter "under section 153A", the words, figures and letter "under section 148 or under section 153A, as the case may be," shall be substituted and shall be deemed to have been substituted with effect from 1st April, 2021.

Amendment of section 271AAC.

74. In section 271AAC of the Income-tax Act, in sub-section (1), after the words "The Assessing Officer", the words and brackets "or the Commissioner (Appeals)" shall be inserted.

Amendment of section 271AAD.

75. In section 271AAD of the Income-tax Act,—

(i) in sub-section (1), in the long line, after the words "the Assessing Officer", the words and brackets "or the Commissioner (Appeals)," shall be inserted;

(ii) in sub-section (2), after the words "the Assessing Officer", the words and brackets "or the Commissioner (Appeals)" shall be inserted.

Insertion of new section 271AAE.

76. After section 271AAD of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2023, namely:—

Benefits to related persons.

"271AAE. Without prejudice to any other provision of this Chapter, if during any proceedings under this Act, it is found that a person, being any fund or institution referred to in sub-clause (*iv*) or any trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical

institution referred to in sub-clause (via) of clause (23C) of section 10, or any trust or institution referred to in section 11 has violated the provisions of the twenty-first proviso to clause (23C) of section 10, or clause (c) of sub-section (1) of section 13, as the case may be, the Assessing Officer may direct that such person shall pay by way of penalty—

(a) a sum equal to the aggregate amount of income applied, directly or indirectly, by such person, for the benefit of any person referred to in sub-section (3) of section 13, where the violation is noticed for the first time during any previous year; and

(b) a sum equal to two hundred per cent. of the aggregate amount of income of such person applied, directly or indirectly, by that person, for the benefit of any person referred to in sub-section (3) of section 13, where violation is noticed again in any subsequent previous year.".

Amendment of section 271C.

77. In section 271C of the Income-tax Act, in sub-section (1), in clause (b), in sub-clause (ii), the word "second" shall be omitted.

Amendment of section 272A.

78. In section 272A of the Income-tax Act, in sub-section (2), in the long line, for the words "one hundred rupees", the words "five hundred rupees" shall be substituted.

Amendment of section 276AB.

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

"Provided further that no proceeding under this section shall be initiated on or after the 1st day of April, 2022.".

Amendment of section 276B.

80. In section 276B of the Income-tax Act, in clause (b), in sub-clause (ii), the word "second" shall be omitted.

Amendment of section 276CC.

81. In section 276CC of the Income-tax Act, in the proviso, in clause (ii), in sub-clause (a), after the words "expiry of the assessment year", the words, brackets, figures and letter "or a return is furnished by him under sub-section (8A) of section 139 within the time provided in that sub-section" shall be inserted.

Amendment of section 278A.

82. In section 278A of the Income-tax Act, after the word, figures and letter "section 276B", the words, figures and letters "or section 276BB" shall be inserted.

Amendment of section 278AA.

83. In section 278AA of the Income-tax Act, after the words, figures and letter "or section 276B", the words, figures and letters "or section 276BB" shall be inserted.

Substitution of new section for section 285B.

84. For section 285B of the Income-tax Act, the following section shall be substituted, namely:—

Submission of statements by producers of cinematograph films or persons engaged in specified activity.

'285B. Any person carrying on the production of a cinematograph film or engaged in any specified activity, or both, during the whole or any part of any financial year shall, in respect of the period during which such production or specified activity is carried on by him in such financial year, furnish within the prescribed period, a statement in the prescribed form to the prescribed income tax authority in the prescribed manner, containing particulars of all payments of over fifty thousand rupees in the aggregate made by him or due from him to each such person as is engaged by him in such production or specified activity.

Explanation.—For the purposes of this section, "specified activity" means any event management, documentary production, production of programmes for telecasting on television or over the top platforms or any other similar platform, sports event management, other performing arts or any other activity as the Central Government may, by notification in the Official Gazette, specify in this behalf.'.

CHAPTER IV

INDIRECT TAXES

Customs

Amendment of section 2.

85. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 2, in clause (34), after the words "Principal Commissioner of Customs or Commissioner of Customs", the words and figure "under section 5" shall be inserted. 52 of 1962.

Substitution of section 3.

86. For section 3 of the Customs Act, the following section shall be substituted, namely:—

Classes of officers of customs.

"3. There shall be the following classes of officers of customs, namely:—

(a) Principal Chief Commissioner of Customs or Principal Chief Commissioner of Customs (Preventive) or Principal Director General of Revenue Intelligence;

(b) Chief Commissioner of Customs or Chief Commissioner of Customs (Preventive) or Director General of Revenue Intelligence;

(c) Principal Commissioner of Customs or Principal Commissioner of Customs (Preventive) or Principal Additional Director General of Revenue Intelligence or Principal Commissioner of Customs (Audit);

(d) Commissioner of Customs or Commissioner of Customs (Preventive) or Additional Director General of Revenue Intelligence or Commissioner of Customs (Audit);

(e) Principal Commissioner of Customs (Appeals);

(f) Commissioner of Customs (Appeals);

(g) Additional Commissioner of Customs or Additional Commissioner of Customs (Preventive) or Additional Director of Revenue Intelligence or Additional Commissioner of Customs (Audit);

(h) Joint Commissioner of Customs or Joint Commissioner of Customs (Preventive) or Joint Director of Revenue Intelligence or Joint Commissioner of Customs (Audit);

(i) Deputy Commissioner of Customs or Deputy Commissioner of Customs (Preventive) or Deputy Director of Revenue Intelligence or Deputy Commissioner of Customs (Audit);

(j) Assistant Commissioner of Customs or Assistant Commissioner of Customs (Preventive) or Assistant Director of Revenue Intelligence or Assistant Commissioner of Customs (Audit);

(k) such other class of officers of customs as may be appointed for the purposes of this Act.".

Amendment of section 5.

87. In section 5 of the Customs Act,—

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

"(1A) Without prejudice to the provisions contained in sub-section (1), the Board may, by notification, assign such functions as it may deem fit, to an officer of customs,

who shall be the proper officer in relation to such functions.

(1B) Within their jurisdiction assigned by the Board, the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, by order, assign such functions, as he may deem fit, to an officer of customs, who shall be the proper officer in relation to such functions.";

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

"(4) In specifying the conditions and limitations referred to in sub-section (1), and in assigning functions under sub-section (1A), the Board may consider any one or more of the following criteria, including, but not limited to—

(a) territorial jurisdiction;

(b) persons or class of persons;

(c) goods or class of goods;

(d) cases or class of cases;

(e) computer assigned random assignment;

(f) any other criterion as the Board may, by notification, specify.

(5) The Board may, by notification, wherever necessary or appropriate, require two or more officers of customs (whether or not of the same class) to have concurrent powers and functions to be performed under this Act.".

Amendment of section 14.

88. In section 14 of the Customs Act, in sub-section (1), in the second proviso, after clause (iii), the following clause shall be inserted, namely:—

"(iv) the additional obligations of the importer in respect of any class of imported goods and the checks to be exercised, including the circumstances and manner of exercising thereof, as the Board may specify, where, the Board has reason to believe that the value of such goods may not be declared truthfully or accurately, having regard to the trend of declared value of such goods or any other relevant criteria:".

Amendment of section 28E.

89. In section 28E of the Customs Act,—

(a) in clause (c), the *Explanation* shall be omitted;

(b) clause (h) shall be omitted.

Amendment of section 28H.

90. In section 28H of the Customs Act, —

(a) in sub-section (1), after the words "an application in such form and in such manner", the words "and accompanied by such fee" shall be inserted;

(b) sub-section (3) shall be omitted;

(c) in sub-section (4), for the words "within thirty days from the date of the application", the words "at any time before an advance ruling is pronounced" shall be substituted.

Amendment of section 28-I.

91. In section 28-I of the Customs Act, in sub-section (7), the words "by the Members" shall be omitted.

Amendment of section 28J.

92. In section 28J of the Customs Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The advance ruling referred to in sub-section (1) shall remain valid for three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier:

Provided that in respect of any advance ruling in force on the date on which the Finance Bill, 2022 receives the assent of the President, the said period of three years shall be reckoned from the date on which the said Finance Bill receives the assent of the President.".

Insertion of new section 110AA.

93. After section 110A of the Customs Act, the following section shall be inserted, namely:—

Action subsequent to inquiry, investigation or audit or any other specified purpose.

"110AA. Where in pursuance of any proceeding, in accordance with Chapter XIIA or this Chapter, if an officer of customs has reasons to believe that—

(a) any duty has been short-levied, not levied, short-paid or not paid in a case where assessment has already been made;

(b) any duty has been erroneously refunded;

(c) any drawback has been erroneously allowed; or

(d) any interest has been short-levied, not levied, short-paid or not paid, or erroneously refunded,

then such officer of customs shall, after causing inquiry, investigation, or as the case may be, audit, transfer the relevant documents, along with a report in writing–

(a) to the proper officer having jurisdiction, as assigned under section 5 in respect of assessment of such duty, or to the officer who allowed such refund or drawback; or

(b) in case of multiple jurisdictions, to an officer of customs to whom such matter is assigned by the Board, in exercise of the powers conferred under section 5,

and thereupon, power exercisable under sections 28, 28AAA or Chapter X, shall be exercised by such proper officer or by an officer to whom the proper officer is subordinate in accordance with sub-section (2) of section 5.".

Insertion of new section 135AA.

94. After section 135A of the Customs Act, the following section shall be inserted, namely:—

Protection of data.

'135AA. (1) If a person publishes any information relating to the value or classification or quantity of goods entered for export from India, or import into India, or the details of the exporter or importer of such goods under this Act, unless required so to do under any law for the time being in force, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to fifty thousand rupees, or with both.

(2) Nothing contained in this section shall apply to any publication made by or on behalf of the Central Government.

Explanation. — For the purposes of this section, the expression "publishes" includes reproducing the information in printed or electronic form and making it available for the public.'.

Amendment of section 137.

95. In section 137 of the Customs Act, in sub-section (1), after the words, figures and letter "or section 135A", the words, figures and letters "or section 135AA" shall be inserted.

Validation of certain actions taken under Customs Act.

96. Notwithstanding anything contained in any judgment, decree or order of any court, tribunal, or other authority, or in the provisions of the Customs Act, 1962 (hereinafter referred to as the Customs Act), 52 of 1962.—

(i) anything done or any duty performed or any action taken or purported to have been taken or done under Chapters V, VAA, VI, IX, X, XI, XII, XIIA, XIII, XIV, XVI and XVII of the Customs Act, as it stood prior to its amendment by this Act, shall be deemed to have been validly done or performed or taken;

(ii) any notification issued under the Customs Act for appointing or assigning functions to any officer shall be deemed to have been validly issued for all purposes, including for the purposes of section 6;

(iii) for the purposes of this section, sections 2, 3 and 5 of the Customs Act, as amended by this Act, shall have and shall always be deemed to have effect for all purposes as if the provisions of the Customs Act, as amended by this Act, had been in force at all material times.

Explanation.— For the purposes of this section, it is hereby clarified that any proceeding arising out of any action taken under this section and pending on the date of commencement of this Act shall be disposed of in accordance with the provisions of the Customs Act, as amended by this Act.

Customs Tariff

Amendment of First Schedule.

97. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), the First Schedule shall, 51 of 1975.—

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

(b) with effect from the 1st May, 2022, be also amended in the manner specified in the Third Schedule.

Excise

Amendment of Fourth Schedule.

98. In the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), the Fourth Schedule shall be amended in the manner specified in the Fourth Schedule. 1 of 1944.

Amendment of section 16.

99. In the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in section 16, — 12 of 2017.

(a) in sub-section (2),—

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

"(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;";

(ii) in clause (c), the words, figures and letter "or section 43A" shall be omitted;

(b) in sub-section (4), for the words and figures "due date of furnishing of the return under section 39 for the month of September", the words "thirtieth day of November" shall be substituted.

Amendment of section 29.

100. In section 29 of the Central Goods and Services Tax Act, in sub-section (2), —

(a) in clause (b), for the words "returns for three consecutive tax periods", the words "the return for a financial year beyond three months from the due date of furnishing the said return" shall be substituted;

(b) in clause (c), for the words "a continuous period of six months", the words "such continuous tax period as may be prescribed" shall be substituted.

Amendment of section 34.

101. In section 34 of the Central Goods and Services Tax Act, in sub-section (2), for the word "September", the words "the thirtieth day of November" shall be substituted.

Amendment of section 37.

102. In section 37 of the Central Goods and Services Tax Act,—

(a) in sub-section (1), —

(i) after the words "shall furnish, electronically,", the words "subject to such conditions and restrictions and" shall be inserted;

(ii) for the words "shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed", the words "shall, subject

to such conditions and restrictions, within such time and in such manner as may be prescribed, be communicated to the recipient of the said supplies" shall be substituted;

(iii) the first proviso shall be omitted;

(iv) in the second proviso, for the words "Provided further that", the words "Provided that" shall be substituted;

(v) in the third proviso, for the words "Provided also that", the words "Provided further that" shall be substituted;

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

(c) in sub-section (3),—

(i) the words and figures "and which have remained unmatched under section 42 or section 43" shall be omitted;

(ii) in the first proviso, for the words and figures "furnishing of the return under section 39 for the month of September", the words "the thirtieth day of November" shall be substituted;

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

"(4) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods.".

Substitution of new section for section 38.

103. For section 38 of the Central Goods and Services Tax Act, the following section shall be substituted, namely:—

Communication of details of inward supplies and input tax credit.

"38. (1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto-generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

(2) The auto-generated statement under sub-section (1) shall consist of—

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,—

(i) by any registered person within such period of taking registration as may be prescribed; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or

(vi) by such other class of persons as may be prescribed.".

Amendment of section 39.

104. In section 39 of the Central Goods and Services Tax Act,—

(a) in sub-section (5), for the word "twenty", the word "thirteen" shall be substituted;

(b) in sub-section (7), for the first proviso, the following proviso shall be substituted, namely: —

"Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed,—

(a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or

(b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.";

(c) in sub-section (9), —

(i) for the words and figures "Subject to the provisions of sections 37 and 38, if", the word "Where" shall be substituted;

(ii) in the proviso, for the words "the due date for furnishing of return for the month of September or second quarter", the words "the thirtieth day of November" shall be substituted;

(d) in sub-section (10), for the words "has not been furnished by him", the following shall be substituted, namely:—

"or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not

furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period.".

Substitution of new section for section 41.

105. For section 41 of the Central Goods and Services Tax Act, the following section shall be substituted, namely:—

Availment of input tax credit.

"41. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited to his electronic credit ledger.

(2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest, by the said person in such manner as may be prescribed:

Provided that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, the said registered person may re-avail the amount of credit reversed by him in such manner as may be prescribed.".

Omission of sections 42, 43 and 43A.

106. Sections 42, 43 and 43A of the Central Goods and Services Tax Act shall be omitted.

Amendment of section 47.

107. In section 47 of the Central Goods and Services Tax Act, in sub-section (1), —

(a) the words "or inward" shall be omitted;

(b) the words and figures "or section 38" shall be omitted;

(c) after the words and figures "section 39 or section 45", the words and figures "or section 52" shall be inserted.

Amendment of section 48.

108. In section 48 of the Central Goods and Services Tax Act, in sub-section (2), the words and figures ", the details of inward supplies under section 38" shall be omitted.

Amendment of section 49.

109. In section 49 of the Central Goods and Services Tax Act,—

(a) in sub-section (2), the words, figures and letter "or section 43A" shall be omitted;

(b) in sub-section (4), after the words "subject to such conditions", the words "and restrictions" shall be inserted;

(c) for sub-section (10), the following sub-section shall be substituted, namely:—

"(10) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for,—

(a) integrated tax, central tax, State tax, Union territory tax or cess; or

(b) integrated tax or central tax of a distinct person as specified in sub-section (4) or, as the case may be, sub-section (5) of section 25,

in such form and manner and subject to such conditions and restrictions as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act:

Provided that no such transfer under clause (b) shall be allowed if the said registered person has any unpaid liability in his electronic liability register.";

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

"(12) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, specify such maximum proportion of output tax liability under this Act or under the Integrated Goods and Services Tax Act, 2017 which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.". 13 of 2017.

Amendment of section 50.

110. In section 50 of the Central Goods and Services Tax Act, for sub-section (3), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:—

"(3) Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent. as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.".

Amendment of section 52.

111. In section 52 of the Central Goods and Services Tax Act, in sub-section (6), in the proviso, for the words "due date for

furnishing of statement for the month of September", the words "thirtieth day of November" shall be substituted.

Amendment of section 54.

112. In section 54 of the Central Goods and Services Tax Act, —

(a) in sub-section (1), in the proviso, for the words and figures "the return furnished under section 39 in such", the words "such form and" shall be substituted;

(b) in sub-section (2), for the words "six months", the words "two years" shall be substituted;

(c) in sub-section (10), the words, brackets and figure "under sub-section (3)" shall be omitted;

(d) in the *Explanation*, in clause (2), after sub-clause (b), the following sub-clause shall be inserted, namely:—

"(ba) in case of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit where a refund of tax paid is available in respect of such supplies themselves, or as the case may be, the inputs or input services used in such supplies, the due date for furnishing of return under section 39 in respect of such supplies;".

Amendment of section 168.

113. In section 168 of the Central Goods and Services Tax Act, in sub-section (2), the words, brackets and figures "sub-section (2) of section 38," shall be omitted.

Amendment of notification issued under section 146 of Central Goods and Services Tax Act read with section 20 of Integrated Goods and Services Tax Act, retrospectively.

114. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 58(E), dated the 23rd January, 2018, issued by the Central Government on the recommendations of the Council, under section 146 of the Central Goods and Services Tax Act, 2017 read with section 20 of the Integrated Goods and Services Tax Act, 2017, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Fifth Schedule, on and from the date specified in column (3) of that Schedule. 12 of 2017. 13 of 2017.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under section 146 of the Central Goods and Services Tax Act, 2017 read with section 20 of the 12 of 2017. 13 of 2017.

Integrated Goods and Services Tax Act, 2017, retrospectively, at all material times.

Amendment of notification issued under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of Central Goods and Services Tax Act, retrospectively.

115. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 661(E), dated the 28th June, 2017, issued by the Central Government on the recommendations of the Council, under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Sixth Schedule, on and from the date specified in column (3) of that Schedule. 12 of 2017.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017, retrospectively, at all material times. 12 of 2017.

Retrospective exemption from, or levy or collection of, central tax in certain cases.

116. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 673(*E*), dated the 28th June, 2017 issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 9 of the Central Goods and Services Tax Act, 2017, no central tax shall be levied or collected in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive). 12 of 2017.

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Retrospective effect to notification issued under sub-section (2) of section 7 of Central Goods and Services Tax Act.

117. (1) Subject to the provisions of sub-section (2), the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 746(E), dated the 30th September, 2019 issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub- section (2) of section 7 of the Central Goods and Services Tax Act, 2017, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017. 12 of 2017.

(2) No refund shall be made of all such central tax which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times.

Integrated Goods and Services Tax

Amendment of notification issued under section 20 of Integrated Goods and Services Tax Act, 2017 read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of Central Goods and Services Tax Act, retrospectively.

118. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 698 (E), dated the 28th June, 2017, issued by the Central Government on the recommendations of the Council, under section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Seventh Schedule, on and from the date specified in column (3) of that Schedule. 13 of 2017. 12 of 2017.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017, retrospectively, at all material times. 13 of 2017. 12 of 2017.

Retrospective exemption from, or levy or collection of, integrated tax in certain cases.

119. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 666(E), dated the 28th June, 2017 issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017, no integrated tax shall be levied or collected in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive). 13 of 2017.

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Retrospective effect to notification issued under clause (i) of section 20 of Integrated Goods and Services Tax Act read with sub-section (2) of section 7 of Central Goods and Services Tax Act.

120. (1) Subject to the provisions of sub-section (2), the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 745(E),dated the 30th September, 2019 issued by the Central Government on the recommendations of the Council, in exercise of the powers under clause (i) of section 20 of the Integrated Goods and Services Tax Act, 2017, read with sub-section (2) of section 7 of the Central Goods and Services Tax Act, 2017, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017. 13 of 2017. 12 of 2017.

(2) No refund shall be made of all such integrated tax which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times.

Union Territory Goods and Services Tax

Amendment of notification issued under section 21 of Union Territory Goods and Services Tax Act read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of Central Goods and Services Tax Act, retrospectively.

121. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 747 (E), dated the 30th June, 2017, issued by the Central Government on the recommendations of the Council, under section 21 of the Union Territory Goods and Services Tax Act, 2017 read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Eighth Schedule, on and from the date specified in column (3) of that Schedule. 14 of 2017. 12 of 2017.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under section 21 of the Union Territory Goods and Services Tax Act, 2017 read with sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017, retrospectively, at all material times. 14 of 2017. 12 of 2017.

Retrospective exemption from or levy or collection of, Union territory

122. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 710(E), dated the 28th June, 2017 issued by the Central Government, on the

tax in certain cases.

recommendations of the Council, in exercise of the powers under sub-section (1) of section 7 of the Union Territory Goods and Services Tax Act, 2017, no Union territory tax shall be levied or collected in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive). 14 of 2017.

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Retrospective effect to notification issued under clause (i) of section 21 of Union Territory Goods and Services Tax Act read with sub-section (2) of section 7 of Central Goods and Services Tax Act.

123. (1) Subject to the provisions of sub-section (2), the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 747(E),dated the 30th September, 2019 issued by the Central Government, on the recommendations of the Council, in exercise of the powers under clause (i) of section 21 of the Union Territory Goods and Services Tax Act, 2017, read with sub-section (2) of section 7 of the Central Goods and Services Tax Act, 2017, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017. 14 of 2017. 12 of 2017.

(2) No refund shall be made of all such Union territory tax which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times.

CHAPTER V

MISCELLANEOUS

PART I

AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

Amendment of Act 2 of 1934.

124. In the Reserve Bank of India Act, 1934,—

(a) in section 2, after clause (aiii), the following clause shall be inserted, namely:—

'(aiv) "bank note" means a bank note issued by the Bank, whether in physical or digital form, under section 22;';

(b) after section 22, the following section shall be inserted, namely:—

Non-applicability of certain provisions to digital form of bank notes.

"22A. Nothing contained in sections 24, 25, 27, 28 and 39 shall apply to the bank notes issued in digital form by the Bank.".

PART II

AMENDMENT TO THE FINANCE ACT, 2001

Amendment of Seventh Schedule.

125. In the Finance Act, 2001, the Seventh Schedule shall be amended in the manner specified in the Ninth Schedule. 14 of 2001.

Declaration under the Provisional Collection of Taxes Act, 1931

It is hereby declared that it is expedient in the public interest that the provisions of sub-clause (a) of clause 97 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-five 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) 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 2019-20 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] — 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 — 10 per cent.;

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	
(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 is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the	10 per cent.;

Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	
(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	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 proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time	

being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of 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.;
(xi) on income by way of dividend	20 per cent.;
(xii) on any other income	40 per cent.

Explanation.— For the purposes of item 1(b)(i) of this Part, "investment income" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for the purposes of the Union,—

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

I. at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

II. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed two crore rupees;

III. at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees but does not exceed five crore rupees;

IV. at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds five crore rupees; and

V. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of

sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees, but is not covered under sub-clauses III and IV:

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

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

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

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

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

(ii) Item 2 of this Part shall be increased by a surcharge, for the purposes of the Union, in the case of every company other than a domestic company, calculated,—

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

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

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income

chargeable under the head "Salaries" under section 192 of the said Act or deducted under section 194P of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the said Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BAA or section 115BAB or section 115BAD or section 115BB or section 115BBA or section 115BBC or section 115BBE or section 115BBF or section 115BBG or section 115BBH or section 115BBI or section 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

(1) where the total income does not exceed Rs. 5,00,000	*Nil;*
(2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(3) where the total income exceeds Rs.10,00,000	Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A or the provisions of section 115BAC of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

(a) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding fifty lakh

rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax; and

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

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

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

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

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

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of Income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

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

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

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

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

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs.10,000	10 per cent. of the total income;
(2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purpose of the Union, calculated in the case of every co-operative society,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent.:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total

income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30 per cent.;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2020-2021 does not exceed four hundred crore rupees;	25 per cent. of the total income;
(ii) other than that referred to in item (i)	30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,— 50 per cent.;

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, of the total income 40 per cent..

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated,—

(i) in the case of every domestic company,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

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

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

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV
[*See* section 2(*13*)(*c*)]
RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3), (3A) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3), (3A) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may

be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2022, 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 (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, 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 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.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2023, 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, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, is a loss, then, for the purposes of sub-section (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, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year

commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the or the 1st day of April, 2021 or the 1st day of April, 2022,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2022,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2023.

(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 (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) or the First Schedule of the Finance Act, 2021 (13 of 2021) 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 97(a)]

In the First Schedule to the Customs Tariff Act, —

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	*(2)*	*(3)*	*(4)*	*(5)*

(1) in Chapter 15, for the entry in column (4) occurring against tariff item 1516 30 00, the entry “100%” shall be substituted;

(2) in Chapter 66, for the entry in column (4) occurring against all the tariff items of heading 6601, the entry “20%” shall be substituted;

(3) in Chapter 71, for the entry in column (4) occurring against all the tariff items of heading 7117, the entry “20% or Rs. 400 per kg., whichever is higher” shall be substituted;

(4) in Chapter 85,—

(i) for the entry in column (4) occurring against tariff items 8518 21 00, 8518 22 00, 8518 29 00, and 8518 30 00, the entry “20%” shall be substituted;

(ii) for tariff item 8524 11 00 and the entries relating thereto, the following shall be substituted, namely :—

“8524 11 00	- - Of liquid crystals	u	15%	- ”;

(iii) for the entry in column (4) occurring against tariff item 8541 42 00, the entry "25%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 8541 43 00, the entry "40%" shall be substituted;

(v) for the entry in column (4) occurring against tariff item 8541 49 00, the entry "40%" shall be substituted;

(5) in Chapter 90,—

(i) for the entry in column (4) occurring against tariff item 9028 30 10, the entry “25%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 9028 90 10, the entry “20%” shall be substituted.

THE THIRD SCHEDULE

[*See* section 97(b)]

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 1, for the entry in column (4) occurring against tariff item 0101 21 00, the entry "Free" shall be substituted;

(2) in Chapter 3,—

(i) in heading 0306, for tariff item 0306 36 00 and the entries relating thereto, the following shall be substituted, namely:—

"0306 36	- -	*Other shrimps and prawns:*			
0306 36 10	- - -	Scampi (*Macrobachium spp*.)	kg.	30%	-
0306 36 20	- - -	Vannamei shrimp (*Litopenaeus vannamei*)	kg.	10%	-
0306 36 30	- - -	Indian white shrimp (*Fenneropenaeus indicus*)	kg.	30%	-
0306 36 40	- - -	Black tiger shrimp (*Penaeus monodon*)	kg.	10%	-
0306 36 50	- - -	Flower shrimp (*Penaeus semisulcatus*)	kg.	30%	-
0306 36 60	- - -	Artemia	kg.	5%	-
0306 36 90	- - -	Other	kg.	30%	-";

(ii) for the entry in column (4) occurring against tariff item 0307 32 00, the entry "15%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 0307 43 20, the entry "15%" shall be substituted;

(3) in Chapter 5,—

(i) for the entry in column (4) occurring against tariff item 0508 00 10, the entry "Free" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 0511 10 00, the entry "5%" shall be substituted;

(iii) in heading 0511, for tariff items 0511 91 10 to 0511 91 90, sub-heading 0511 99, tariff items 0511 99 11 and 0511 99 19, the following shall be substituted, namely: —

"0511 91 10	- - -	Fish nails	kg.	30%	-

0511 91 20	- - -	Fish tails	kg.	30%	-
0511 91 30	- - -	Other fish waste	kg.	30%	-
0511 91 40	- - -	Artemia cysts	kg.	5%	-
0511 91 90	- - -	Other	kg.	30%	-
0511 99	- -	*Other:*			
0511 99 10	- - -	Silkworm pupae	kg.	30%	-";

(4) in Chapter 7,—

(i) after Note 5, the following Supplementary Note shall be inserted, namely: —

"Supplementary Note:

(1) (a) For the purposes of this Chapter, "Rose Onion" refers to a variety of onion defined and recognised by the Geographical Indication (GI) Registry against the GI no. 212 under the Geographical Indication of Goods (Registration and Protection) Act, 1999 (48 of 1999).

(b) Produced/cultivated by a person certified/recognised and mentioned as a user in the Geographical Indication Registry against the said GI no.212";

(ii) in heading 0703, for tariff item 0703 10 10 and the entries relating thereto, the following shall be substituted, namely:—

	" - - -	*Onions:*			
0703 10 11	- - - -	Rose onion	kg.	30%	20%
0703 10 19	- - - -	Other	kg.	30%	20%" ;

(5) in Chapter 8,—

(i) for the entry in column (4) occurring against tariff item 0801 31 00, the entry "2.5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 0802 51 00 and 0802 52 00, the entry "10%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 0804 10 20 and 0804 10 30, the entry "20%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 0805 10 00, the entry "30%" shall be substituted;

(v) for the entry in column (4) occurring against tariff item 0805 50 00, the entry "30%" shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 0806 10 00, the entry "30%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff items 0808 30 00 and 0808 40 00, the entry "30%" shall be substituted;

(6) in Chapter 9,—

(i) for the entry in column (4) occurring against tariff item 0904 11 10, the entry “30%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 0907, the entry “35%” shall be substituted;

(7) in Chapter 10,—

(i) for the entry in column (4) occurring against tariff item 1001 19 00, the entry “40%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 1001 99 10, the entry “40%” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of heading 1005, the entry “50%” shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of heading 1007, the entry “50%” shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of sub-headings 1008 21 and 1008 29, the entry “50%” shall be substituted;

(8) in Chapter 11,—

(i) for the entry in column (4) occurring against tariff item 1104 22 00, the entry “15%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 1107 10 00, the entry “30%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 1108 12 00, the entry “30%” shall be substituted;

(9) in Chapter 12,—

(i) for the entry in column (4) occurring against tariff item 1207 91 00, the entry “20%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 1209 91, the entry “5%” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-heading 1209 99, the entry “5%” shall be substituted;

(10) in Chapter 13, for the entry in column (4) occurring against tariff item 1301 90 13, the entry “5%” shall be substituted;

(11) in Chapter 14, for the entry in column (4) occurring against tariff item 1401 10 00, the entry “25%” shall be substituted;

(12) in Chapter 16, in the Chapter heading, for the word “crustaceans”, the words “of crustaceans” shall be substituted;

(13) in Chapter 17, for the entry in column (4) occurring against all the tariff items of sub-headings 1702 11 and 1702 19, the entry “25%” shall be substituted;

(14) in Chapter 18, for the entry in column (4) occurring against tariff item 1801 00 00, the entry “15%” shall be substituted;

(15) in Chapter 19,—

(i) for the entry in column (4) occurring against tariff item 1905 31 00, the entry “30%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 1905 32, the entry “30%” shall be substituted;

(16) in Chapter 21, in clause (e) of Note 1, for the words “blood, fish”, the words “blood, insects, fish” shall be substituted;

(17) in Chapter 22, for the entry in column (4) occurring against tariff item 2207 20 00, the entry “5%” shall be substituted;

(18) in Chapter 23,—

(i) for the entry in column (4) occurring against all the tariff items of headings 2301, 2302, 2303, 2304, 2305 and 2306, the entry “15%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 2307 00 00, the entry “15%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 2308 00 00, the entry “15%” shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 2309 10 00, the entry “20%” shall be substituted;

(v) for the entry in column (4) occurring against tariff items 2309 90 10, 2309 90 20 and 2309 90 31, the entry “15%” shall be substituted;

(vi) for the entry in column (2) occurring against tariff item 2309 90 32, the following entry shall be substituted, namely:—

“Fish feed in powdered form”;

(vii) for the entry in column (4) occurring against tariff items 2309 90 32, 2309 90 39 and 2309 90 90, the entry “15%” shall be substituted;

(19) in Chapter 25,—

(i) for the entry in column (4) occurring against all the tariff items of heading 2501, the entry "5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 2502 00 00, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 2503 00 10, the entry "2.5%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 2503 00 90, the entry "5%" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of headings 2504, 2505, 2506, 2507 and 2508, the entry "5%" shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 2509 00 00, the entry "5%" shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of heading 2510, the entry "2.5%" shall be substituted;

(viii) for the entry in column (4) occurring against all the tariff items of headings 2511, 2512 and 2513, the entry "5%" shall be substituted;

(ix) for the entry in column (4) occurring against tariff item 2514 00 00, the entry "5%" shall be substituted;

(x) for the entry in column (4) occurring against all the tariff items of headings 2517 and 2519, the entry "5%" shall be substituted;

(xi) for the entry in column (4) occurring against tariff items 2520 10 10, 2520 10 20 and 2520 10 90, the entry "2.5%" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of sub-heading 2520 20, the entry "5%" shall be substituted;

(xiii) for the entry in column (4) occurring against all the tariff items of headings 2521 and 2522, the entry "5%" shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of sub-heading 2523 29, the entry "Free" shall be substituted;

(xv) for the entry in column (4) occurring against all the tariff items of headings 2525 and 2526, the entry "5%" shall be substituted;

(xvi) for the entry in column (4) occurring against all the tariff items of heading 2528, the entry "2.5%" shall be substituted;

(xvii) for the entry in column (4) occurring against all the tariff items of headings 2529 and 2530, the entry “5%” shall be substituted;

(20) in Chapter 26,—

(i) in clause (f) of Note 1, for the brackets, word and figures “(heading 7112)”, the brackets, words and figures “(heading 7112 or 8549)” shall be substituted;

(ii) after Sub-heading Notes, the following Supplementary Note shall be inserted, namely: -

“Supplementary Note:

1. For the products of heading 2601, the percentage of Fe content, wherever specified, shall be calculated on the Dry Weight or Dry Metric Tonne (DMT) basis.”;

(iii) for the entry in column (4) occurring against all the tariff items of headings 2601 and 2602, the entry “2.5%” shall be substituted;

(iv)for the entry in column (4) occurring against tariff item 2603 00 00, the entry “2.5%” shall be substituted;

(v) for the entry in column (4) occurring against tariff item 2604 00 00, the entry “Free” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 2605 00 00, the entry “2.5%” shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of heading 2606, the entry “2.5%” shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 2607 00 00, 2608 00 00 and 2609 00 00, the entry “2.5%” shall be substituted;

(ix) for the entry in column (4) occurring against all the tariff items of heading 2610, the entry “2.5%” shall be substituted;

(x) for the entry in column (4) occurring against tariff item 2611 00 00, the entry “2.5%” shall be substituted;

(xi) for the entry in column (4) occurring against tariff item 2612 10 00, the entry “Free” shall be substituted;

(xii) for the entry in column (4) occurring against tariff item 2612 20 00, the entry “2.5%” shall be substituted;

(xiii) for the entry in column (4) occurring against all the tariff items of headings 2613, 2614, 2615, 2616 and 2617, the entry “2.5%” shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of heading 2620, the entry "5%" shall be substituted;

(21) in Chapter 27,—

(i) for the entry in column (4) occurring against all the tariff items of headings 2701, 2702 and 2703, the entry "5%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 2704, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 2705 00 00, the entry "5%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of heading 2706, the entry "5%" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of heading 2707, the entry "2.5%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of heading 2708, the entry "5%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 2709 00 90, the entry "Free" shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 2710 12 21, 2710 12 22 and 2710 12 29, the entry "2.5%" shall be substituted;

(ix) for the entry in column (4) occurring against tariff items 2710 12 31 and 2710 12 32, the entry "5%" shall be substituted;

(x) in heading 2710, for tariff items 2710 12 39 to 2710 12 49 and the entries relating thereto, the following shall be substituted, namely:—

"2710 12 39	- - - -	Solvent 145/205	kg.	5%	-
	- - -	*Motor Gasoline conforming to standard IS 2796, IS 17021, IS 17586 or IS 17076:*			
2710 12 41	- - - -	Motor Gasoline conforming to standard IS 2796	kg.	2.5%	-
2710 12 42	- - - -	E 20 Fuel conforming to standard IS 17021	kg.	2.5%	-
2710 12 43	- - - -	E 12 Fuel conforming to standard IS 17586	kg.	2.5%	-
2710 12 44	- - - -	E 15 Fuel conforming to standard IS 17586	kg.	2.5%	-
2710 12 49	- - - -	M 15 Fuel conforming to standard IS 17076	kg.	2.5%	-";

(xi) for the entry in column (4) occurring against tariff item 2710 12 50, the entry “Free” shall be substituted;

(xii) for the entry in column (4) occurring against tariff items 2710 12 90, 2710 19 20, 2710 19 31, 2710 19 32, 2710 19 39, 2710 19 41, 2710 19 42 and 2710 19 43, the entry “5%” shall be substituted;

(xiii) for the entry in column (4) occurring against tariff items 2710 19 44 and 2710 19 49, the entry “2.5%” shall be substituted;

(xiv) for the entry in column (4) occurring against tariff items 2710 19 51, 2710 19 52, 2710 19 53, 2710 19 59, 2710 19 61, 2710 19 69, 2710 19 71, 2710 19 72, 2710 19 73, 2710 19 74, 2710 19 75, 2710 19 76, 2710 19 77, 2710 19 78, 2710 19 79, 2710 19 81, 2710 19 82, 2710 19 83, 2710 19 84, 2710 19 85, 2710 19 86, 2710 19 87, 2710 19 88, 2710 19 89 and 2710 19 90, the entry “5%” shall be substituted;

(xv) for the entry in column (4) occurring against tariff items 2710 20 10 and 2710 20 20, the entry “2.5%” shall be substituted;

(xvi) for the entry in column (4) occurring against tariff items 2710 20 90, 2710 91 00 and 2710 99 00, the entry “5%” shall be substituted;

(xvii) for the entry in column (4) occurring against tariff items 2711 11 00, 2711 12 00 and 2711 13 00, the entry “2.5%” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff items 2711 14 00, 2711 19 10, 2711 19 20, 2711 19 90, 2711 21 00 and 2711 29 00, the entry “5%” shall be substituted;

(xix) for the entry in column (4) occurring against all the tariff items of heading 2712, the entry “5%” shall be substituted;

(xx) for the entry in column (4) occurring against tariff items 2713 12 10 and 2713 12 90, the entry “7.5%” shall be substituted;

(xxi) for the entry in column (4) occurring against tariff items 2713 20 00 and 2713 90 00, the entry “5%” shall be substituted;

(xxii) for the entry in column (4) occurring against all the tariff items of headings 2714 and 2715, the entry “5%” shall be substituted;

(22) in Chapter 28,—

(i) after Supplementary Note 1, the following Supplementary Note shall be inserted, namely: —

“2. In this Chapter, reference to any standard of the Bureau of Indian Standards refers to the last published version of that standard.”;

(ii) for the entry in column (4) occurring against tariff item 2801 20 00, the entry “2.5%” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of headings 2806, 2807 and 2808, the entry “7.5%” shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 2809 10 00, 2809 20 20 and 2810 00 10, the entry “7.5%” shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of headings 2811, 2812, 2813, 2815, 2816 and 2817, the entry “7.5%” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 2818 10 00, the entry “7.5%” shall be substituted;

(vii) in heading 2818, for tariff item 2818 20 10 and the entries relating thereto, the following shall be substituted, namely: —

	“- - -	*Alumina, calcined:*			
2818 20 11	- - - -	Metallurgical grade, conforming to IS 17441	kg.	5%	-
2818 20 19	- - - -	Non-metallurgical grade, conforming to IS 17441	kg.	5%	-”;

(viii) for the entry in column (4) occurring against tariff items 2818 20 90 and 2818 30 00, the entry “7.5%” shall be substituted;

(ix) for the entry in column (4) occurring against all the tariff items of headings 2819, 2820, 2821 and 2822, the entry “7.5%” shall be substituted;

(x) for the entry in column (4) occurring against tariff item 2823 00 90, the entry “7.5%” shall be substituted;

(xi) for the entry in column (4) occurring against all the tariff items of heading 2824, the entry “7.5%” shall be substituted;

(xii) for the entry in column (4) occurring against tariff items 2825 10 10, 2825 10 20, 2825 10 30, 2825 10 40, 2825 10 90, 2825 20 00, 2825 30 10 and 2825 30 90, the entry “7.5%” shall be substituted;

(xiii) for the entry in column (4) occurring against tariff item 2825 40 00, the entry “Free” shall be substituted;

(xiv) for the entry in column (4) occurring against tariff items 2825 50 00, 2825 60 10, 2825 60 20, 2825 70 10, 2825 70 20, 2825 70 90, 2825 80 00, 2825 90 10, 2825 90 20, 2825 90 40, 2825 90 50 and 2825 90 90, the entry “7.5%” shall be substituted;

(xv) for the entry in column (4) occurring against all the tariff items of headings 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835 and 2836, the entry “7.5%” shall be substituted;

(xvi) for the entry in column (4) occurring against all the tariff items of sub-headings 2837 19 and 2837 20, the entry “7.5%” shall be substituted;

(xvii) for the entry in column (4) occurring against all the tariff items of headings 2839, 2840, 2841 and 2842, the entry “7.5%” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff item 2844 10 00, the entry “7.5%” shall be substituted;

(xix) for the entry in column (4) occurring against tariff item 2844 20 00, the entry “Free” shall be substituted;

(xx) for the entry in column (4) occurring against tariff items 2844 30 10, 2844 30 21, 2844 30 22, 2844 30 23, 2844 30 29, 2844 30 30, 2844 30 90, 2844 41 00, 2844 42 00, 2844 43 00, 2844 44 00 and 2844 50 00, the entry “7.5%” shall be substituted;

(xxi) for the entry in column (4) occurring against all the tariff items of headings 2845 and 2846, the entry “7.5%” shall be substituted;

(xxii) for the entry in column (4) occurring against tariff item 2847 00 00, the entry “7.5%” shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of headings 2849, 2850, 2852 and 2853, the entry “7.5%” shall be substituted;

(23) in Chapter 29,—

(i) for the entry in column (4) occurring against all the tariff items of heading 2901, the entry “2.5%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 2902 11 00, 2902 19 10, 2902 19 90, 2902 20 00 and 2902 30 00, the entry “2.5%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 2902 41 00, the entry “Free” shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 2902 42 00, the entry “2.5%” shall be substituted;

(v) for the entry in column (4) occurring against tariff item 2902 43 00, the entry “Free” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 2902 44 00, the entry “2.5%” shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 2902 50 00, the entry “2%” shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 2902 60 00, 2902 70 00, 2902 90 10, 2902 90 20, 2902 90 30, 2902 90 40, 2902 90 50, 2902 90 60 and 2902 90 90, the entry “2.5%” shall be substituted;

(ix) for the entry in column (4) occurring against tariff item 2903 11 10, the entry “7.5%” shall be substituted;

(x) for the entry in column (4) occurring against tariff item 2903 11 20, the entry “5%” shall be substituted;

(xi) for the entry in column (4) occurring against tariff items 2903 12 00 and 2903 13 00, the entry “7.5%” shall be substituted;

(xii) for the entry in column (4) occurring against tariff item 2903 14 00, the entry “5%” shall be substituted;

(xiii) for the entry in column (4) occurring against tariff item 2903 15 00, the entry “Free” shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of sub-heading 2903 19, the entry “5%” shall be substituted;

(xv) for the entry in column (4) occurring against tariff item 2903 21 00, the entry “2%” shall be substituted;

(xvi) for the entry in column (4) occurring against tariff item 2903 22 00, the entry “7.5%” shall be substituted;

(xvii) for the entry in column (4) occurring against tariff items 2903 23 00 and 2903 29 00, the entry “5%” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff items 2903 41 00, 2903 42 00, 2903 43 00, 2903 46 00, 2903 47 00, 2903 48 00, 2903 49 00, 2903 51 00, 2903 59 10, 2903 59 90, 2903 61 00, 2903 62 00, 2903 69 00, 2903 71 00, 2903 72 00, 2903 73 00, 2903 74 00 and 2903 75 00, the entry “7.5%” shall be substituted;

(xix) for the entry in column (4) occurring against all the tariff items of sub-headings 2903 76 and 2903 77, the entry “7.5%” shall be substituted;

(xx) for the entry in column (4) occurring against tariff items 2903 78 00, 2903 79 00, 2903 81 00, 2903 82 00, 2903 83 00 and 2903 89 00, the entry “7.5%” shall be substituted;

(xxi) for the entry in column (4) occurring against all the tariff items of sub-headings 2903 91 and 2903 92, the entry “7.5%” shall be substituted;

(xxii) for the entry in column (4) occurring against tariff items 2903 93 00 and 2903 94 00, the entry “7.5%” shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of sub-heading 2903 99, the entry “7.5%” shall be substituted;

(xxiv) for the entry in column (4) occurring against all the tariff items of heading 2904, the entry “5%” shall be substituted;

(xxv) for the entry in column (4) occurring against tariff item 2905 11 00, the entry “2.5%” shall be substituted;

(xxvi) for the entry in column (4) occurring against all the tariff items of sub-heading 2905 12, the entry “7.5%” shall be substituted;

(xxvii) for the entry in column (4) occurring against tariff item 2905 13 00, the entry “7.5%” shall be substituted;

(xxviii) for the entry in column (4) occurring against all the tariff items of sub-headings 2905 14 and 2905 16, the entry “7.5%” shall be substituted;

(xxix) for the entry in column (4) occurring against tariff item 2905 17 00, the entry “7.5%” shall be substituted;

(xxx) for the entry in column (4) occurring against all the tariff items of sub-headings 2905 19 and 2905 22, the entry “7.5%” shall be substituted;

(xxxi) for the entry in column (4) occurring against tariff item 2905 29 00, the entry “7.5%” shall be substituted;

(xxxii) for the entry in column (4) occurring against tariff item 2905 31 00, the entry “5%” shall be substituted;

(xxxiii) for the entry in column (4) occurring against tariff item 2905 32 00, the entry “7.5%” shall be substituted;

(xxxiv) for the entry in column (4) occurring against all the tariff items of sub-heading 2905 39, the entry “7.5%” shall be substituted

(xxxv) for the entry in column (4) occurring against tariff item 2905 41 00, the entry “7.5%” shall be substituted;

(xxxvi) for the entry in column (4) occurring against all the tariff items of sub-heading 2905 42, the entry “7.5%” shall be substituted;

(xxxvii) for the entry in column (4) occurring against tariff items 2905 43 00 and 2905 44 00, the entry “20%” shall be substituted;

(xxxviii) for the entry in column (4) occurring against tariff items 2905 45 00, 2905 49 00, 2905 51 00 and 2905 59 00, the entry “7.5%” shall be substituted;

(xxxix) for the entry in column (4) occurring against all the tariff items of headings 2906, 2907 and 2908, the entry “7.5%” shall be substituted;

(xl) in the heading of sub-chapter IV, for the words “ETHER PEROXIDES”, the words “ETHER PEROXIDES, ACETAL AND HEMIACETAL PEROXIDES” shall be substituted;

(xli) for the entry in column (4) occurring against all the tariff items of heading 2909, the entry “7.5%” shall be substituted;

(xlii) in the entry in column (2) occurring against tariff item 2909 60 00, for the words “ether peroxides”, the words “ether peroxides, acetal and hemiacetal peroxides” shall be substituted;

(xliii) for the entry in column (4) occurring against tariff item 2910 10 00, the entry “7.5%” shall be substituted;

(xliv) for the entry in column (4) occurring against tariff item 2910 20 00, the entry “5%” shall be substituted;

(xlv) for the entry in column (4) occurring against tariff items 2910 30 00, 2910 40 00, 2910 50 00 and 2910 90 00, the entry “7.5%” shall be substituted;

(xlvi) for the entry in column (4) occurring against all the tariff items of headings 2911, 2912, 2913 and 2914, the entry “7.5%” shall be substituted;

(xlvii) for the entry in column (4) occurring against tariff items 2915 11 00, 2915 12 10, 2915 12 90 and 2915 13 00, the entry “7.5%” shall be substituted;

(xlviii) for the entry in column (4) occurring against tariff item 2915 21 00, the entry “5%” shall be substituted;

(xlix) for the entry in column (4) occurring against tariff item 2915 24 00, the entry “7.5%” shall be substituted;

(l) for the entry in column (4) occurring against all the tariff items of sub-heading 2915 29, the entry “7.5%” shall be substituted;

(li) for the entry in column (4) occurring against tariff items 2915 31 00, 2915 32 00, 2915 33 00 and 2915 36 00, the entry “7.5%” shall be substituted;

(lii) for the entry in column (4) occurring against all the tariff items of sub-headings 2915 39 and 2915 40, the entry “7.5%” shall be substituted;

(liii) for the entry in column (4) occurring against tariff item 2915 50 00, the entry “7.5%” shall be substituted;

(liv) for the entry in column (4) occurring against all the tariff items of sub-headings 2915 60, 2915 70 and 2915 90, the entry “7.5%” shall be substituted;

(lv) for the entry in column (4) occurring against all the tariff items of heading 2916, the entry “7.5%” shall be substituted;

(lvi) for the entry in column (4) occurring against all the tariff items of sub-heading 2917 11, the entry “7.5%” shall be substituted;

(lvii) for the entry in column (4) occurring against tariff item 2917 12 00, the entry “7.5%” shall be substituted;

(lviii) for the entry in column (4) occurring against all the tariff items of sub-heading 2917 13, the entry “7.5%” shall be substituted;

(lix) for the entry in column (4) occurring against tariff item 2917 14 00, the entry “7.5%” shall be substituted;

(lx) for the entry in column (4) occurring against all the tariff items of sub-heading 2917 19, the entry “7.5%” shall be substituted;

(lxi) for the entry in column (4) occurring against tariff items 2917 20 00, 2917 32 00, 2917 33 00, 2917 34 00 and 2917 35 00, the entry “7.5%” shall be substituted;

(lxii) for the entry in column (4) occurring against tariff items 2917 36 00 and 2917 37 00, the entry “5%” shall be substituted;

(lxiii) for the entry in column (4) occurring against all the tariff items of sub-heading 2917 39, the entry “7.5%” shall be substituted;

(lxiv) for the entry in column (4) occurring against all the tariff items of headings 2918, 2919, 2920, 2921, 2922, 2923, 2924 and 2925, the entry “7.5%” shall be substituted;

(lxv) for the entry in column (4) occurring against tariff item 2926 10 00, the entry “2.5%” shall be substituted;

(lxvi) for the entry in column (4) occurring against tariff items 2926 20 00, 2926 30 00, 2926 40 00 and 2926 90 00, the entry “7.5%” shall be substituted;

(lxvii) for the entry in column (4) occurring against all the tariff items of headings 2927, 2928, 2929, 2930, 2931 and 2932, the entry “7.5%” shall be substituted;

(lxviii) for the entry in column (4) occurring against tariff item 2933 11 00, the entry “7.5%” shall be substituted;

(lxix) for the entry in column (4) occurring against all the tariff items of sub-heading 2933 19, the entry “7.5%” shall be substituted;

(lxx) for the entry in column (4) occurring against tariff item 2933 21 00, the entry “7.5%” shall be substituted;

(lxxi) for the entry in column (4) occurring against all the tariff items of sub-heading 2933 29, the entry “7.5%” shall be substituted;

(lxxii) for the entry in column (4) occurring against tariff items 2933 31 00 and 2933 32 00, the entry “7.5%” shall be substituted;

(lxxiii) for the entry in column (4) occurring against all the tariff items of sub-heading 2933 33, the entry “7.5%” shall be substituted;

(lxxiv) for the entry in column (4) occurring against tariff items 2933 34 00, 2933 35 00, 2933 36 00 and 2933 37 00, the entry “7.5%” shall be substituted;

(lxxv) for the entry in column (4) occurring against all the tariff items of sub-heading 2933 39, the entry “7.5%” shall be substituted;

(lxxvi) for the entry in column (4) occurring against tariff items 2933 41 00, 2933 49 00, 2933 52 00, 2933 53 00, 2933 54 00 and 2933 55 00, the entry “7.5%” shall be substituted;

(lxxvii) for the entry in column (4) occurring against tariff item 2933 61 00, the entry “7.5%” shall be substituted;

(lxxviii) for the entry in column (4) occurring against all the tariff items of sub-heading 2933 69, the entry “7.5%” shall be substituted;

(lxxix) for the entry in column (4) occurring against tariff item 2933 71 00, the entry “5%” shall be substituted;

(lxxx) for the entry in column (4) occurring against tariff items 2933 72 00, 2933 79 10, 2933 79 20, 2933 79 90, 2933 91 00, 2933 92 00, 2933 99 10 and 2933 99 90, the entry “7.5%” shall be substituted;

(lxxxi) for the entry in column (4) occurring against all the tariff items of headings 2934, 2935, 2936, 2937, 2938 and 2939, the entry “7.5%” shall be substituted;

(lxxxii) for the entry in column (4) occurring against tariff item 2940 00 00, the entry “7.5%” shall be substituted;

(lxxxiii) for the entry in column (4) occurring against all the tariff items of headings 2941 and 2942, the entry “7.5%” shall be substituted;

(24) in Chapter 31,—

(i) for the entry in column (4) occurring against all the tariff items of heading 3101, the entry “7.5%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 3102 29, the entry “7.5%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 3102 40 00, the entry “7.5%” shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 3102 60 00, 3102 80 00, 3102 90 10 and 3102 90 90, the entry “7.5%” shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of heading 3103, the entry “7.5%” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 3104 20 00, the entry “7.5%” shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 3104 90 00, the entry “7.5%” shall be substituted;

(viii) for the entry in column (4) occurring against tariff item 3105 10 00, the entry “7.5%” shall be substituted;

(25) in Chapter 32,—

(i) for the entry in column (4) occurring against tariff item 3201 10 00, the entry “7.5%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 3201 20 00, the entry “2.5%” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-heading 3201 90, the entry “7.5%” shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of headings 3202, 3203 and 3204, the entry “7.5%” shall be substituted;

(v) for the entry in column (4) occurring against tariff item 3205 00 00, the entry “7.5%” shall be substituted;

(vi) for the entry in column (4) occurring against tariff items 3206 20 00, 3206 41 00, 3206 42 00, 3206 49 10, 3206 49 20, 3206 49 30, 3206 49 40, 3206 49 90 and 3206 50 00, the entry “7.5%” shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of heading 3207, the entry “7.5%” shall be substituted;

(26) in Chapter 33, for the entry in column (4) occurring against all the tariff items of heading 3301, the entry “20%” shall be substituted;

(27) in Chapter 34,—

(i) in the entry in column (2) occurring after heading 3402 and the entries relating thereto, for the words “surface active agents”, the words “surface-active agents” shall be substituted;

(ii) in the entry in column (2) occurring after tariff item 3402 39 00 and the entries relating thereto, for the words “surface active agents”, the words “surface-active agents” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of heading 3403, the entry “7.5%” shall be substituted;

(28) in Chapter 35, for the entry in column (4) occurring against all the tariff items of headings 3501, 3502, 3503, 3504 and 3505, the entry “20%” shall be substituted;

(29) in Chapter 38,—

(i) for the entry in column (4) occurring against all the tariff items of headings 3801 and 3802, the entry "7.5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 3803 00 00, the entry "7.5%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of headings 3804, 3805, 3806 and 3807, the entry "7.5%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 3809 10 00, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against tariff items 3809 91 10, 3809 91 20, 3809 91 30, 3809 91 40, 3809 91 50, 3809 91 60, 3809 91 70, 3809 91 80, 3809 91 90, 3809 92 00, 3809 93 10 and 3809 93 90, the entry "7.5%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of headings 3810, 3812 and 3815, the entry "7.5%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 3816 00 00, the entry "7.5%" shall be substituted;

(viii) for the entry in column (4) occurring against all the tariff items of heading 3817, the entry "7.5%" shall be substituted;

(ix) for the entry in column (4) occurring against tariff item 3821 00 00, the entry "7.5%" shall be substituted;

(x) for the entry in column (4) occurring against all the tariff items of heading 3823, the entry "7.5%" shall be substituted;

(xi) for the entry in column (4) occurring against tariff items 3824 10 00, 3824 30 00, 3824 40 10, 3824 40 90, 3824 50 10, 3824 50 90, 3824 81 00, 3824 82 00, 3824 83 00, 3824 84 00, 3824 85 00, 3824 86 00, 3824 87 00, 3824 88 00, 3824 89 00, 3824 91 00 and 3824 92 00, the entry "7.5%" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of heading 3827, the entry "7.5%" shall be substituted;

(30) in Chapter 39,—

(i) after Sub-heading Notes, the following Supplementary Note shall be inserted, namely: —

"Supplementary Note:

1. In this Chapter, reference to any standard of the Bureau of Indian Standards refers to the last published version of that standard.";

(ii) for the entry in column (4) occurring against all the tariff items of headings 3901, 3902 and 3903, the entry "7.5%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of heading 3905, the entry "7.5%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 3906 10 10, 3906 10 90, 3906 90 40, 3906 90 50, 3906 90 60 and 3906 90 90, the entry "7.5%" shall be substituted;

(v) for the entry in column (4) occurring against tariff item 3906 90 70, the entry "5%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of headings 3907, 3909, 3910, 3911, 3912, 3913, 3914 and 3915, the entry "7.5%" shall be substituted;

(vii) in heading 3920, after tariff item 3920 10 12 and the entries relating thereto, the following shall be inserted, namely: —

"3920 10 13	- - - -	Geomembrane, conforming to IS 16352	kg.	10%	-";

(31) in Chapter 40,—

(i) for the entry in column (4) occurring against tariff items 4001 21 00 and 4001 22 00, the entry "25% or Rs. 30 per kg., whichever is lower" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 4001 29, the entry "25% or Rs. 30 per kg., whichever is lower" shall be substituted;

(32) in Chapter 44, in Sub-heading Note 2, for the words "by products" and "saw dust", the words "by-products" and "sawdust" shall respectively be substituted;

(33) in Section XI,—

(i) in clause (b) of Note 1, for the words, "straining cloth", the words "filtering or straining cloth" shall be substituted;

(ii) after Sub-heading Notes, the following Supplementary Note shall be inserted, namely: —

"Supplementary Note:

1. In this Section, reference to any standard of the Bureau of Indian Standards or ASTM International refers to the last published version of that standard.";

(34) in Chapter 50,—

(i) for the entry in column (4) occurring against all the tariff items of headings 5002, 5003, 5004, 5005 and 5006, the entry "15%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 5007, the entry "20%" shall be substituted;

(35) in Chapter 51,—

(i) for the entry in column (4) occurring against all the tariff items of heading 5101, the entry "2.5%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 5102, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 5103 10 10, 5103 20 10, 5103 20 20 and 5103 20 90, the entry "5%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 5103 10 90 and 5103 30 00, the entry "10%" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of heading 5104, the entry "10%" shall be substituted;

(vi) for the entry in column (4) occurring against tariff items 5105 10 00 and 5105 21 00, the entry "10%" shall be substituted;

(vii) for the entry in column (4) occurring against the tariff item 5105 29 10, the entry "2.5%" shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 5105 29 90, 5105 31 00, 5105 39 00 and 5105 40 00, the entry "10%" shall be substituted;

(ix) for the entry in column (4) occurring against all the tariff items of headings 5106, 5107, 5108, 5109 and 5110, the entry "10%" shall be substituted;

(x) for the entry in column (4) occurring against all the tariff items of sub-heading 5111 11, the entry "10% or Rs. 115 per sq. metre, whichever is higher" shall be substituted;

(xi) for the entry in column (4) occurring against all the tariff items of sub-heading 5111 19, the entry "10% or Rs. 125 per sq. metre, whichever is higher" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of sub-headings 5111 20 and 5111 30, the entry "10% or Rs. 65 per sq. metre, whichever is higher" shall be substituted;

(xiii) for the entry in column (4) occurring against all the tariff items of sub-heading 5111 90, the entry "10% or Rs. 75 per sq. metre, whichever is higher" shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of sub-heading 5112 11, the entry "10% or Rs. 105 per sq. metre, whichever is higher" shall be substituted;

(xv) for the entry in column (4) occurring against all the tariff items of sub-heading 5112 19, the entry "10% or Rs. 130 per sq. metre, whichever is higher" shall be substituted;

(xvi) for the entry in column (4) occurring against all the tariff items of sub-heading 5112 20, the entry "10% or Rs. 70 per sq. metre, whichever is higher" shall be substituted;

(xvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5112 30, the entry "10% or Rs. 90 per sq. metre, whichever is higher" shall be substituted;

(xviii) for the entry in column (4) occurring against all the tariff items of sub-heading 5112 90, the entry "10% or Rs. 115 per sq. metre, whichever is higher" shall be substituted;

(xix) for the entry in column (4) occurring against all the tariff items of heading 5113, the entry "10% or Rs. 60 per sq. metre, whichever is higher" shall be substituted;

(36) in Chapter 52,—

(i) for the entry in column (4) occurring against all the tariff items of heading 5201, the entry "5%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of headings 5202, 5204, 5205, 5206 and 5207, the entry "10%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-headings 5208 11, 5208 12, 5208 13, 5208 19, 5208 21, 5208 22, 5208 23, 5208 29, 5208 31, 5208 32 and 5208 33, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 39, the entry "10% or Rs. 150 per kg., whichever is higher" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 41, the entry "10% or Rs. 9 per sq. metre, whichever is higher" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 42, the entry "10% or Rs. 22 per sq. metre, whichever is higher" shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 43, the entry "10%" shall be substituted;

(viii) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 49, the entry "10% or Rs. 143 per kg., whichever is higher" shall be substituted;

(ix) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 51, the entry "10% or Rs. 27 per sq. metre, whichever is higher" shall be substituted;

(x) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 52, the entry "10% or Rs. 14 per sq. metre, whichever is higher" shall be substituted;

(xi) for the entry in column (4) occurring against all the tariff items of sub-heading 5208 59, the entry "10% or Rs. 30 per sq. metre, whichever is higher" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of sub-headings 5209 11, 5209 12, 5209 21, 5209 22 and 5209 29 and tariff item 5209 19 00, the entry "10%" shall be substituted;

(xiii) for the entry in column (4) occurring against all the tariff items of sub-headings 5209 31, 5209 32 and 5209 39, the entry "10% or Rs. 150 per kg., whichever is higher" shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of sub-heading 5209 41, the entry “10% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xv) for the entry in column (4) occurring against tariff item 5209 42 00, the entry “10% or Rs. 25 per sq. metre, whichever is higher” shall be substituted;

(xvi) for the entry in column (4) occurring against all the tariff items of sub-heading 5209 43, the entry “10% or Rs. 28 per sq. metre, whichever is higher” shall be substituted;

(xvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5209 49, the entry “10% or Rs.150 per kg., whichever is higher” shall be substituted;

(xviii) for the entry in column (4) occurring against all the tariff items of sub-headings 5209 51 and 5209 52, the entry “10% or Rs. 24 per sq. metre, whichever is higher” shall be substituted;

(xix) for the entry in column (4) occurring against all the tariff items of sub-heading 5209 59, the entry “10% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xx) for the entry in column (4) occurring against all the tariff items of sub-headings 5210 11, 5210 21, 5210 29, 5210 31 and 5210 32, the entry “10%” shall be substituted;

(xxi) for the entry in column (4) occurring against all the tariff items of sub-heading 5210 39, the entry “10% or Rs. 150 per kg., whichever is higher” shall be substituted;

(xxii) for the entry in column (4) occurring against all the tariff items of sub-heading 5210 41, the entry “10% or Rs. 15 per sq. metre, whichever is higher” shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of sub-heading 5210 49, the entry “10% or Rs. 132 per kg., whichever is higher” shall be substituted;

(xxiv) for the entry in column (4) occurring against all the tariff items of sub-headings 5210 51 and 5210 59, the entry “10% or Rs. 12 per sq. metre, whichever is higher” shall be substituted;

(xxv) for the entry in column (4) occurring against all the tariff items of sub-headings 5211 11 and 5211 12, the entry “10%” shall be substituted;

(xxvi) for the entry in column (4) occurring against tariff item 5211 19 00, the entry “10%” shall be substituted;

(xxvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5211 20, the entry “10%” shall be substituted;

(xxviii) for the entry in column (4) occurring against all the tariff items of sub-headings 5211 31, 5211 32 and 5211 39, the entry “10% or Rs. 150 per kg., whichever is higher” shall be substituted;

(xxix) for the entry in column (4) occurring against all the tariff items of sub-heading 5211 41, the entry “10% or Rs. 35 per sq. metre, whichever is higher” shall be substituted;

(xxx) for the entry in column (4) occurring against tariff item 5211 42 00, the entry "10% or Rs. 18 per sq. metre, whichever is higher" shall be substituted;

(xxxi) for the entry in column (4) occurring against all the tariff items of sub-heading 5211 43, the entry "10% or Rs. 32 per sq. metre, whichever is higher" shall be substituted;

(xxxii) for the entry in column (4) occurring against all the tariff items of sub-heading 5211 49, the entry "10% or Rs. 150 per kg., whichever is higher" shall be substituted;

(xxxiii) for the entry in column (4) occurring against all the tariff items of sub-headings 5211 51, 5211 52 and 5211 59, the entry "10% or Rs. 12 per sq. metre, whichever is higher" shall be substituted;

(xxxiv) for the entry in column (4) occurring against tariff items 5212 11 00, 5212 12 00, 5212 13 00 and 5212 14 00, the entry "10%" shall be substituted;

(xxxv) for the entry in column (4) occurring against tariff item 5212 15 00, the entry "10% or Rs. 165 per kg., whichever is higher" shall be substituted;

(xxxvi) for the entry in column (4) occurring against tariff items 5212 21 00, 5212 22 00 and 5212 23 00, the entry "10%" shall be substituted;

(xxxvii) for the entry in column (4) occurring against tariff item 5212 24 00, the entry "10% or Rs. 20 per sq. metre, whichever is higher" shall be substituted;

(xxxviii) for the entry in column (4) occurring against tariff item 5212 25 00, the entry "10% or Rs. 165 per kg., whichever is higher" shall be substituted;

(37) in Chapter 53,—

(i) for the entry in column (4) occurring against all the tariff items of heading 5301, the entry "Free" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 5303 10 10, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 5303 10 90, 5303 90 10 and 5303 90 90, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of headings 5305, 5306, 5307, 5308 and 5309, the entry "10%" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of sub-heading 5310 10, the entry "20%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of sub-heading 5310 90, the entry "10%" shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of heading 5311, the entry "10%" shall be substituted;

(38) in Chapter 54,—

(i) for the entry in column (4) occurring against all the tariff items of heading 5401, the entry "5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 5402 11 10 and 5402 19 10, the entry "5%" shall be substituted;

(iii) after tariff item 5402 19 10 and the entries relating thereto, the following shall be inserted, namely:—

"5402 19 20	- - -	Nylon 66 filament yarn conforming to IS 13464	kg.	2.5%	-";

(iv) for the entry in column (4) occurring against tariff items 5402 19 90, 5402 20 10, 5402 20 90, 5402 31 00, 5402 32 00, 5402 33 00, 5402 34 00, 5402 39 10, 5402 39 20, 5402 39 90, 5402 44 00, 5402 45 00, 5402 46 00, 5402 47 00, 5402 48 00, 5402 49 00 and 5402 5100, the entry "5%" shall be substituted;

(v) for tariff item 5402 52 00 and the entries relating thereto, the following shall be substituted, namely:—

"5402 52	- -	*Of polyesters:*			
5402 52 10	- - -	Polyester yarn-Anti Static Filament	kg.	2.5%	-
5402 52 90	- - -	Other	kg.	5%	-";

(vi) for the entry in column (4) occurring against tariff items 5402 53 00, 5402 59 10, 5402 59 90, 5402 61 00, 5402 62 00, 5402 63 00, 5402 69 10, 5402 69 20, 5402 69 30, 5402 69 40 and 5402 69 50, the entry "5%" shall be substituted;

(vii) after tariff item 5402 69 50 and the entries relating thereto, the following shall be inserted, namely:—

"5402 69 60	- - -	Ultra high molecular weight poly ethylene filament yarn conforming to ASTM F2848	kg.	5%	-";

(viii) for the entry in column (4) occurring against tariff item 5402 69 90, the entry "5%" shall be substituted;

(ix) for the entry in column (4) occurring against all the tariff items of headings 5403 and 5404, the entry "5%" shall be substituted;

(x) for the entry in column (4) occurring against tariff item 5405 00 00, the entry "5%" shall be substituted;

(xi) for the entry in column (4) occurring against all the tariff items of heading 5406, the entry "5%" shall be substituted;

(xii) for the entry in column (4) occurring against tariff items 5407 10 11, 5407 10 12, 5407 10 13, 5407 10 14, 5407 10 15, 5407 10 16 and 5407 10 19, the entry “20% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xiii) for the entry in column (4) occurring against tariff item 5407 10 21, the entry “10% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xiv) for the entry in column (4) occurring against tariff items 5407 10 22, 5407 10 23, 5407 10 24 and 5407 10 25, the entry “20% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xv) for the entry in column (4) occurring against tariff item 5407 10 26, the entry “10% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xvi) for the entry in column (4) occurring against tariff items 5407 10 29 and 5407 10 31, the entry “20% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xvii) for the entry in column (4) occurring against tariff item 5407 10 32, the entry “10% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff items 5407 10 33, 5407 10 34, 5407 10 35, 5407 10 36 and 5407 10 39, the entry “20% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xix) for the entry in column (4) occurring against tariff items 5407 10 41 and 5407 10 42, the entry “10% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xx) for the entry in column (4) occurring against tariff items 5407 10 43, 5407 10 44, 5407 10 45, 5407 10 46, 5407 10 49, 5407 10 91, 5407 10 92, 5407 10 93, 5407 10 94, 5407 10 95, 5407 10 96 and 5407 10 99, the entry “20% or Rs. 115 per kg., whichever is higher” shall be substituted;

(xxi) for the entry in column (4) occurring against all the tariff items of sub-headings 5407 20 and 5407 30, the entry “20%” shall be substituted;

(xxii) for the entry in column (4) occurring against tariff item 5407 41 11, the entry “20% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxiii) for the entry in column (4) occurring against tariff item 5407 41 12, the entry “10% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxiv) for the entry in column (4) occurring against tariff item 5407 41 13, the entry “20% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxv) for the entry in column (4) occurring against tariff item 5407 41 14, the entry “10% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxvi) for the entry in column (4) occurring against tariff item 5407 41 19, the entry “20% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxvii) for the entry in column (4) occurring against tariff items 5407 41 21 and 5407 41 22, the entry “10% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxviii) for the entry in column (4) occurring against tariff item 5407 41 23, the entry “20% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxix) for the entry in column (4) occurring against tariff item 5407 41 24, the entry “10% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxx) for the entry in column (4) occurring against tariff item 5407 41 29, the entry “20% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxxi) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 42, the entry “20% or Rs. 36 per sq. metre, whichever is higher” shall be substituted;

(xxxii) for the entry in column (4) occurring against tariff item 5407 43 00, the entry “20% or Rs. 40 per sq. metre, whichever is higher” shall be substituted;

(xxxiii) for the entry in column (4) occurring against tariff item 5407 44 10, the entry “20% or Rs. 35 per sq. metre, whichever is higher” shall be substituted;

(xxxiv) for the entry in column (4) occurring against tariff item 5407 44 20, the entry “10% or Rs. 35 per sq. metre, whichever is higher” shall be substituted;

(xxxv) for the entry in column (4) occurring against tariff items 5407 44 30, 5407 44 40 and 5407 44 90, the entry “20% or Rs. 35 per sq. metre, whichever is higher” shall be substituted;

(xxxvi) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 51, the entry “20% or Rs. 11 per sq. metre, whichever is higher” shall be substituted;

(xxxvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 52, the entry “20% or Rs. 23 per sq. metre, whichever is higher” shall be substituted;

(xxxviii) for the entry in column (4) occurring against tariff item 5407 53 00, the entry “20% or Rs. 30 per sq. metre, whichever is higher” shall be substituted;

(xxxix) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 54, the entry “20% or Rs. 20 per sq. metre, whichever is higher” shall be substituted;

(xl) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 61, the entry “20% or Rs. 150 per kg., whichever is higher” shall be substituted;

(xli) for the entry in column (4) occurring against tariff item 5407 69 00, the entry “20% or Rs. 36 per sq. metre, whichever is higher” shall be substituted;

(xlii) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 71, the entry “20% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(xliii) for the entry in column (4) occurring against tariff item 5407 72 00, the entry “20% or Rs. 24 per sq. metre, whichever is higher” shall be substituted;

(xliv) for the entry in column (4) occurring against tariff item 5407 73 00, the entry “20% or Rs. 36 per sq. metre, whichever is higher” shall be substituted;

(xlv) for the entry in column (4) occurring against tariff item 5407 74 00, the entry “20% or Rs. 23 per sq. metre, whichever is higher” shall be substituted;

(xlvi) for the entry in column (4) occurring against tariff items 5407 81 11, 5407 81 12, 5407 81 13 and 5407 81 14, the entry “20% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(xlvii) for the entry in column (4) occurring against tariff items 5407 81 15 and 5407 81 16, the entry “10% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(xlviii) for the entry in column (4) occurring against tariff item 5407 81 19, the entry “20% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(xlix) for the entry in column (4) occurring against tariff item 5407 81 21, the entry “10% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(l) for the entry in column (4) occurring against tariff items 5407 81 22 and 5407 81 23, the entry “20% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(li) for the entry in column (4) occurring against tariff items 5407 81 24, 5407 81 25 and 5407 81 26, the entry “10% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(lii) for the entry in column (4) occurring against tariff item 5407 81 29, the entry “20% or Rs. 10 per sq. metre, whichever is higher” shall be substituted;

(liii) for the entry in column (4) occurring against tariff items 5407 82 10, 5407 82 20, 5407 82 30 and 5407 82 40, the entry “20% or Rs. 25 per sq. metre, whichever is higher” shall be substituted;

(liv) for the entry in column (4) occurring against tariff item 5407 82 50, the entry “10% or Rs. 25 per sq. metre, whichever is higher” shall be substituted;

(lv) for the entry in column (4) occurring against tariff items 5407 82 60 and 5407 82 90, the entry “20% or Rs. 25 per sq. metre, whichever is higher” shall be substituted;

(lvi) for the entry in column (4) occurring against tariff item 5407 83 00, the entry “20% or Rs. 40 per sq. metre, whichever is higher” shall be substituted;

(lvii) for the entry in column (4) occurring against tariff items 5407 84 10, 5407 84 20, 5407 84 30 and 5407 84 40, the entry “20% or Rs. 23 per sq. metre, whichever is higher” shall be substituted;

(lviii) for the entry in column (4) occurring against tariff item 5407 84 50, the entry “10% or Rs. 23 per sq. metre, whichever is higher” shall be substituted;

(lix) for the entry in column (4) occurring against tariff items 5407 84 60, 5407 84 70 and 5407 84 90, the entry “20% or Rs. 23 per sq. metre, whichever is higher” shall be substituted;

(lx) for the entry in column (4) occurring against all the tariff items of sub-heading 5407 91, the entry “20% or Rs. 15 per sq. metre, whichever is higher” shall be substituted;

(lxi) for the entry in column (4) occurring against tariff item 5407 92 00, the entry “20% or Rs. 40 per sq. metre, whichever is higher” shall be substituted;

(lxii) for the entry in column (4) occurring against tariff item 5407 93 00, the entry “20% or Rs. 27 per sq. metre, whichever is higher” shall be substituted;

(lxiii) for the entry in column (4) occurring against tariff item 5407 94 00, the entry “20% or Rs. 40 per sq. metre, whichever is higher” shall be substituted;

(lxiv) for the entry in column (4) occurring against tariff item 5408 10 00, the entry “20%” shall be substituted;

(lxv) for the entry in column (4) occurring against all the tariff items of sub-heading 5408 21, the entry “20%” shall be substituted;

(lxvi) for the entry in column (4) occurring against all the tariff items of sub-heading 5408 22, the entry “20% or Rs. 27 per sq. metre, whichever is higher” shall be substituted;

(lxvii) for the entry in column (4) occurring against tariff item 5408 23 00, the entry “20% or Rs. 28 per sq. metre, whichever is higher” shall be substituted;

(lxviii) for the entry in column (4) occurring against tariff item 5408 24 11, the entry “20% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxix) for the entry in column (4) occurring against tariff items 5408 24 12 and 5408 24 13, the entry “10% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxx) for the entry in column (4) occurring against tariff item 5408 24 14, the entry “20% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxxi) for the entry in column (4) occurring against tariff item 5408 24 15, the entry “10% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxxii) for the entry in column (4) occurring against tariff items 5408 24 16 and 5408 24 17, the entry “20% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxxiii) for the entry in column (4) occurring against tariff item 5408 24 18, the entry “10% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxxiv) for the entry in column (4) occurring against tariff items 5408 24 19 and 5408 24 90, the entry “20% or Rs. 52 per sq. metre, whichever is higher” shall be substituted;

(lxxv) for the entry in column (4) occurring against all the tariff items of sub-heading 5408 31, the entry “20% or Rs. 25 per sq. metre, whichever is higher” shall be substituted;

(lxxvi) for the entry in column (4) occurring against all the tariff items of sub-heading 5408 32, the entry “20% or Rs. 44 per sq. metre, whichever is higher” shall be substituted;

(lxxvii) for the entry in column (4) occurring against tariff item 5408 33 00, the entry "20% or Rs. 10 per sq. metre, whichever is higher" shall be substituted;

(lxxviii) for the entry in column (4) occurring against all the tariff items of sub-heading 5408 34, the entry "20% or Rs. 11 per sq. metre, whichever is higher" shall be substituted;

(39) in Chapter 55,—

(i) after the Note, the following Supplementary Note shall be inserted, namely:—

"Supplementary Note:

For the purposes of this Chapter, inherent Fire Retardant (FR) fibres, as specified in IS 11871, IS 13501, IS 15742, IS 15742 A, are those in which the FR properties are naturally part of the polymer backbone and can never be worn away or washed out.";

(ii) for the entry in column (4) occurring against all the tariff items of headings 5501 and 5502, the entry "5%" shall be substituted;

(iii) for tariff item 5503 11 00 and the entries relating thereto, the following shall be substituted, namely:—

"5503 11	- -	*Of aramids:*			
5503 11 10	- - -	Aramid Flame Retardant Fibre	kg.	2.5%	-
5503 11 20	- - -	Para- aramid Fibre	kg.	2.5%	-
5503 11 90	- - -	Other	kg.	5%	-";

(iv) for tariff item 5503 19 00 and the entries relating thereto, the following shall be substituted, namely:–

"5503 19	- -	*Other:*			
5503 19 10	- - -	Nylon Staple Fibre	kg.	2.5%	-
5503 19 20	- - -	Nylon Anti Static Staple Fibre	kg.	2.5%	-
5503 19 30	- - -	Nylon 66 fibre conforming to IS 13464	kg.	2.5%	-
5503 19 90	- - -	Other	kg.	5%	-";

(v) for the entry in column (4) occurring against tariff item 5503 20 00, the entry "5%" shall be substituted;

(vi) for tariff item 5503 30 00 and the entries relating thereto, the following shall be substituted, namely:—

"5503 30	-	*Acrylic or modacrylic:*			
5503 30 10	- - -	Pre Oxidised Fibre, conforming to IS 17308	kg.	2.5%	-
5503 30 90	- - -	Other	kg.	5%	-";

(vii) for the entry in column (4) occurring against tariff items 5503 40 00, 5503 90 10 and 5503 90 20, the entry "5%" shall be substituted;

(viii) after tariff item 5503 90 20 and the entries relating thereto, the following shall be inserted, namely:–

"5503 90 30	- - -	Ultra high molecular weight poly ethylene staple fibre conforming to ASTM F2848	kg.	5%	-";

(ix) for the entry in column (4) occurring against tariff item 5503 90 90, the entry "5%" shall be substituted;

(x) for sub-heading 5504 10, tariff items 5504 10 10 to 5504 10 90 and the entries relating thereto, the following shall be substituted, namely:—

"5504 10	-	*Of viscose rayon:*			
	- - -	*Obtained from wood other than bamboo:*			
5504 10 11	- - - -	Flame retardant Viscose Rayon fibre	kg.	2.5%	-
5504 10 19	- - - -	Other	kg.	5%	-
	- - -	*Obtained from bamboo:*			
5504 10 21	- - - -	Flame retardant Viscose Rayon fibre	kg.	2.5%	-
5504 10 29	- - - -	Other	kg.	5%	-
5504 10 90	- - -	Other	kg.	5%	-";

(xi) for the entry in column (4) occurring against tariff items 5504 90 10, 5504 90 20, 5504 90 30 and 5504 90 90, the entry "5%" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of headings 5505, 5506, 5507 and 5508, the entry "5%" shall be substituted;

(xiii) for the entry in column (4) occurring against tariff items 5509 11 00, 5509 12 00, 5509 21 00, 5509 22 00, 5509 31 00, 5509 32 00, 5509 41 10, 5509 41 20, 5509 41 30, 5509 41 90, 5509 42 10, 5509 42 20, 5509 42 30, 5509 42 90, 5509 51 00, 5509 52 00, 5509 53 00, 5509 59 00, 5509 61 00, 5509 62 00, 5509 69 00, 5509 91 00 and 5509 92 00, the entry "5%" shall be substituted;

(xiv) for tariff item 5509 99 00 and the entries relating thereto, the following shall be substituted, namely: —

"5509 99	- -	*Other:*			
5509 99 10	- - -	Yarn made of 100% inherent FR synthetic fibre	kg.	5%	-
5509 99 90	- - -	Other	kg.	5%	-";

(xv) for the entry in column (4) occurring against tariff items 5510 11 10, 5510 11 20, 5510 11 90, 5510 12 10, 5510 12 20, 5510 12 90, 5510 20 10, 5510 20 20, 5510 20 90, 5510 30 10, 5510 30 20, 5510 30 90, 5510 90 10 and 5510 90 20, the entry "5%" shall be substituted;

(xvi) after tariff item 5510 90 20 and the entries relating thereto, the following shall be inserted, namely:–

“5510 90 30	- - -	Yarn made of 100% inherent FR artificial fibre	kg.	5%	-”;

(xvii) for the entry in column (4) occurring against tariff item 5510 90 90, the entry “5%” shall be substituted;

(xviii) for the entry in column (4) occurring against all the tariff items of heading 5511, the entry “10%” shall be substituted;

(xix) for the entry in column (4) occurring against all the tariff items of sub-heading 5512 11, the entry “20%” shall be substituted;

(xx) for the entry in column (4) occurring against all the tariff items of sub-heading 5512 19, the entry “20% or Rs. 25 per sq. metre, whichever is higher” shall be substituted;

(xxi) for the entry in column (4) occurring against all the tariff items of sub-heading 5512 21, the entry “20%” shall be substituted;

(xxii) for the entry in column (4) occurring against all the tariff items of sub-heading 5512 29, the entry “20% or Rs. 28 per sq. metre, whichever is higher” shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of sub-heading 5512 91, the entry “20%” shall be substituted;

(xxiv) for the entry in column (4) occurring against all the tariff items of sub-heading 5512 99, the entry “20% or Rs. 54 per kg., whichever is higher” shall be substituted;

(xxv) for the entry in column (4) occurring against all the tariff items of sub-headings 5513 11, 5513 12, 5513 13 and 5513 19, the entry “20%” shall be substituted;

(xxvi) for the entry in column (4) occurring against tariff item 5513 21 00, the entry “20% or Rs. 107 per kg., whichever is higher” shall be substituted;

(xxvii) for the entry in column (4) occurring against tariff item 5513 23 00, the entry “20% or Rs. 125 per kg. or Rs. 25 per sq. metre, whichever is highest” shall be substituted;

(xxviii) for the entry in column (4) occurring against tariff item 5513 29 00, the entry “20% or Rs. 185 per kg., whichever is higher” shall be substituted;

(xxix) for the entry in column (4) occurring against tariff item 5513 31 00, the entry “20% or Rs. 21 per sq. metre, whichever is higher” shall be substituted;

(xxx) for the entry in column (4) occurring against tariff item 5513 39 00, the entry “20% or Rs. 125 per kg. or Rs. 25 per sq. metre, whichever is highest” shall be substituted;

(xxxi) for the entry in column (4) occurring against tariff item 5513 41 00, the entry “20% or Rs. 15 per sq. metre, whichever is higher” shall be substituted;

(xxxii) for the entry in column (4) occurring against tariff item 5513 49 00, the entry “20% or Rs. 185 per kg., whichever is higher” shall be substituted;

(xxxiii) for the entry in column (4) occurring against all the tariff items of sub-headings 5514 11, 5514 12 and 5514 19, the entry "20%" shall be substituted;

(xxxiv) for the entry in column (4) occurring against tariff item 5514 21 00, the entry "20% or Rs. 100 per kg. or Rs. 30 per sq. metre, whichever is highest" shall be substituted;

(xxxv) for the entry in column (4) occurring against tariff item 5514 22 00, the entry "20% or Rs. 100 per kg., whichever is higher" shall be substituted;

(xxxvi) for the entry in column (4) occurring against tariff item 5514 23 00, the entry "20% or Rs. 114 per kg., whichever is higher" shall be substituted;

(xxxvii) for the entry in column (4) occurring against tariff item 5514 29 00, the entry "20% or Rs. 121 per kg., whichever is higher" shall be substituted;

(xxxviii) for the entry in column (4) occurring against tariff item 5514 30 11, the entry "20% or Rs. 45 per sq. metre, whichever is higher" shall be substituted;

(xxxix) for the entry in column (4) occurring against tariff item 5514 30 12, the entry "20% or Rs. 26 per sq. metre, whichever is higher" shall be substituted;

(xl) for the entry in column (4) occurring against tariff item 5514 30 13, the entry "20% or Rs. 180 per kg., whichever is higher" shall be substituted;

(xli) for the entry in column (4) occurring against tariff item 5514 30 19, the entry "20% or Rs. 31 per sq. metre, whichever is higher" shall be substituted;

(xlii) for the entry in column (4) occurring against tariff item 5514 41 00, the entry "20% or Rs. 26 per sq. metre, whichever is higher" shall be substituted;

(xliii) for the entry in column (4) occurring against tariff item 5514 42 00, the entry "20% or Rs. 140 per kg., whichever is higher" shall be substituted;

(xliv) for the entry in column (4) occurring against tariff item 5514 43 00, the entry "20% or Rs. 31 per sq. metre, whichever is higher" shall be substituted;

(xlv) for the entry in column (4) occurring against tariff item 5514 49 00, the entry "20% or Rs. 114 per kg., whichever is higher" shall be substituted;

(xlvi) for the entry in column (4) occurring against all the tariff items of sub-heading 5515 11, the entry "20% or Rs. 40 per sq. metre, whichever is higher" shall be substituted;

(xlvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5515 12, the entry "20% or Rs. 95 per kg., whichever is higher" shall be substituted;

(xlviii) for the entry in column (4) occurring against all the tariff items of sub-heading 5515 13, the entry "20% or Rs. 75 per sq. metre, whichever is higher" shall be substituted;

(xlix) for the entry in column (4) occurring against all the tariff items of sub-heading 5515 19, the entry "20% or Rs. 45 per sq. metre, whichever is higher" shall be substituted;

(l) for the entry in column (4) occurring against all the tariff items of sub-heading 5515 21, the entry "20% or Rs. 55 per sq. metre, whichever is higher" shall be substituted;

(li) for the entry in column (4) occurring against tariff items 5515 22 10 and 5515 22 20, the entry "10% or Rs. 140 per kg., whichever is higher" shall be substituted;

(lii) for the entry in column (4) occurring against tariff item 5515 22 30, the entry "20% or Rs. 140 per kg., whichever is higher" shall be substituted;

(liii) for the entry in column (4) occurring against tariff item 5515 22 40, the entry "10% or Rs. 140 per kg., whichever is higher" shall be substituted;

(liv) for the entry in column (4) occurring against tariff item 5515 22 90, the entry "20% or Rs. 140 per kg., whichever is higher" shall be substituted;

(lv) for the entry in column (4) occurring against tariff items 5515 29 10 and 5515 29 20, the entry "10% or Rs. 30 per sq. metre, whichever is higher" shall be substituted;

(lvi) for the entry in column (4) occurring against tariff items 5515 29 30, 5515 29 40 and 5515 29 90, the entry "20% or Rs. 30 per sq. metre, whichever is higher" shall be substituted;

(lvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5515 91, the entry "20% or Rs. 40 per sq. metre, whichever is higher" shall be substituted;

(lviii) for the entry in column (4) occurring against tariff items 5515 99 10, 5515 99 20, 5515 99 30 and 5515 99 40, the entry "20% or Rs. 35 per sq. metre, whichever is higher" shall be substituted;

(lix) after tariff item 5515 99 40 and the entries relating thereto, the following shall be inserted, namely:—

"5515 99 50	- - -	Fabrics made of 100% inherent FR synthetic fibre	m^2	20% or Rs. 35 per sq. metre, whichever is higher	-";

(lx) for the entry in column (4) occurring against tariff item 5515 99 90, the entry "20% or Rs. 35 per sq. metre, whichever is higher" shall be substituted;

(lxi) for the entry in column (4) occurring against all the tariff items of sub-heading 5516 11, the entry "20%" shall be substituted;

(lxii) for the entry in column (4) occurring against tariff item 5516 12 00, the entry "20% or Rs. 35 per sq. metre, whichever is higher" shall be substituted;

(lxiii) for the entry in column (4) occurring against tariff item 5516 13 00, the entry "20% or Rs. 40 per sq. metre, whichever is higher" shall be substituted;

(lxiv) for the entry in column (4) occurring against all the tariff items of sub-heading 5516 14, the entry "20% or Rs. 12 per sq. metre, whichever is higher" shall be substituted;

(lxv) for the entry in column (4) occurring against all the tariff items of sub-heading 5516 21, the entry "20%" shall be substituted;

(lxvi) for the entry in column (4) occurring against tariff items 5516 22 00 and 5516 23 00, the entry "20% or Rs. 150 per kg., whichever is higher" shall be substituted;

(lxvii) for the entry in column (4) occurring against tariff item 5516 24 00, the entry "20% or Rs. 12 per sq. metre, whichever is higher" shall be substituted;

(lxviii) for the entry in column (4) occurring against tariff item 5516 31 10, the entry "20%" shall be substituted;

(lxix) for the entry in column (4) occurring against tariff item 5516 31 20, the entry "10%" shall be substituted;

(lxx) for the entry in column (4) occurring against tariff items 5516 32 00, 5516 33 00, 5516 34 00, 5516 41 10, 5516 41 20 and 5516 42 00, the entry "20%" shall be substituted;

(lxxi) for the entry in column (4) occurring against tariff items 5516 43 00 and 5516 44 00, the entry "20% or Rs. 12 per sq. metre, whichever is higher" shall be substituted;

(lxxii) for the entry in column (4) occurring against tariff items 5516 91 10, 5516 91 20 and 5516 92 00, the entry "20%" shall be substituted;

(lxxiii) for the entry in column (4) occurring against tariff item 5516 93 00, the entry "20% or Rs. 21 per sq. metre, whichever is higher" shall be substituted;

(lxxiv) for the entry in column (4) occurring against tariff item 5516 94 00, the entry "20% or Rs. 40 per sq. metre, whichever is higher" shall be substituted;

(40) in Chapter 56,—

(i) for the entry in column (4) occurring against all the tariff items of sub-heading 5601 21, the entry "10%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 5601 22 00 and 5601 29 00, the entry "10%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 5601 30 00, the entry "20%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of heading 5602, the entry "10%" shall be substituted;

(v) for tariff item 5603 11 00 and the entries relating thereto, the following shall be substituted, namely:—

"5603 11	- -	*Weighing not more than 25g/m²:*			
5603 11 10	- - -	Crop covers, conforming to IS 16718	kg.	20%	-
5603 11 90	- - -	Other	kg.	20%	-";

(vi) for the entry in column (4) occurring against tariff item 5603 12 00, the entry "20%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 5603 13 00, the entry "10%" shall be substituted;

(viii) for the entry in column (4) occurring against tariff item 5603 14 00, the entry "20%" shall be substituted;

(ix) for the entry in column (4) occurring against tariff item 5603 91 00, the entry "10%" shall be substituted;

(x) for the entry in column (4) occurring against tariff item 5603 92 00, the entry "20%" shall be substituted;

(xi) for tariff items 5603 93 00 and 5603 94 00 and the entries relating thereto, the following shall be substituted, namely: —

"5603 93	- -	*Weighing more than 70g/ m² but not more than 150 g/m²:*			
5603 93 10	- - -	Mulch Mats, conforming to IS 17355	kg.	10%	-
5603 93 90	- - -	Other	kg.	10%	-
5603 94	- -	*Weighing more than 150 g/m²:*			
5603 94 10	- - -	Non-woven Geotextile and articles thereof, Conforming to IS 16391, IS 16392	kg.	20%	-
5603 94 20	- - -	Mulch Mats, conforming to IS 17355	kg.	20%	-
5603 94 90	- - -	Other	kg.	20%	-";

(xii) for the entry in column (4) occurring against all the tariff items of headings 5604, 5605, 5606, 5607, 5608 and 5609, the entry "10%" shall be substituted;

(41) in Chapter 57,—

(i) for the entry in column (4) occurring against all the tariff items of heading 5701, the entry "20%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 5702 10 00, 5702 20 10, 5702 20 20 and 5702 20 90, the entry "20%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-heading 5702 31, the entry "20%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of sub-heading 5702 32, the entry "20% or Rs. 105 per sq. metre, whichever is higher" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of sub-headings 5702 39 and 5702 41, the entry “20%” shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of sub-heading 5702 42, the entry “20% or Rs. 80 per sq. metre, whichever is higher” shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of sub-heading 5702 49, the entry “20%” shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 5702 50 21, 5702 50 22 and 5702 50 29, the entry “20% or Rs. 105 per sq. metre, whichever is higher” shall be substituted;

(ix) for the entry in column (4) occurring against tariff items 5702 50 31, 5702 50 32, 5702 50 33 and 5702 50 39, the entry “20%” shall be substituted;

(x) for the entry in column (4) occurring against tariff item 5702 91 10, the entry “20%” shall be substituted;

(xi) for the entry in column (4) occurring against tariff item 5702 91 20, the entry “10%” shall be substituted;

(xii) for the entry in column (4) occurring against tariff items 5702 91 30 and 5702 91 90, the entry “20%” shall be substituted;

(xiii) for the entry in column (4) occurring against all the tariff items of sub-heading 5702 92, the entry “20% or Rs. 110 per sq. metre, whichever is higher” shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of sub-heading 5702 99, the entry “20%” shall be substituted;

(xv) for the entry in column (4) occurring against all the tariff items of sub-heading 5703 10, the entry “20%” shall be substituted;

(xvi) for the entry in column (4) occurring against tariff items 5703 21 00, 5703 29 10, 5703 29 20 and 5703 29 90, the entry “20% or Rs. 70 per sq. metre, whichever is higher” shall be substituted;

(xvii) for the entry in column (4) occurring against tariff items 5703 31 00, 5703 39 10, 5703 39 20 and 5703 39 90, the entry “20% or Rs. 55 per sq. metre, whichever is higher” shall be substituted;

(xviii) for the entry in column (4) occurring against all the tariff items of sub-heading 5703 90, the entry “20%” shall be substituted;

(xix) for the entry in column (4) occurring against tariff items 5704 10 00 and 5704 20 10, the entry “20%” shall be substituted;

(xx) for the entry in column (4) occurring against tariff item 5704 20 20, the entry “10%” shall be substituted;

(xxi) for the entry in column (4) occurring against tariff item 5704 20 90, the entry “20%” shall be substituted;

(xxii) for the entry in column (4) occurring against all the tariff items of sub-heading 5704 90, the entry "20% or Rs. 35 per sq. metre, whichever is higher" shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of heading 5705, the entry "20%" shall be substituted;

(42) in Chapter 58,—

(i) after the Notes, the following Supplementary Note shall be inserted, namely: —

"Supplementary Note:

1. (a) For the purposes of this Chapter, "Lucknow Chikan craft" refers to a type of embroidery defined and recognised by the Geographical Indication (GI) Registry against the GI no. 119 under the Geographical Indication of Goods (Registration and Protection) Act, 1999 (48 of 1999).

(b) Produced/manufactured by a person certified/recognised and mentioned as a user in the Geographical Indication Registry against the said GI no. 119.";

(ii) for the entry in column (4) occurring against tariff item 5801 10 00, the entry "10% or Rs. 210 per sq. metre, whichever is higher" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 5801 21 00, the entry "10% or Rs. 80 per sq. metre, whichever is higher" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of sub-heading 5801 22, the entry "10% or Rs. 70 per sq. metre, whichever is higher" shall be substituted;

(v) for the entry in column (4) occurring against tariff item 5801 23 00, the entry "10% or Rs. 80 per sq. metre, whichever is higher" shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 5801 26 00, the entry "10% or Rs. 180 per sq. metre, whichever is higher" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 5801 27 10, the entry "10% or Rs. 135 per sq. metre, whichever is higher" shall be substituted;

(viii) for the entry in column (4) occurring against tariff item 5801 27 20, the entry "10% or Rs. 120 per sq. metre, whichever is higher" shall be substituted;

(ix) for the entry in column (4) occurring against tariff item 5801 27 90, the entry "10% or Rs. 135 per sq. metre, whichever is higher" shall be substituted;

(x) for the entry in column (4) occurring against tariff item 5801 31 00, the entry "20% or Rs. 75 per sq. metre, whichever is higher" shall be substituted;

(xi) for the entry in column (4) occurring against tariff item 5801 32 00, the entry "20% or Rs. 180 per sq. metre, whichever is higher" shall be substituted;

(xii) for the entry in column (4) occurring against tariff item 5801 33 00, the entry “20% or Rs. 150 per sq. metre, whichever is higher” shall be substituted;

(xiii) for the entry in column (4) occurring against all the tariff items of sub-heading 5801 36, the entry “20% or Rs. 130 per sq. metre, whichever is higher” shall be substituted;

(xiv) for the entry in column (4) occurring against tariff item 5801 37 10, the entry “20% or Rs. 140 per sq. metre, whichever is higher” shall be substituted;

(xv) for the entry in column (4) occurring against tariff item 5801 37 20, the entry “20% or Rs. 68 per sq. metre, whichever is higher” shall be substituted;

(xvi) for the entry in column (4) occurring against tariff item 5801 37 90, the entry “20% or Rs. 140 per sq. metre, whichever is higher” shall be substituted;

(xvii) for the entry in column (4) occurring against all the tariff items of sub-heading 5801 90, the entry “10% or Rs. 35 per sq. metre, whichever is higher” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff item 5802 10 10, the entry “10%” shall be substituted;

(xix) for the entry in column (4) occurring against tariff items 5802 10 20, 5802 10 30, 5802 10 40, 5802 10 50, 5802 10 60 and 5802 10 90, the entry “10% or Rs. 60 per sq. metre, whichever is higher” shall be substituted;

(xx) for the entry in column (4) occurring against tariff item 5802 20 00, the entry “10%” shall be substituted;

(xxi) for the entry in column (4) occurring against tariff item 5802 30 00, the entry “10% or Rs. 150 per kg., whichever is higher” shall be substituted;

(xxii) for the entry in column (4) occurring against all the tariff items of heading 5803, the entry “10%” shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of sub-heading 5804 10, the entry “10% or Rs. 200 per kg., whichever is higher” shall be substituted;

(xxiv) for the entry in column (4) occurring against tariff item 5804 21 00, the entry “20% or Rs. 200 per kg., whichever is higher” shall be substituted;

(xxv) for the entry in column (4) occurring against tariff items 5804 29 10, 5804 29 90 and 5804 30 00, the entry “10% or Rs. 200 per kg., whichever is higher” shall be substituted;

(xxvi) for the entry in column (4) occurring against all the tariff items of heading 5805, the entry “10%” shall be substituted;

(xxvii) for the entry in column (4) occurring against tariff items 5806 10 00, 5806 20 00, 5806 31 10, 5806 31 20 and 5806 31 90, the entry “10%” shall be substituted;

(xxviii) for the entry in column (4) occurring against tariff item 5806 32 00, the entry "20%" shall be substituted;

(xxix) for the entry in column (4) occurring against tariff items 5806 39 10, 5806 39 20, 5806 39 30, 5806 39 90 and 5806 40 00, the entry "10%" shall be substituted;

(xxx) for the entry in column (4) occurring against all the tariff items of headings 5807, 5808 and 5809, the entry "10%" shall be substituted;

(xxxi) for the entry in column (4) occurring against tariff item 5810 10 00, the entry "10% or Rs. 200 per kg., whichever is higher" shall be substituted;

(xxxii) in heading 5810, for tariff item 5810 91 00, sub-heading 5810 92, tariff items 5810 92 10 to 5810 99 00 and the entries relating thereto, the following shall be substituted, namely:—

" 5810 91	- -	*Of cotton:*			
5810 91 10	- - -	Embroidered with Lucknow Chikan Craft	kg.	10%	-
5810 91 90	- - -	Other	kg.	10%	-
5810 92	- -	*Of man made fibres:*			
5810 92 10	- - -	Embroidered badges, motifs and the like	kg.	10%	-
5810 92 20	- - -	Embroidered with Lucknow Chikan Craft	kg.	10%	-
5810 92 90	- - -	Other	kg.	10%	-
5810 99	- -	*Of other textile materials:*			
5810 99 10	- - -	Embroidered with Lucknow Chikan Craft	kg.	10%	-
5810 99 90	- - -	Other	kg.	10%	-";

(xxxiii) for the entry in column (4) occurring against all the tariff items of heading 5811, the entry "10%" shall be substituted;

(43) in Chapter 59,—

(i) for the entry in column (4) occurring against all the tariff items of heading 5901, the entry "10%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of headings 5902 and 5903, the entry "20%" shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of headings 5904, 5905, 5906, 5907, 5908 and 5909, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of sub-heading 5910 00, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against tariff items 5911 10 00, 5911 20 00, 5911 31 10, 5911 31 20, 5911 31 30, 5911 31 40, 5911 31 50, 5911 31 90, 5911 32 10, 5911 32 20, 5911 32 30, 5911 32 40, 5911 32 50, 5911 32 90, 5911 40 00, 5911 90 10 and 5911 90 20, the entry "10%" shall be substituted;

(vi) after tariff item 5911 90 20 and the entries relating thereto, the following shall be inserted, namely:–

	"- - -	*Knitted or woven Geo-technical textile:*			
5911 90 31	- - - -	Geogrid conforming to IS 17373	kg.	10%	-
5911 90 32	- - - -	Geotextile conforming to IS 16391, IS 16392	kg.	10%	-
5911 90 39	- - - -	Other	kg.	10%	-
5911 90 40	- - -	Mulch mats, conforming to IS 16202	kg.	10%	-";

(vii) for the entry in column (4) occurring against tariff item 5911 90 90, the entry "10%" shall be substituted;

(44) in Chapter 60,—

(i) for the entry in column (4) occurring against tariff items 6001 10 10, 6001 10 20, 6001 10 90 and 6001 21 00, the entry "10%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 6001 22 00, the entry "20%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 6001 29 00 and 6001 91 00, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 6001 92 00, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against tariff items 6001 99 10, 6001 99 90, 6002 40 00, 6002 90 00, 6003 10 00 and 6003 20 00, the entry "10%" shall be substituted;

(vi) for the entry in column (4) occurring against tariff items 6003 30 00 and 6003 40 00, the entry "20%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 6003 90 00, the entry "10%" shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 6004 10 00, 6004 90 00, 6005 35 00 and 6005 36 00, the entry "20%" shall be substituted;

(ix) for tariff item 6005 37 00 and the entries relating thereto, the following shall be substituted, namely:—

" 6005 37	- -	*Other, dyed:*			
6005 37 10	- - -	Shade Nets, conforming to IS 16008	kg.	20%	-
6005 37 90	- - -	Other	kg.	20%	-";

(x) for the entry in column (4) occurring against tariff items 6005 38 00, 6005 39 00, 6005 41 00, 6005 42 00, 6005 43 00 and 6005 44 00, the entry "20%" shall be substituted;

(xi) for the entry in column (4) occurring against tariff items 6005 90 00, 6006 10 00, 6006 21 00, 6006 22 00, 6006 23 00 and 6006 24 00, the entry "10%" shall be substituted;

(xii) for the entry in column (4) occurring against tariff items 6006 31 00, 6006 32 00, 6006 33 00, 6006 34 00, 6006 41 00, 6006 42 00, 6006 43 00 and 6006 44 00, the entry "20%" shall be substituted;

(xiii) for the entry in column (4) occurring against tariff item 6006 90 00, the entry "10%" shall be substituted;

(45) in Chapter 61,—

(i) for the entry in column (4) occurring against all the tariff items of headings 6101, 6102 and 6103, the entry "20%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 6104 13 00, 6104 19 10, 6104 19 20, 6104 19 90, 6104 22 00, 6104 23 00, 6104 29 10, 6104 29 20, 6104 29 90, 6104 31 00, 6104 32 00, 6104 33 00, 6104 39 10, 6104 39 20 and 6104 39 90, the entry "20%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 6104 41 00, the entry "20% or Rs. 255 per piece, whichever is higher" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 6104 42 00, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against tariff items 6104 43 00 and 6104 44 00, the entry "20% or Rs. 255 per piece, whichever is higher" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of sub-heading 6104 49, the entry "20% or Rs. 220 per piece, whichever is higher" shall be substituted;

(vii) for the entry in column (4) occurring against tariff items 6104 51 00, 6104 52 00, 6104 53 00, 6104 59 10, 6104 59 20 and 6104 59 90, the entry "20% or Rs. 110 per piece, whichever is higher" shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 6104 61 00, 6104 62 00, 6104 63 00, 6104 69 10, 6104 69 20 and 6104 69 90, the entry "20%" shall be substituted;

(ix) for the entry in column (4) occurring against all the tariff items of sub-headings 6105 10 and 6105 20, the entry "20% or Rs. 83 per piece, whichever is higher" shall be substituted;

(x) for the entry in column (4) occurring against tariff items 6105 90 10, 6105 90 90 and 6106 10 00, the entry "20% or Rs. 90 per piece, whichever is higher" shall be substituted;

(xi) for the entry in column (4) occurring against all the tariff items of sub-heading 6106 20, the entry "20% or Rs. 25 per piece, whichever is higher" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of sub-heading 6106 90, the entry "20% or Rs. 135 per piece, whichever is higher" shall be substituted;

(xiii) for the entry in column (4) occurring against tariff item 6107 11 00, the entry “20% or Rs. 24 per piece, whichever is higher” shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of sub-heading 6107 12, the entry “20% or Rs. 30 per piece, whichever is higher” shall be substituted;

(xv) for the entry in column (4) occurring against tariff items 6107 19 10, 6107 19 90, 6107 21 00, 6107 22 10, 6107 22 20, 6107 29 10, 6107 29 20, 6107 29 90, 6107 91 10, 6107 91 90, 6107 99 10, 6107 99 20 and 6107 99 90, the entry “20%” shall be substituted;

(xvi) for the entry in column (4) occurring against all the tariff items of sub-headings 6108 11 and 6108 19, the entry “20%” shall be substituted;

(xvii) for the entry in column (4) occurring against tariff items 6108 21 00, 6108 22 10 and 6108 22 20, the entry “20% or Rs. 25 per piece, whichever is higher” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff items 6108 29 10, 6108 29 90, 6108 31 00, 6108 32 10 and 6108 32 20, the entry “20%” shall be substituted;

(xix) for the entry in column (4) occurring against tariff item 6108 39 10, the entry “10%” shall be substituted;

(xx) for the entry in column (4) occurring against tariff item 6108 39 90, the entry “20%” shall be substituted;

(xxi) for the entry in column (4) occurring against tariff item 6108 91 00, the entry “20% or Rs. 65 per piece, whichever is higher” shall be substituted;

(xxii) for the entry in column (4) occurring against all the tariff items of sub-heading 6108 92, the entry “20% or Rs. 60 per piece, whichever is higher” shall be substituted;

(xxiii) for the entry in column (4) occurring against tariff item 6108 99 10, the entry “20%” shall be substituted;

(xxiv) for the entry in column (4) occurring against tariff item 6108 99 20, the entry “10%” shall be substituted;

(xxv) for the entry in column (4) occurring against tariff item 6108 99 90, the entry “20%” shall be substituted;

(xxvi) for the entry in column (4) occurring against tariff item 6109 10 00, the entry “20% or Rs. 45 per piece, whichever is higher” shall be substituted;

(xxvii) for the entry in column (4) occurring against all the tariff items of sub-heading 6109 90, the entry “20% or Rs. 50 per piece, whichever is higher” shall be substituted;

(xxviii) for the entry in column (4) occurring against tariff items 6110 11 10, 6110 11 20, 6110 11 90, 6110 12 00 and 6110 19 00, the entry “20% or Rs. 275 per piece, whichever is higher” shall be substituted;

(xxix) for the entry in column (4) occurring against tariff item 6110 20 00, the entry "20% or Rs. 85 per piece, whichever is higher" shall be substituted;

(xxx) for the entry in column (4) occurring against all the tariff items of sub-heading 6110 30, the entry "20% or Rs. 110 per piece, whichever is higher" shall be substituted;

(xxxi) for the entry in column (4) occurring against tariff item 6110 90 00, the entry "20% or Rs. 105 per piece, whichever is higher" shall be substituted;

(xxxii) for the entry in column (4) occurring against all the tariff items of heading 6111, the entry "20%" shall be substituted;

(xxxiii) for the entry in column (4) occurring against tariff items 6112 11 00 and 6112 12 00, the entry "20%" shall be substituted;

(xxxiv) for the entry in column (4) occurring against tariff item 6112 19 10, the entry "10%" shall be substituted;

(xxxv) for the entry in column (4) occurring against tariff items 6112 19 20, 6112 19 30 and 6112 19 90, the entry "20%" shall be substituted;

(xxxvi) for the entry in column (4) occurring against tariff item 6112 20 10, the entry "10%" shall be substituted;

(xxxvii) for the entry in column (4) occurring against tariff items 6112 20 20, 6112 20 30, 6112 20 40, 6112 20 50, 6112 20 90, 6112 31 00, 6112 39 10, 6112 39 20, 6112 39 90 and 6112 41 00, the entry "20%" shall be substituted;

(xxxviii) for the entry in column (4) occurring against tariff item 6112 49 10, the entry "10%" shall be substituted;

(xxxix) for the entry in column (4) occurring against tariff items 6112 49 20, 6112 49 90 and 6113 00 00, the entry "20%" shall be substituted;

(xl) for the entry in column (4) occurring against all the tariff items of headings 6114, 6115, 6116 and 6117, the entry "20%" shall be substituted;

(46) in Chapter 62,—

(i) the Supplementary Note shall be numbered as "Supplementary Note 1" thereof, and after the Supplementary Note as so numbered, the following Supplementary Notes shall be inserted, namely: —

"2. For the purposes of this Chapter, inherent Fire Retardant (FR) fibres, as specified in IS 11871, IS 13501, IS 15742, IS 15742 A, are those in which the FR properties are naturally part of the polymer backbone and can never be worn away or washed out.

3. (a) For the purposes of this Chapter, "Lucknow Chikan craft" refers to a type of embroidery defined and recognised by the Geographical Indication (GI) Registry against the GI no. 119 under the Geographical Indication of Goods (Registration and Protection) Act, 1999 (48 of 1999).

(b) Produced/manufactured by a person certified/recognised and mentioned as a user in the Geographical Indication Registry against the said GI no. 119.";

(ii) for the entry in column (4) occurring against tariff item 6201 20 10, the entry "20% or Rs. 385 per piece, whichever is higher" shall be substituted" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 6201 20 90, the entry "20% or Rs. 220 per piece, whichever is higher" shall be substituted" shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of sub-headings 6201 30, 6201 40 and 6201 90, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against tariff item 6202 20 10, the entry "20% or Rs. 385 per piece, whichever is higher" shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 6202 20 90, the entry "20% or Rs. 220 per piece, whichever is higher" shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of sub-headings 6202 30, 6202 40 and 6202 90, the entry "20%" shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 6203 11 00, 6203 12 00, 6203 19 10 and 6203 19 90, the entry "20%" shall be substituted;

(ix) for the entry in column (4) occurring against tariff items 6203 22 00, 6203 23 00, 6203 29 11, 6203 29 19 and 6203 29 90, the entry "20% or Rs. 145 per piece, whichever is higher" shall be substituted;

(x) for the entry in column (4) occurring against tariff items 6203 31 10, 6203 31 90, 6203 32 00, 6203 33 00, 6203 39 11, 6203 39 19 and 6203 39 90, the entry "20%" shall be substituted;

(xi) for the entry in column (4) occurring against tariff item 6203 41 00, the entry "20% or Rs. 285 per piece, whichever is higher" shall be substituted;

(xii) for the entry in column (4) occurring against all the tariff items of sub-heading 6203 42, the entry "20% or Rs. 135 per piece, whichever is higher" shall be substituted;

(xiii) for the entry in column (4) occurring against tariff items 6203 43 00, 6203 49 10, 6203 49 90 and 6204 11 00, the entry "20%" shall be substituted;

(xiv) in heading 6204, for tariff items 6204 12 00 to 6204 13 00, sub-heading 6204 19, tariff items 6204 19 11 to 6204 21 00, sub-heading 6204 22, tariff items 6204 22 10 to 6204 23 00, sub-heading 6204 29, tariff items 6204 2912 to 6204 29 90, sub-heading 6204 31, tariff items 6204 31 10 to 6204 33 00, sub-heading 6204 39, tariff items 6204 39 12 to 6204 39 90, sub-heading 6204 41, tariff items 6204 41 10 to 6204 4190, sub-heading 6204 42, tariff items 6204 42 10 to 6204 42 90, sub-heading 6204 43, tariff items 6204 43 10 to 6204 44 00, sub-heading 6204 49, tariff items 6204 49 11 to 6204 53 00, sub heading 6204 59, tariff items 6204 59 10 to 6204 59 90 and the entries relating thereto, the following shall be substituted, namely: —

“ 6204 12	- -	*Of cotton:*			
6204 12 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 12 90	- - -	Other	u	20%	-
6204 13	- -	*Of synthetic fibre:*			
6204 13 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 13 90	- - -	Other	u	20%	-
6204 19	- -	*Of other textile materials:*			
	- - -	*Of silk:*			
6204 19 11	- - - -	Sequinned or beaded with chattons or embroidered	u	20%	-
6204 19 12	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 19 19	- - - -	Other	u	20%	-
	- - -	*Of all other fibres:*			
6204 19 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 19 99	- - - -	Other	u	20%	-
	-	*Ensembles :*			
6204 21 00	- -	Of wool or fine animal hair	u	20%	-
6204 22	- -	*Of cotton :*			
6204 22 10	- - -	Blouses combined with skirts, trousers or shorts	u	20%	-
6204 22 20	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 22 90	- - -	Other	u	20%	-
6204 23	- -	*Of Synthetic fibres:*			
6204 23 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 23 90	- - -	Other	u	20%	-
6204 29	- -	*Of other textile materials:*			
	- - -	*Of silk:*			
6204 29 12	- - - -	Khadi	u	20%	-
6204 29 13	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 29 19	- - - -	Other	u	20%	-
	- - -	*Other:*			
6204 29 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 29 99	- - - -	Other	u	20%	-
	-	*Jackets and blazers:*			
6204 31	- -	*Of wool or fine animal hair:*			
6204 31 10	- - -	Khadi	u	20%	-
6204 31 90	- - -	Other	u	20%	-
6204 32	- -	*Of cotton:*			
6204 32 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 32 90	- - -	Other	u	20%	-
6204 33	- -	*Of synthetic fibre:*			
6204 33 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 33 90	- - -	Other	u	20%	-
6204 39	- -	*Of other textile materials:*			
	- - -	*Of silk:*			
6204 39 12	- - - -	Khadi	u	20%	-
6204 39 13	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 39 19	- - - -	Other	u	20%	-
	- - -	*Other:*			

6204 39 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 39 99	- - - -	Other	u	20%	-
	-	*Dresses :*			
6204 41	- -	*Of wool or fine animal hair :*			
6204 41 10	- - -	House coats and like dresses	u	20% or Rs. 145 per piece, whichever is higher	-
6204 41 20	- - -	Blazers	u	20% or Rs. 145 per piece, whichever is higher	-
6204 41 90	- - -	Other	u	20% or Rs. 145 per piece, whichever is higher	-
6204 42	- -	*Of cotton :*			
6204 42 10	- - -	House coats and like dresses	u	20% or Rs. 116 per piece, whichever is higher	-
6204 42 20	- - -	Handloom	u	20% or Rs. 116 per piece, whichever is higher	-
6204 42 30	- - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 116 per piece, whichever is higher	-
6204 42 90	- - -	Other	u	20% or Rs. 116 per piece, whichever is higher	-
6204 43	- -	*Of synthetic fibres :*			
6204 43 10	- - -	House coats and like dresses	u	20% or Rs. 145 per piece,	-

				whichever is higher	
6204 43 20	- - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 145 per piece, whichever is higher	-
6204 43 90	- - -	Other	u	20% or Rs. 145 per piece, whichever is higher	-
6204 44	- -	*Of artificial fibres :*			
6204 44 10	- - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 145 per piece, whichever is higher	-
6204 44 90	- - -	Other	u	20% or Rs. 145 per piece, whichever is higher	-
6204 49	- -	*Of other textile materials:*			
	- - -	*Of silk :*			
6204 49 11	- - - -	House coats and like dresses	u	20% or Rs. 145 per piece, whichever is higher	-
6204 49 12	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 145 per piece, whichever is higher	-
6204 49 19	- - - -	Other	u	20% or Rs. 145 per piece, whichever is higher	-
	- - -	*Other:*			
6204 49 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 145 per piece, whichever is higher	-

6204 49 99	- - - -	Other	u	20% or Rs. 145 per piece, whichever is higher	-
	-	*Skirts and divided skirts:*			
6204 51 00	- -	Of wool or fine animal hair	u	20% or Rs. 485 per piece, whichever is higher	-
6204 52	- -	*Of cotton :*			
6204 52 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 52 90	- - -	Other	u	20%	-
6204 53	- -	*Of synthetic fibre :*			
6204 53 10	- - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 53 90	- - -	Other	u	20%	-
6204 59	- -	*Of other textile materials:*			
	- - -	*Of silk :*			
6204 59 11	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 59 19	- - - -	Other	u	20%	-
	- - -	*Other:*			
6204 59 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6204 59 99	- - - -	Other	u	20%	-";

(xv) for the entry in column (4) occurring against all the tariff items of sub-heading 6204 61, the entry "20% or Rs. 285 per piece, whichever is higher" shall be substituted;

(xvi) for the entry in column (4) occurring against all the tariff items of sub-heading 6204 62, the entry "20% or Rs. 135 per piece, whichever is higher" shall be substituted;

(xvii) for the entry in column (4) occurring against tariff items 6204 63 00, 6204 69 11, 6204 69 19 and 6204 69 90, the entry "20%" shall be substituted;

(xviii) for the entry in column (4) occurring against tariff item 6205 20 10, the entry "20% or Rs. 85 per piece, whichever is higher" shall be substituted;

(xix) after tariff item 6205 20 10 and the entries relating thereto, the following shall be inserted, namely:—

"6205 20 20	- - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 85 per piece,	-";

				whichever is higher	

(xx) for the entry in column (4) occurring against tariff item 6205 20 90, the entry "20% or Rs. 85 per piece, whichever is higher" shall be substituted;

(xxi) for tariff item 6205 30 00 and the entries relating thereto, the following shall be substituted, namely:—

" 6205 30	-	*Of man made fibres:*			
6205 30 10	- - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 120 per piece, whichever is higher	-
6205 30 90	- - -	Other	u	20% or Rs. 120 per piece, whichever is higher	-";

(xxii) for the entry in column (4) occurring against tariff item 6205 90 11, the entry "20% or Rs. 95 per piece, whichever is higher" shall be substituted;

(xxiii) after tariff item 6205 90 11 and the entries relating thereto, the following shall be inserted, namely:—

" 6205 90 12	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 95 per piece, whichever is higher	-";

(xxiv) for the entry in column (4) occurring against tariff items 6205 90 19 and 6205 90 90, the entry "20% or Rs. 95 per piece, whichever is higher" shall be substituted;

(xxv) for the entry in column (4) occurring against all the tariff items of sub-heading 6206 10, the entry "20%" shall be substituted;

(xxvi) for the entry in column (4) occurring against tariff item 6206 20 00, the entry "20% or Rs. 135 per piece, whichever is higher" shall be substituted;

(xxvii) for the entry in column (4) occurring against all the tariff items of sub-heading 6206 30, the entry "20% or Rs. 95 per piece, whichever is higher" shall be substituted;

(xxviii) for the entry in column (4) occurring against tariff item 6206 40 00, the entry "20% or Rs. 120 per piece, whichever is higher" shall be substituted;

(xxix) for the entry in column (4) occurring against tariff item 6206 90 00, the entry "20%" shall be substituted;

(xxx) for the entry in column (4) occurring against tariff item 6207 11 00, the entry "20% or Rs. 28 per piece, whichever is higher" shall be substituted;

(xxxi) for the entry in column (4) occurring against tariff items 6207 19 10 and 6207 19 20, the entry "20% or Rs. 30 per piece, whichever is higher" shall be substituted;

(xxxii) for the entry in column (4) occurring against tariff item 6207 19 30, the entry "10% or Rs. 30 per piece, whichever is higher" shall be substituted;

(xxxiii) for the entry in column (4) occurring against tariff item 6207 19 90, the entry "20% or Rs. 30 per piece, whichever is higher" shall be substituted;

(xxxiv) for the entry in column (4) occurring against tariff items 6207 21 10, 6207 21 90, 6207 22 00, 6207 29 00, 6207 91 10, 6207 91 20 and 6207 91 90, the entry "20%" shall be substituted;

(xxxv) for the entry in column (4) occurring against all the tariff items of sub-heading 6207 99, the entry "20% or Rs. 70 per piece, whichever is higher" shall be substituted;

(xxxvi) for the entry in column (4) occurring against tariff item 6208 11 00, the entry "20% or Rs. 80 per piece, whichever is higher" shall be substituted;

(xxxvii) for the entry in column (4) occurring against all the tariff items of sub-heading 6208 19, the entry "20% or Rs. 60 per piece, whichever is higher" shall be substituted;

(xxxviii) for the entry in column (4) occurring against tariff items 6208 21 10, 6208 21 90, 6208 22 00, 6208 29 10, 6207 29 20 and 6208 29 90, the entry "20%" shall be substituted;

(xxxix) for the entry in column (4) occurring against all the tariff items of sub-heading 6208 91, the entry "20% or Rs. 95 per piece, whichever is higher" shall be substituted;

(xl) for the entry in column (4) occurring against all the tariff items of sub-heading 6208 92, the entry "20% or Rs. 65 per piece, whichever is higher" shall be substituted;

(xli) for the entry in column (4) occurring against tariff items 6208 99 10, 6208 99 20, 6208 99 90, 6209 20 10, 6209 20 90, 6209 30 00, 6209 90 10 and 6209 90 90, the entry "20%" shall be substituted;

(xlii) for tariff item 6210 10 00 and the entries relating thereto, the following shall be substituted, namely:—

"6210 10	-	*Of fabrics of heading 5602 or 5603:*			
6210 10 10	- - -	Personal protective garments for surgical/medical use (felt or non-woven) conforming to IS 17423	u	20%	-
6210 10 20	- - -	Surgical gowns and drapes conforming to IS 17334	u	20%	-
6210 10 90	- - -	Other	u	20%	-";

(xliii) for the entry in column (4) occurring against all the tariff items of sub-heading 6210 20, the entry "20% or Rs. 365 per piece, whichever is higher" shall be substituted;

(xliv) for the entry in column (4) occurring against all the tariff items of sub-heading 6210 30, the entry "20% or Rs. 305 per piece, whichever is higher" shall be substituted;

(xlv) for the entry in column (4) occurring against tariff item 6210 40 10, the entry "20% or Rs. 65 per piece, whichever is higher" shall be substituted;

(xlvi) after tariff item 6210 40 10 and the entries relating thereto, the following shall be inserted, namely:—

"6210 40 20	- - -	NBC Warfare suits and the like (conforming to IS 17377)	u	20% or Rs. 65 per piece, whichever is higher	-
6210 40 30	- - -	High Visibility Warning Clothes and the like (Conforming to IS 15809)	u	20% or Rs. 65 per piece, whichever is higher	-
6210 40 40	- - -	High Altitude Clothes (Conforming to IS 5866)	u	20% or Rs. 65 per piece, whichever is higher	-
6210 40 50	- - -	Fighter Aircraft Clothing (Conforming to IS 11871)	u	20% or Rs. 65 per piece, whichever is higher	-
6210 40 60	- - -	Personal protective garments for surgical/medical use (felt or non-woven) conforming to IS 17423	u	20% or Rs. 65 per piece, whichever is higher	-
6210 40 70	- - -	Surgical gowns and drapes conforming to IS 17334	u	20% or Rs. 65 per piece, whichever is higher	-
6210 40 80	- - -	Clothing for special use such as FR, chemical (IS 15071, 15758), electrical (IS 11871, IS 16655) and industrial protection (IS 17466)	u	20% or Rs. 65 per piece, whichever is higher	-";

(xlvii) for the entry in column (4) occurring against tariff items 6210 40 90 and 6210 50 00, the entry "20% or Rs. 65 per piece, whichever is higher" shall be substituted;

(xlviii) for the entry in column (4) occurring against tariff items 6211 11 00, 6211 12 00 and 6211 20 00, the entry "20%" shall be substituted;

(xlix) for the entry in column (4) occurring against tariff items 6211 32 00 and 6211 33 00, the entry "20% or Rs. 135 per piece, whichever is higher" shall be substituted;

(l) for the entry in column (4) occurring against all the tariff items of sub-heading 6211 39, the entry "20%" shall be substituted;

(li) in heading 6211, for the sub-heading 6211 42, tariff items 6211 42 10 to 6211 43 00, sub-heading 6211 49, tariff items 6211 49 10 to 6211 49 90 and the entries relating thereto, the following shall be substituted, namely: —

" 6211 42	- -	*Of cotton:*			
	- - -	*Kurta or Salwar with or without Dupatta:*			
6211 42 11	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 135 per piece, whichever is higher	-
6211 42 19	- - - -	Other	u	20% or Rs. 135 per piece, whichever is higher	-
	- - -	*Other:*			
6211 42 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 135 per piece, whichever is higher	-
6211 42 99	- - - -	Other	u	20% or Rs. 135 per piece, whichever is higher	-
6211 43	- -	*Of man made fibre:*			
6211 43 10	- - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 135 per piece, whichever is higher	-
6211 43 90	- - -	Other	u	20% or Rs. 135 per piece, whichever is higher	-
6211 49	- -	*Of other textile materials:*			
6211 49 10	- - -	Of wool or fine animal hair	u	20%	-
	- - -	O*f silk:*			
6211 49 21	- - - -	Khadi	u	20%	-
6211 49 22	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6211 49 29	- - - -	Other	u	20%	-
	- - -	*Other:*			
6211 49 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20%	-
6211 49 99	- - - -	Other	u	20%	-";

(lii) for the entry in column (4) occurring against tariff items 6212 10 00, 6212 20 00, 6212 30 00, 6212 90 10 and 6212 90 90, the entry "20% or Rs. 30 per piece, whichever is higher" shall be substituted;

(liii) for the entry in column (4) occurring against tariff items 6213 20 00, 6213 90 10 and 6213 90 90, the entry "20%" shall be substituted;

(liv) for the entry in column (4) occurring against tariff items 6214 10 10 and 6214 10 20, the entry "20% or Rs. 390 per piece, whichever is higher" shall be substituted;

(lv) for the entry in column (4) occurring against tariff item 6214 10 30, the entry "10% or Rs. 390 per piece, whichever is higher" shall be substituted;

(lvi) after tariff item 6214 10 30 and the entries relating thereto, the following shall be inserted, namely:—

" 6214 10 40	- - -	Embroidered with Chikan Craft	Lucknow	u	20% or Rs. 390 per piece, whichever is higher	-";

(lvii) for the entry in column (4) occurring against tariff item 6214 10 90, the entry "20% or Rs. 390 per piece, whichever is higher" shall be substituted;

(lviii) for the entry in column (4) occurring against all the tariff items of sub-heading 6214 20, the entry "20% or Rs. 180 per piece, whichever is higher" shall be substituted;

(lix) for tariff items 6214 30 00 and 6214 40 00 and the entries relating thereto, the following shall be substituted, namely: —

" 6214 30	-	*Of synthetic fibre:*				
6214 30 10	- - -	Embroidered with Chikan Craft	Lucknow	u	20%	-
6214 30 90	- - -	Other		u	20%	-
6214 40	-	*Of artificial fibre:*				
6214 40 10	- - -	Embroidered with Chikan Craft	Lucknow	u	20%	-
6214 40 90	- - -	Other		u	20%	-";

(lx) for the entry in column (4) occurring against tariff item 6214 90 10, the entry "20% or Rs. 75 per piece, whichever is higher" shall be substituted;

(lxi) for the entry in column (4) occurring against tariff items 6214 90 21 and 6214 90 22, the entry "10% or Rs. 75 per piece, whichever is higher" shall be substituted;

(lxii) for the entry in column (4) occurring against tariff item 6214 90 29, the entry "20% or Rs. 75 per piece, whichever is higher" shall be substituted;

(lxiii) for the entry in column (4) occurring against tariff items 6214 90 31 and 6214 90 32, the entry "10% or Rs. 75 per piece, whichever is higher" shall be substituted;

(lxiv) for the entry in column (4) occurring against tariff item 6214 90 39, the entry "20% or Rs. 75 per piece, whichever is higher" shall be substituted;

(lxv) for tariff items 6214 90 40 to 6214 90 90 and the entries relating thereto, the following shall be substituted, namely: —

	" - - -	*Scarves , cotton:*			
6214 90 41	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 75 per piece, whichever is higher	-
6214 90 49	- - - -	Other	u	20% or Rs. 75 per piece, whichever is higher	-
	- - -	*Shawls, mufflers and the like of cotton:*			
6214 90 51	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 75 per piece, whichever is higher	-
6214 90 59	- - - -	Other	u	20% or Rs. 75 per piece, whichever is higher	-
	- - -	*Shawls, mufflers and the like of man made fibres:*			
6214 90 61	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 75 per piece, whichever is higher	-
6214 90 69	- - - -	Other	u	20% or Rs. 75 per piece, whichever is higher	-
	- - -	*Other:*			
6214 90 91	- - - -	Embroidered with Lucknow Chikan Craft	u	20% or Rs. 75 per piece, whichever is higher	-
6214 90 99	- - - -	Other	u	20% or Rs. 75 per piece, whichever is higher	-";

(lxvi) for the entry in column (4) occurring against all the tariff items of heading 6215, the entry "20% or Rs. 55 per piece, whichever is higher" shall be substituted;

(lxvii) for the entry in column (4) occurring against all the tariff items of headings 6216 and 6217, the entry "20%" shall be substituted;

(47) in Chapter 63,—

(i) for the entry in column (4) occurring against tariff item 6301 10 00, the entry "10%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 6301 20 00, the entry "10% or Rs. 275 per piece, whichever is higher" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 6301 30 00, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 6301 40 00, 6301 90 10 and 6301 90 90, the entry "20%" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of sub-heading 6302 10, the entry "10%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of sub-heading 6302 21, the entry "10% or Rs. 108 per kg., whichever is higher" shall be substituted;

(vii) for the entry in column (4) occurring against tariff items 6302 22 00 and 6302 29 00, the entry "10%" shall be substituted;

(viii) for the entry in column (4) occurring against tariff item 6302 31 00, the entry "10% or Rs. 96 per kg., whichever is higher" shall be substituted;

(ix) for the entry in column (4) occurring against tariff items 6302 32 00, 6302 39 00, 6302 40 10, 6302 40 20, 6302 40 30, 6302 40 40, 6302 40 90, 6302 51 10, 6302 51 90, 6302 53 00, 6302 59 00, 6302 60 10, 6302 60 90, 6302 91 10, 6302 91 90, 6302 93 00 and 6302 99 00, the entry "10%" shall be substituted;

(x) for the entry in column (4) occurring against all the tariff items of headings 6303, 6304, 6305 and 6306, the entry "10%" shall be substituted;

(xi) for the entry in column (4) occurring against tariff items 6307 10 10, 6307 10 20, 6307 10 30, 6307 10 90, 6307 20 10, 6307 20 90, 6307 90 11, 6307 90 12, 6307 90 13, 6307 90 19 and 6307 90 20, the entry "10%" shall be substituted;

(xii) for tariff item 6307 90 90 and the entries relating thereto, the following shall be substituted, namely:—

	"- - -	*Other*:			
6307 90 91	- - - -	Textile face masks, without a replaceable filter or mechanical parts, including surgical mask and disposable face mask made of non-woven textile	u	10%	-
6307 90 99	- - - -	Other	u	10%	-";

(xiii) for the entry in column (4) occurring against tariff items 6308 00 00 and 6309 00 00, the entry "10%" shall be substituted;

(xiv) for the entry in column (4) occurring against all the tariff items of heading 6310, the entry "20%" shall be substituted;

(48) in Chapter 67, in clause (a) of Note 1, for the words, "straining cloth", the words "filtering or straining cloth" shall be substituted;

(49) in Chapter 68,—

(i) for the entry in column (4) occurring against tariff item 6815 91 00, the entry "7.5%" shall be substituted;

(ii) in heading 6815, after tariff item 6815 99 20 and the entries relating thereto, the following shall be inserted, namely: —

"6815 99 30	- - -	Basalt fibre, filament and articles thereof conforming to ASTM D3039, C1185	kg.	10%	- ";

(50) in Chapter 69,—

(i) for the entry in column (4) occurring against all the tariff items of headings 6901 and 6902, the entry "7.5%" shall be substituted;

(ii) for the entries in column (2) and column (4) occurring against tariff item 6903 10 00, the entries "Containing by weight more than 50 % of free carbon" and "7.5%" shall respectively be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of sub-headings 6903 20 and 6903 90, the entry "7.5%" shall be substituted;

(51) in Chapter 70,—

(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 (4) occurring against tariff item 7001 00 10, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 7015 10 10, the entry "5%" shall be substituted;

(52) in Chapter 71,—

(i) for the entry in column (4) occurring against tariff item 7101 10 10, the entry "5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 7101 21 00, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 7110 31 00 and 7110 39 00, the entry "2.5%" shall be substituted;

(53) in Section XV, in clause (d) of Note 9, for the words and figures, "products of heading 8001", the word "products" shall be substituted;

(54) in Chapter 72,—

(i) for the entry in column (4) occurring against all the tariff items of heading 7201, the entry "5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 7202 11 00, 7202 19 00, 7202 21 00, 7202 29 00, 7202 30 00, 7202 41 00, 7202 49 00 and 7202 50 00, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 7202 60 00, the entry "2.5%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 7202 70 00, 7202 80 00, 7202 91 00, 7202 92 00 and 7202 93 00, the entry "5%" shall be substituted;

(v) for the entry in column (4) occurring against all the tariff items of sub-heading 7202 99, the entry "5%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of heading 7203, the entry "5%" shall be substituted;

(vii) for the entry in column (4) occurring against all the tariff items of heading 7204, the entry "2.5%" shall be substituted;

(viii) for the entry in column (4) occurring against all the tariff items of heading 7205, the entry "5%" shall be substituted;

(ix) in heading 7210,—

(a) for tariff item 7210 30 90 and the entries relating thereto, the following shall be substituted, namely:—

	"- - -	*Other:*			
7210 30 91	- - - -	Galvannealed	kg.	15%	-
7210 30 99	- - - -	Other	kg.	15%	-";

(b) for tariff item 7210 49 00 and the entries relating thereto, the following shall be substituted, namely:—

"7210 49	- -	*Other:*			
7210 49 10	- - -	Galvannealed	kg.	15%	-
7210 49 90	- - -	Other	kg.	15%	-";

(x) in heading 7212,—

(a) for tariff item 7212 20 90 and the entries relating thereto, the following shall be substituted, namely:—

	"- - -	*Other:*			
7212 20 91	- - - -	Galvannealed	kg.	15%	-
7212 20 99	- - - -	Other	kg.	15%	-";

(b) for tariff item 7212 30 90 and the entries relating thereto, the following shall be substituted, namely:—

	"- - -	*Other:*			
7212 30 91	- - - -	Galvannealed	kg.	15%	-
7212 30 99	- - - -	Other	kg.	15%	-";

(c) after tariff item 7212 50 20 and the entries relating thereto, the following shall be inserted, namely:—

"7212 50 30	- - -	Plated or coated with aluminium	kg.	15%	-
7212 50 40	- - -	Plated or coated with aluminium-zinc alloys	kg.	15%	-";

(xi) in heading 7225, for tariff items 7225 91 00 to 7225 99 00 and the entries relating thereto, the following shall be substituted, namely: —

"7225 91	- -	*Electrolytically plated or coated with zinc:*			
7225 91 10	- - -	Galvannealed	kg.	15%	-
7225 91 90	- - -	Other	kg.	15%	-
7225 92	- -	*Otherwise plated or coated with zinc:*			
7225 92 10	- - -	Galvannealed	kg.	15%	-
7225 92 90	- - -	Other	kg.	15%	-
7225 99	- -	*Other:*			
7225 99 10	- - -	Plated or coated with aluminium	kg.	15%	-
7225 99 20	- - -	Plated or coated with aluminium-zinc alloys	kg.	15%	-
7225 99 30	- - -	Painted, coloured or coated with plastics	kg.	15%	-
7225 99 90	- - -	Other	kg.	15%	-";

(xii) in heading 7226, after tariff item 7226 99 60 and the entries relating thereto, the following shall be inserted, namely:—

	"- - -	*Plated or coated with zinc:*			
7226 99 71	- - - -	Plain and corrugated	kg.	15%	-
7226 99 72	- - - -	Electrolytically, plain and corrugated	kg.	15%	-
7226 99 73	- - - -	Galvannealed	kg.	15%	-
7226 99 79	- - - -	Other	kg.	15%	-
	- - -	*Otherwise coated or plated:*			
7226 99 81	- - - -	With aluminium	kg.	15%	-
7226 99 82	- - - -	With aluminium-zinc alloys	kg.	15%	-
7226 99 83	- - - -	Painted, coloured or coated with plastics	kg.	15%	-
7226 99 89	- - - -	Other	kg.	15%	-";

(55) in Chapter 73, in heading 7302, for the tariff item 7302 10 10 and the entries relating thereto, the following shall be substituted, namely:—

	"- - -	*For railways:*			
7302 10 11	- - - -	Head hardened rails	kg.	15%	-
7302 10 12	- - - -	Asymmetric rails with end forging	kg.	15%	-
7302 10 13	- - - -	Asymmetric rails without end forging	kg.	15%	-
7302 10 14	- - - -	Other than asymmetric rails and head hardened rails	kg.	15%	-
7302 10 19	- - - -	Other	kg.	15%	-";

(56) in Chapter 74,—

(i) for the entry in column (4) occurring against all the tariff items of heading 7404, the entry "2.5%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of headings 7411 and 7412, the entry "7.5%" shall be substituted;

(57) in Chapter 75, for the entry in column (4) occurring against all the tariff items, the entry "Free" shall be substituted;

(58) in Chapter 76, for the entry in column (4) occurring against all the tariff items of heading 7602, the entry "2.5%" shall be substituted;

(59) in Chapter 81,—

(i) for the entry in column (4) occurring against tariff item 8105 20 10, the entry "2.5%" shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 8110 10 00 and 8110 20 00, the entry "2.5%" shall be substituted;

(iii) in the entry in column (2) occurring against heading 8112, for the brackets and word "(COLUMBIUM)", the brackets and words "(COLUMBIUM AND)" shall be substituted;

(iv) for tariff items 8112 61 00 and 8112 69 00 and the entries relating thereto, the following shall be substituted, namely: —

"'8112 61 00	- -	Waste and scrap	kg.	5%	-
8112 69	- -	*Other:*			
8112 69 10	- - -	Cadmium, unwrought; Powders	kg.	5%	-
8112 69 20	- - -	Cadmium, wrought	kg.	5%	-
8112 69 90	- - -	Other	kg.	10%	-";

(60) in Chapter 84,—

(i) in Note 2,—

(a) in the opening portion, for the word and figure "Note 9", the word and figures "Note 11" shall be substituted;

(b) in clause (a), in sub-clause (v), for the words "Machinery or plant", the words "Machinery, plant or laboratory equipment" shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 8407 21 00, the entry "5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 8419 19 20, the entry "7.5%" shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 8421 39 20 and 8421 39 90, the entry "7.5%" shall be substituted;

(61) in Chapter 85,—

(i) for the entry in column (4) occurring against tariff item 8502 12 00, the entry "7.5%" shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 8502 13, the entry "7.5%" shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 8502 20 90 and 8502 31 00, the entry "7.5%" shall be substituted;

(iv) for the entry in column (4), occurring against all the tariff items of sub-heading 8502 39, the entry "7.5%" shall be substituted;

(v) for the entry in column (4) occurring against tariff items 8503 00 10, 8503 00 21, and 8503 00 29, the entry "7.5%" shall be substituted;

(vi) for the entry in column (4) occurring against all the tariff items of sub-heading 8504 10, the entry "7.5%" shall be substituted;

(vii) in heading 8518, for tariff items 8518 21 00 to 8518 30 00 and the entries relating thereto, the following shall be substituted, namely:—

“8518 21	- -	*Single loudspeakers, mounted in their enclosures:*			
8518 21 10	- - -	Wireless	kg.	20%	-
8518 21 90	- - -	Other	kg.	20%	-
8518 22	- -	*Multiple loudspeakers, mounted in the same enclosures:*			
8518 22 10	- - -	Wireless	kg.	20%	-
8518 22 90	- - -	Other	kg.	20%	-
8518 29	- -	*Other:*			
8518 29 10	- - -	Wireless	kg.	20%	-
8518 29 90	- - -	Other	kg.	20%	-
8518 30	-	*Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers:*			
	- - -	*Headphones and earphones, whether or not combined with a microphone, and capable of connecting through wireless medium:*			
8518 30 11	- - - -	True Wireless Stereo [(TWS) Sound channel not connected by wire]	kg.	20%	-
8518 30 19	- - - -	Other	kg.	20%	-
8518 30 20	- - -	Headphones and earphones, whether or not combined with a microphone, and capable of connecting only through wired medium	kg.	20%	-
8518 30 90	- - -	Other	kg.	20%	-”;

(viii) for the entry in column (4) occurring against tariff item 8518 90 00, the entry "15%" shall be substituted;

(ix) in the entry in column (2) occurring against heading 8541, for the words "SEMICONDUCTOR BASED TRANSDUCERS”, the words "SEMICONDUCTOR-BASED TRANSDUCERS" shall be substituted;

(x) for the entry in column (4) occurring against all the tariff items of headings 8546 and 8547, the entry “7.5%” shall be substituted;

(xi) in the entry in column (2) occurring against tariff item 8549 21 00, for the words “cathode ray tubes”, the words “cathode-ray tubes” shall be substituted;

(xii) in the entry in column (2) occurring against tariff item 8549 31 00, for the words "cathode ray tubes", the words "cathode-ray tubes" shall be substituted;

(xiii) in the entry in column (2) occurring against tariff item 8549 91 00, for the words "cathode ray tubes", the words "cathode-ray tubes" shall be substituted;

(62) in Chapter 88,—

(i) in the entry in column (2) occurring against heading 8802, for the words, figures and brackets “OTHER AIRCRAFT, EXCEPT UNMANNED AIRCRAFT OF HEADING 88.06 (FOR EXAMPLE, HELICOPTERS, AEROPLANES)”, the words, brackets and figures “OTHER AIRCRAFT (FOR

EXAMPLE, HELICOPTERS, AEROPLANES), EXCEPT UNMANNED AIRCRAFT OF HEADING 8806” shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 8802 11 00 and 8802 12 00, the entry “2.5%” shall be substituted;

(iii) for the entry in in column (4) occurring against tariff items 8807 10 00 and 8807 20 00, the entry “2.5%” shall be substituted;

(iv) in the entry in column (2) occurring against tariff item 8807 30 00, for the word “airplanes”, the word “aeroplanes” shall be substituted;

(v) for the entry in column (4) occurring against tariff item 8807 30 00, the entry “2.5%” shall be substituted;

(63) in Chapter 89,—

(i) for the entry in column (4) occurring against tariff item 8902 00 10, the entry “Free” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 8905 10 00, the entry "Free" shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 8907 10 00, the entry "Free" shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 8908 00 00, the entry “2.5%” shall be substituted;

(64) in Chapter 90,—

(i) for the entry in column (4) occurring against tariff item 9018 11 00, the entry “7.5%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of sub-heading 9018 12, the entry “7.5%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 9018 13 00 and 9018 14 00, the entry “7.5%” shall be substituted;

(iv) for the entry in column (4) occurring against all the tariff items of sub-heading 9018 19, the entry “7.5%” shall be substituted;

(v) for the entry in column (4) occurring against tariff items 9018 20 00, 9018 31 00, 9018 32 10, and 9018 32 20, the entry “7.5%” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 9018 32 30, the entry “5%” shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 9018 32 90, the entry “7.5%” shall be substituted;

(viii) for the entry in column (4) occurring against all the tariff items of sub-heading 9018 39, the entry “7.5%” shall be substituted;

(ix) for the entry in column (4) occurring against tariff items 9018 41 00, 9018 49 00, and 9018 50 10, the entry “7.5%” shall be substituted;

(x) for the entry in column (4) occurring against tariff item 9018 50 20, the entry “5%” shall be substituted;

(xi) for the entry in column (4) occurring against tariff items 9018 50 30, 9018 50 90, 9018 90 11, 9018 90 12 and 9018 90 19, the entry “7.5%” shall be substituted;

(xii) for the entry in column (4) occurring against tariff item 9018 90 21, the entry “5%” shall be substituted;

(xiii) for the entry in column (4) occurring against tariff items 9018 90 22 and 9018 90 23, the entry “7.5%” shall be substituted;

(xiv) for the entry in column (4) occurring against tariff item 9018 90 24, the entry “5%” shall be substituted;

(xv) for the entry in column (4) occurring against tariff items 9018 90 25, 9018 90 29, 9018 90 31, 9018 90 32, 9018 90 41 and 9018 90 42, the entry “7.5%” shall be substituted;

(xvi) for the entry in column (4) occurring against tariff item 9018 90 43, the entry “5%” shall be substituted;

(xvii) for the entry in column (4) occurring against tariff items 9018 90 44, 9018 90 91, 9018 90 92, 9018 90 93 and 9018 90 94, the entry “7.5%” shall be substituted;

(xviii) for the entry in column (4) occurring against tariff items 9018 90 95, 9018 90 96, 9018 90 97 and 9018 90 98, the entry “5%” shall be substituted;

(xix) for the entry in column (4) occurring against tariff item 9019 10 10, the entry “7.5%” shall be substituted;

(xx) for the entry in column (4) occurring against tariff item 9019 10 90, the entry “7.5%” shall be substituted;

(xxi) for the entry in column (4) occurring against all the tariff items of sub-heading 9019 20, the entry “7.5%” shall be substituted;

(xxii) for the entry in column (4) occurring against tariff item 9020 00 00, the entry “7.5%” shall be substituted;

(xxiii) for the entry in column (4) occurring against all the tariff items of heading 9021, the entry “7.5%” shall be substituted;

(xxiv) for the entry in column (4) occurring against tariff item 9030 31 00, the entry “7.5%” shall be substituted;

(xxv) for the entry in column (4) occurring against tariff item 9030 90 10, the entry “7.5%” shall be substituted;

(65) in Chapter 91,—

(i) for the entry in column (4) occurring against all the tariff items of heading 9108, the entry “5%”, shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 9110 11 00, 9110 12 00 and 9110 19 00, the entry “5%”, shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 9114 30 10, the entry “5%” shall be substituted;

(66) in Chapter 95,—

(i) in clause (u) of Note 1, for the words “Electric garlands”, the words “Lighting strings” shall be substituted;

(ii) in the entry in column (2), occurring against heading 9504, for the words “BANK NOTES”, the word “BANKNOTES” shall be substituted;

(iii) in heading 9503, for tariff items 9503 00 10 to 9503 00 90 and the entries relating thereto, the following shall be substituted, namely:—

“9503 00 10	- - -	Electronic	u	60%	-
9503 00 20	- - -	Non electronic	u	60%	-
	- - -	*Parts:*			
9503 00 91	- - - -	Of electronic toys	u	60%	-
9503 00 99	- - - -	Other	u	60%	-”;

(iv) for the entry in in column (4) occurring against all the tariff items of sub-heading 9506 91, the entry “10%” shall be substituted;

(67) in Chapter 97,—

(i) in clause (A) of Note 5, for the words and figures “Notes 1 to 3”, the words and figures “Notes 1 to 4” shall be substituted;

(ii) in the entry in column (2) occurring against heading 9705, for the words “PALEONTOLOGICAL, OR NUMISMATIC”, the words “PALEONTOLOGICAL OR NUMISMATIC” shall be substituted;

(68) in Chapter 98, for the entry in column (4) occurring against all the tariff items of heading 9801, the entry “7.5%” shall be substituted.

THE FOURTH SCHEDULE

(*See* section 98)

In the Fourth Schedule to the Central Excise Act, in Chapter 27, in sub-heading 2710 12, for tariff items 2710 12 39 to 2710 12 49 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item		Description of goods	Unit	Rate of Duty
(1)		(2)	(3)	(4)
"2710 12 39	- - - -	Solvent 145/205	kg.	….
	- - -	*Motor Gasoline conforming to standard IS 2796, IS 17021, IS 17586 or IS 17076:*		
2710 12 41	- - - -	Motor Gasoline conforming to standard IS 2796	kg.	14%+Rs.15.00 per litre
2710 12 42	- - - -	E 20 Fuel conforming to standard IS 17021	kg.	14%+Rs.15.00 per litre
2710 12 43	- - - -	E 12 Fuel conforming to standard IS 17586	kg.	14%+Rs.15.00 per litre
2710 12 44	- - - -	E 15 Fuel conforming to standard IS 17586	kg.	14%+Rs.15.00 per litre
2710 12 49	- - - -	M 15 Fuel conforming to standard IS 17076	kg.	14%+Rs.15.00 per litre.".

THE FIFTH SCHEDULE

[*See* section 114(1)]

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R 58 (E), dated the 23rd January, 2018 [No.349 /58/ 2017-GST (Pt), dated 23rd January, 2018]	In the said notification, in paragraph 1, for the words "furnishing of returns and computation and settlement of Integrated tax", the following shall be substituted, namely:— "furnishing of returns and computation and settlement of integrated tax and save as otherwise provided in the notification number G.S.R. 925 (E), dated the 13th December, 2019, all functions provided under the Central Goods and Services Tax Rules, 2017.".	22nd June, 2017.

THE SIXTH SCHEDULE

[*See* section 115(1)]

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R 661 (E), dated the 28th June, 2017 [No. 349/72/2017-GST, dated 28th June, 2017]	In the said notification, in the Table, against serial number 2, in column (3), for the figures "24", the figures "18" shall be substituted.	1st July, 2017.

THE SEVENTH SCHEDULE

[*See* section 118(1)]

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R. 698(E), dated the 28th June, 2017 [No.349/72/2017-GST, dated the 28th June, 2017]	In the said notification, in the Table, against serial number 2, in column (3), for the figures "24", the figures "18" shall be substituted.	1st July, 2017.

THE EIGHTH SCHEDULE

[*See* section 121(1)]

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R. 747 (E), dated the 30th June, 2017 [No. S031011/25/ 20170ST-I-DoR, dated the 30th June, 2017]	In the said notification, in the Table, against serial number 2, in column (3), for the figures and words "24 per cent.", the figures and words "18 per cent." shall be substituted.	1st July, 2017.

THE NINTH SCHEDULE

(*See* section 125)

In the Seventh Schedule to the Finance Act, 2001, for tariff item 2709 20 00 and the entries relating thereto, the following tariff item and entries shall be substituted, namely:—

Tariff item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
"2709 00 10	Petroleum crude	kg.	Rs.50 per tonne.".

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 2022-2023. The notes on clauses explain the various provisions contained in the Bill.

NIRMALA SITHARAMAN.

NEW DELHI;
The 31*st January,* 2022.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F.2(5)-B(D)/2022, dated the 31st January, 2022 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, 2022 to the Lok Sabha and also recommends to the Lok Sabha the consideration of the Bill.

2. The Bill will be introduced in the Lok Sabha immediately after the presentation of the Budget on the 1st February, 2022.

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 2022-23. 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" and tax is to be calculated and charged in special cases for the financial year 2022-23.

Clause 3 seeks to amend section 2 of the Income-tax Act relating to definitions.

Clause (42C) of the said section defines the expression "slump sale" as the transfer of one or more undertaking, by any means, for a lump sum consideration without values being assigned to the individual assets and liabilities in such sales.

It is proposed to amend the said clause to substitute the word "sales", with the word "transfer".

This amendment will take effect retrospectively from 1st April, 2021 and, will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

It is further proposed to insert a new clause (47A) to the said section to define the expression "virtual digital asset" to mean,—

(a) any information or code or number or token (not being Indian currency or any foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme and can be transferred, stored or traded electronically;

(b) a non-fungible token or any other token of similar nature by whatever name called;

(c) any other digital asset as may be notified by the Central Government in the Official Gazette in this behalf,

It is further proposed to provide that the Central Government may, by notification in the Official Gazette, exclude any digital asset from the definition of virtual digital asset subject to such conditions as may be specified therein.

It is also proposed to define certain expressions for the purposes of the said clause.

These amendments will take effect from 1st April, 2022.

Clause 4 seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

Clause (4E) of the said section provides exemption to any income accrued or arisen to, or received by a non-resident as a result of transfer of non-deliverable forwards 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 provided by rules.

It is proposed to amend the said clause so as to provide that exemption under the said clause (4E) shall also be applicable to the income accrued or arisen to, or received by a non-resident as a result of transfer of offshore derivative instruments or over-the-counter derivatives entered into with an Offshore Banking Unit of an International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be provided by rules.

Clause (4F) of the said section provides exemption to any income of a non-resident by way of royalty or interest, 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 has commenced its operations on or before 31st March, 2024.

It is proposed to amend the said clause to extend the said exemption to any income of a non-resident by way of royalty or interest, on account of lease of a "ship" paid by a unit of an International Financial Services Centre also.

It is further proposed to substitute the *Explanation* to the said clause to include the definition of the term "ship" therein.

It is also proposed to insert a new clause (4G) to the said section so as to provide exemption to any income received by a non-resident from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an Offshore Banking Unit, in any International Financial Services Centre as referred to in sub-section (1A) of section 80LA, to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India.

It is also proposed to define the expression "portfolio manager" to have the same meaning as assigned to it in clause (z) of sub-regulation (1) of regulation (2) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019.

Clause (8) of the said section provides exemption to the income and remuneration of an individual who is assigned duties in India in connection with any co-operative technical assistance programmes and projects in accordance with an agreement entered by the Central Government and the Government of a foreign state (the terms thereof provide for the exemption given by this clause). Both the remuneration received by the individual from the foreign state and any other income accruing or arising outside India, and is not deemed to accrue or arise in India, are exempt under the said clause in certain cases.

Clause (8A) of the said section, *inter alia*, provides exemption on the remuneration or fee received by certain consultants, directly or indirectly out of the funds made available to an international organisation (agency) under a technical assistance grant agreement between the agency and the Government of a foreign state. The said clause further provides exemption to any income accruing or arising outside India (which does not accrue or arise in India) in respect of which the consultant is required to pay income or social security tax to the Government of the country or the country of his or its origin.

Clause (8B) of the said section, *inter alia,* provides exemption to an individual who is an employee of the consultant as referred to in clause (8A), and who is assigned duties in India in connection with a technical assistance programme and project in accordance with an agreement entered into by the Central Government and the agency subject to certain conditions. The said clause further provides exemption to any income accruing or arising outside India (which does not accrue or arise in India) in respect of which the consultant is required to pay income or social security tax to the country of his origin.

Clause (9) of the said section exempts the income of the family members of any individual or consultant as referred in clauses (8), (8A) and (8B), who accompany such individual or consultant to India, if the income does not accrue or arise in India and in respect of which such member is required to pay income and social security tax to the Government of foreign state or country of origin of such member.

It is proposed to insert provisos in clauses (8), (8A), (8B) and (9) of the said section so as to provide that the provisions of the said clauses shall not apply in respect of remuneration, fee and income, as the case may be, referred to in those clauses, of the previous year relevant to the assessment year beginning on or after the 1st April, 2023 and subsequent assessment years.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause (23C) of the said section provides for exemption to the income of certain entities.

Sub-clauses (iv), (v), (vi) and (via) of clause (23C) of said section provide exemption to the income received by any person on behalf of any fund or trust or institution or university or other educational institutions or hospital or other institutions which may be approved by a prescribed authority.

It is proposed to amend the said sub-clauses so as to substitute the reference of "prescribed authority" with the "Principal Commissioner or Commissioner".

This amendment will take effect from 1st April, 2022.

Third proviso of clause (23C), *inter-alia*, provides that the fund or institution or trust or any university or other educational institution or any hospital or other medical institution, as is referred to in sub-clauses (iv), (v), (vi) and (via) of the said clause, shall apply at least eighty-five per cent. of its income, wholly and exclusively to the objects for which it is established and in a case where more than fifteen per cent. of its income is accumulated on or after the 1st day of April, 2002, the period of the accumulation of the amount exceeding fifteen per cent. of its income shall in no case exceed five years. It also provides that it shall invest or deposit its funds in specified modes.

Explanation 1 to the said third proviso provides that the 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 of such fund or trust or institution or any university or other educational institution or any hospital or other medical 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) of section 11, maintained specifically for such corpus.

It is proposed to insert a new *Explanation* 1A to the said third proviso so as to provide that where the property held under a trust or institution referred to in sub-clause (v) includes any temple, mosque, gurdwara, church or other place notified under clause (b) of sub-section (2) of section 80G, any sum received by such trust or institution as a voluntary contribution for the purpose of renovation or repair of such temple, mosque, gurdwara, church or other place, may, at its option, be treated by such trust or institution as forming part of corpus of that trust or institution, subject to the condition that the fund or trust or institution—

(a) applies such corpus only for the purpose for which the voluntary contribution was made; and

(b) does not apply such corpus for making contribution or donation to any person;

(c) maintains such corpus as separately identifiable; and

(d) invests or deposits such corpus in the forms and modes specified under sub-section (5) of section 11.

It is further proposed to insert *Explanation* 1B to the said third proviso to provide that for the purposes of the proposed *Explanation* 1A where any trust or institution referred to in sub-clause (v) has treated any sum received by it as forming part of the corpus, under *Explanation* 1A, and subsequently any of the conditions specified in clause (a) or clause (b) or clause (c) or clause (d) thereof are violated, such sum shall be deemed to be the income of such fund or trust or institution or university or other educational institution or hospital or other medical institution of the previous year during which the violation takes place.

These amendments will take effect retrospectively 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 *Explanation* 3 to the said third proviso of the said clause so as to provide that for the purposes of determining the amount of application under said proviso, where eighty-five per cent. of the income referred to in clause (a) of that proviso, is not applied wholly and exclusively to the objects for which the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) is established, during the previous year but is accumulated or set apart, either in whole or in part, for application to such objects, such income so accumulated or set apart shall not be included in the total income of the previous year of the person in receipt of the income, if the following conditions are complied with,—

(a) such person furnishes a statement in the form and manner as may be provided by rules to the Assessing Officer stating the purpose for which the income is being

accumulated or set apart and the period for which the income is to be accumulated or set apart, which shall in no case exceed five years;

(b) the money so accumulated or set apart is invested or deposited in the forms or modes specified in sub-section (5) of section 11; and

(c) the statement referred to in clause (a) is furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year.

It is also proposed to insert a proviso to the said *Explanation* 3 to provide that in computing the period of five years during which accumulation of income is allowed, the period during which the income could not be applied for the purpose for which it is so accumulated or set apart, due to an order or injunction of any court, shall be excluded.

It is also proposed to insert a new *Explanation* 4 to the said third proviso of the said clause to provide that any income referred to in *Explanation* 3, which—

(a) is applied for purposes other than wholly and exclusively to the objects for which the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) is established or ceases to be accumulated or set apart for application thereto; or

(b) ceases to remain invested or deposited in any of the forms or modes specified in sub-section (5) of section 11; or

(c) is not utilised for the purpose for which it is so accumulated or set apart during the period referred to in clause (a) of *Explanation* 3; or

(d) is credited or paid to any trust or institution registered under section 12AA or section 12AB or to 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),

shall be deemed to be the income of such person of the previous year–

(i) in which it is so applied or ceases to be so accumulated or set apart under clause (a); or

(ii) in which it ceases to remain so invested or deposited under clause (b); or

(iii) being the last previous year of the period, for which the income is accumulated or set apart under clause (a) of *Explanation* 3, but not utilised for the purpose for which it is so accumulated or set apart under clause (c); or

(iv) in which it is credited or paid to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution under clause (d).

It is also proposed to insert a new *Explanation* 5 to the said third proviso so as to provide that notwithstanding anything contained in *Explanation* 4, where due to circumstances beyond the control of the person in receipt of the income, any income invested or deposited in accordance with the provisions of clause (b) of *Explanation* 3, as inserted, cannot be applied for the purpose for which it was accumulated or set apart, the Assessing Officer may, on an application made to him in this behalf, allow such person to apply that income

for such other purpose in India as is specified in the application by such person and as is in conformity with the objects for which the fund or institution or trust or any university or other educational institution or any hospital or medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) is established; and thereupon the provisions of *Explanation* 4 shall apply as if the purpose specified by that person in the application under the said *Explanation* were a purpose specified in the notice given to the Assessing Officer under clause (a) of *Explanation* 3.

It is also proposed to insert a proviso to *Explanation* 5 so as to provide that the Assessing Officer shall not allow application of such income by way of payment or credit made for the purposes referred to in clause (d) of *Explanation* 4.

It is also proposed to substitute the tenth proviso to the said clause (23C) so as to provide that where the total income of the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), without giving effect to the provisions of the said sub-clauses, exceeds the maximum amount which is not chargeable to tax in any previous year, such fund or trust or institution or any university or other educational institution or any hospital or other medical institution, in addition to getting its books of accounts audited shall also, keep and maintain books of account and other documents in such form and manner and at such place, as may be provided by rules.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is proposed to substitute the fifteenth proviso to the said clause (23C) so as to provide that where the fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via) is approved under the said clause and subsequently the Principal Commissioner or Commissioner, has noticed occurrence of one or more specified violations during any previous year, or has received a reference from the Assessing Officer under the second proviso to sub-section (3) of section 143 for any previous year; or such case has been selected in accordance with the risk management strategy, formulated by the Board from time to time, for any previous year, the Principal Commissioner or Commissioner shall—

(i) call for such documents or information from the fund or institution or trust or any university or other educational institution or any hospital or other medical institution or make such inquiry as he thinks necessary in order to satisfy himself about the occurrence of any specified violation;

(ii) pass an order in writing cancelling the approval of such fund or institution or trust or any university or other educational institution or any hospital or other medical institution, on or before the specified date, after affording a reasonable opportunity of being heard, for such previous year and all subsequent previous years, if he is satisfied that one or more specified violation has taken place;

(iii) pass an order in writing refusing to cancel the approval of such fund or institution or trust or any university or other educational institution or any hospital or other medical institution, on or before the specified date, if he is not satisfied about the occurrence of one or more specified violations;

(iv) forward a copy of the order under clause (ii) or clause (iii), as the case may be, to the Assessing Officer and such fund or institution or trust or any university or other educational institution or any hospital or other medical institution.

It also proposed to insert a new *Explanation* 1 to the fifteenth proviso of the said clause (23C) to provide that for the purposes of the said proviso, the expression "specified date" shall mean the day on which the period of six months, calculated from the end of the quarter in which the first notice is issued by the Principal Commissioner or Commissioner, on or after the 1st day of April, 2022, calling for any document or information, or for making any inquiry, under clause (i) expires.

It is also proposed to insert a new *Explanation* 2 to the said fifteenth proviso to provide that for the purposes of the said proviso, the following shall mean "specified violation"—

(a) where any income of the fund or trust or institution or any university or other educational institution or any hospital or other institution, which has been applied other than for the objects for which it is established; or

(b) the fund or institution or trust or any university or other educational institution or any hospital or other institution has income from profits and gains of business, which is not incidental to the attainment of its objectives or separate books of account are not maintained by it in respect of the business which is incidental to the attainment of its objectives; or

(c) any activity of the fund or institution or trust or any university or other educational institution or any hospital or other medical institution—

(A) is not genuine; or

(B) is not being carried out in accordance with all or any of the conditions subject to which it was notified or approved; or

(d) the fund or institution or trust or any university or other educational institution or any hospital or other medical institution has not complied with the requirement of any other law for the time being in force, and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or has attained finality.

It is also proposed to insert a new *Explanation* 3 to the said fifteenth proviso so as to provide that for the purposes of clause (b) of the said proviso, where the Assessing Officer has intimated the Central Government or the prescribed authority, under the first proviso of sub-section (3) of section 143, about the contravention of the provisions of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of this clause by any fund or institution or trust or university or other educational institution or any hospital or other medical institution, in respect of an assessment year, and the approval granted to such fund or institution or trust or university or other educational institution or any hospital other medical institution has not been withdrawn or the notification issued in its case has not been rescinded, on or before the 31st day of March, 2022, such intimation shall be deemed to be a reference received, by the Principal Commissioner or Commissioner as on the 1st day of April, 2022, and the provisions of clause (b) of the second proviso to sub-section (3) of section 143 shall apply accordingly for such assessment year.

It is proposed to substitute the nineteenth proviso of the said clause (23C) so as to substitute the reference of the expression "prescribed authority" with "Principal Commissioner or Commissioner". It is also proposed to remove the reference of the

notification by the Central Government in case of the fund or institution referred to in sub-clause (iv) or the trust or institution referred to in sub-clause (v).

These amendments will take effect from 1st April, 2022.

It is proposed to insert a new twentieth proviso to the said clause (23C) so as to provide that the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) shall furnish the return of income for the previous year in accordance with the provisions of sub-section (4C) of section 139, within the time allowed under that section.

It is also proposed to insert a new twenty-first proviso to the said clause (23C) so as to provide that where the income or part of income or property of 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), or any part of the such income, has been applied directly or indirectly for the benefit of any person referred to in sub-section (3) of section 13, such income or part of income or property shall, after taking in to account the provisions of sub-section (2), (4) and (6) of the said section, be deemed to be income of such person of the previous year in which it is so applied.

It is also proposed to insert a new twenty-second proviso to the said clause (23C) so as to provide that where 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) violates the conditions specified under the tenth or twentieth proviso, or where the provisions of the eighteenth proviso are applicable, its income chargeable to tax shall be computed after allowing deduction for the expenditure (other than capital expenditure) incurred in India, for the objects of the fund or institution or trust or the university or other educational institution or the hospital or other medical institution, subject to fulfilment of the following conditions, namely:–

(a) such expenditure is not from the corpus standing to the credit of the fund or institution or trust or the university or other educational institution or the hospital or other medical institution as on the end of the financial year immediately preceding the previous year relevant to the assessment year for which the income is being computed;

(b) such expenditure is not from any loan or borrowing;

(c) claim of depreciation is not in respect of an asset, acquisition of which has been claimed as application of income in the same or any other previous year; and

(d) such expenditure is not in the form of any contribution or donation to any person.

It is also proposed to insert an *Explanation* to the said twenty-second proviso to provide that for the purposes of determining the amount of expenditure under the said proviso, the provisions of sub-clause (*ia*) of clause (*a*) of section 40 and sub-sections (3) and (3A) of section 40A shall, *mutatis mutandis*, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession".

It is also proposed to insert a new twenty-third proviso to the said clause (23C) so as to provide that for the purposes of computing income chargeable to tax under twenty second proviso, no deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed to the assessee under any other provision of this Act.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to insert *Explanation* 3 to the said clause (23C) so as to provide that for the purposes of this clause, any sum payable by 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) shall be considered as application of income during the previous year in which such sum is actually paid by it (irrespective of the previous year in which the liability to pay such sum was incurred by the fund or institution or trust or any university or other educational institution or any hospital or other medical institution according to the method of accounting regularly employed by it).

It is also proposed to insert a proviso to the said *Explanation* so as to provide that where during any previous year any sum has been claimed to have been applied by the fund or institution or trust or any university or other educational institution or any hospital or other medical institution, such sum shall not be allowed as application in any subsequent previous year.

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 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 subject to the provisions of sections 60 to 63, income in the form of voluntary contributions made with a specific direction that they shall form part of the corpus of the trust or 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 not be included in the total income of the previous year of the person in receipt of the income.

It is proposed to insert a new *Explanation* 3A to sub-section (1) to provide that where the property held under a trust or institution includes any temple, mosque, gurdwara, church or other place notified under clause (b) of sub-section (2) of section 80G, any sum received by such trust or institution as voluntary contribution for the purpose of renovation or repair of such temple, mosque, gurdwara, church or other place, may, at its option, be treated by such trust or institution as forming part of the corpus of the trust or the institution, subject to the condition that the trust or the institution—

(a) applies such corpus only for the purpose for which the voluntary contribution was made;

(b) does not apply such corpus for making contribution or donation to any person;
(c) maintains such corpus as separately identifiable; and
(d) invests or deposits such corpus in the forms and modes specified under sub-section (5) of section 11.

It is also proposed to insert a new *Explanation* 3B to the said sub-section (1) to provide that for the proposed *Explanation* 3A where any trust or institution has treated any sum received by it as forming part of the corpus and subsequently any of the conditions

mentioned in clause (a) or clause (b) or clause (c) or clause (d) *of the said Explanation* is violated, such sum shall be deemed to be the income of such trust or institution of the previous year during which the violation takes place.

These amendments will take effect retrospectively from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Sub-section (3) of said section provides that where the trust or institution has accumulated any income under sub-section (2), and violates any of the conditions provided under sub-section (2), such income shall be deemed to be the income of the trust or institution as per the provisions of sub-section (3).

It is proposed to amend the said sub-section (3) to substitute its longline so as to provide that where the income referred to in sub-section (2) is applied or ceases to remain invested or not utilised or credited or paid as specified therein, the same shall be deemed to be the income of such person of the previous year–

(i) in which it is so applied or ceases to be so accumulated or set apart,; or
(ii) in which it ceases to remain so invested or deposited; or
(iii) being the last previous year of the period, for which the income is accumulated or set apart under clause (a) of sub-section (2), but not utilised for the purpose for which it is so accumulated or set apart; or
(iv) in which it is credited or paid to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to insert an *Explanation* to the said section so as to provide that for the purposes of this section, any sum payable by any trust or institution shall be considered as application of income in the previous year in which such sum is actually paid by it (irrespective of the previous year in which the liability to pay such sum was incurred by the trust or institution according to the method of accounting regularly employed by it).

It is further proposed to insert a proviso to the said *Explanation* to provide that where during any previous year any sum has been claimed to have been applied by the trust or institution, such sum shall not be allowed as application in any subsequent previous year .

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 6 seeks to amend section 12A of the Income-tax Act relating to conditions for applicability of sections 11 and 12.

Clause (b) of sub-section (1) of the said section 12A provides that the provisions of section 11 and section 12 shall not apply in relation to the income of any trust or institution unless, *inter-alia*, where the total income of the trust or institution as computed under this Act without giving effect to the provisions of section 11 and section 12 exceeds the maximum amount which is not chargeable to income-tax in any previous year, the accounts

of the trust or institution for that year have been audited by an accountant as defined in the *Explanation* below sub-section (2) of section 288 before the specified date referred to in section 44AB and the person in receipt of the income furnishes by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be provided by rules.

It is proposed to substitute the said clause so as to provide that in addition to the condition requiring the trust or institutions, having income exceeding the maximum amount not chargeable to tax, to get their accounts audited, such trusts shall also be required to keep and maintain books of account and other documents in such form and manner and at such place, as may be provided by rules.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 7 seeks to amend section 12AB of the Income-tax Act relating to procedure for fresh registration.

Sub-sections (4) and (5) of the said section contains provisions regarding cancellation of the registration granted to a trust or institution.

It is proposed to substitute sub-section (4) of the said section to provide that where registration or provisional registration of a trust or an institution has been granted under clause (a) or clause (b) or clause (c) of sub-section (1) or clause (b) of sub-section (1) of section 12AA, as the case may be, and subsequently,—

(a) the Principal Commissioner or Commissioner has noticed occurrence of one or more specified violations during any previous year; or

(b) the Principal Commissioner or Commissioner has received a reference from the Assessing Officer under second proviso to sub-section (3) of section 143 for any previous year; or

(c) such case has been selected in accordance with the risk management strategy formulated by the Board from time to time for any previous year,

the Principal Commissioner or Commissioner shall—

(i) call for such documents or information from the trust or institution, or make such inquiry as he thinks necessary in order to satisfy himself about the occurrence or otherwise of any specified violation;

(ii) pass an order in writing, cancelling the registration of such trust or institution, after affording a reasonable opportunity of being heard, for such previous year and all subsequent previous years, if he is satisfied that one or more specified violations have taken place;

(iii) pass an order in writing, refusing to cancel the registration of such trust or institution, if he is not satisfied about the occurrence of one or more specified violations;

(iv) forward a copy of the order under clause (ii) or clause (iii), as the case may be, to the Assessing Officer and such trust or institution.

It is further proposed to insert a new *Explanation* to the said sub-section so as to provide that the following shall mean "specified violation" means—

(a) where any income derived from property held under trust, wholly or in part for charitable or religious purposes, has been applied, other than for the objects of the trust or institution; or

(b) the trust or institution has income from profits and gains of business which is not incidental to the attainment of its objectives or separate books of account are not maintained by such trust or institution in respect of the business which is incidental to the attainment of its objectives; or

(c) the trust or institution has applied any part of its income from the property held under a trust for private religious purposes which does not enure for the benefit of the public; or

(d) the trust or institution established for charitable purpose created or established after the commencement of this Act, has applied any part of its income for the benefit of any particular religious community or caste; or

(e) any activity being carried out by the trust or the institution—

(i) is not genuine; or

(ii) is not being carried out in accordance with all or any of the conditions subject to which it was registered; or

(f) the trust or institution has not complied with the requirement of any other law, as referred to in item (B) of sub-clause (i) of clause (b) of sub-section (1), and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or has attained finality.

It is also proposed to substitute sub-section (5) of the said section to provide that the order under clause (ii) or clause (iii) of sub-section (4), as the case may be, shall be passed before the expiry of a period of six months, calculated from the end of the quarter in which the first notice is issued by the Principal Commissioner or Commissioner, on or after the 1st day of April, 2022, calling for any document or information, or for making any inquiry under clause (i) of sub-section (4).

These amendments will take effect from 1st April, 2022.

Clause 8 seeks to amend section 13 of the Income-tax Act relating to section 11 not to apply in certain cases.

Sub-section (1) of section 13 provides for cases wherein the provisions of section 11 or section 12 shall cease to operate, so as to exclude from the total income of the previous year of the trusts or institutions in receipt of such income.

Clause (c) of said sub-section provides that provisions of section 11 or section 12 shall cease to operate where certain benefits have been passed on by the trust or institution to specified persons.

It is proposed to amend the said clause (c) so as to provide that the part of income, as referred to in said clause, which enures or is used or applied directly or indirectly for the benefit of any person referred to in sub-section (3) of the said section, such part of income shall not be excluded from the total income of the trust or institution in receipt of such income.

Clause (d) of said sub- section provides that the provisions of section 11 or section 12 shall cease to operate unless the funds of the trust or institution are invested or deposited in specified modes.

It is further proposed to amend the said clause (d) so as to provide that, in case any funds of the trust or institution are invested or deposited in any one or more forms other than specified modes, then income to the extent of such deposits or investments, shall not be excluded from the total income of the trust or institution in receipt of such income.

It is also proposed to insert a new sub-section (10) to the said section so as to provide that where the provisions of sub-section (8) are applicable to any trust or institution or it violates the conditions specified under clause (b) or clause (ba) of sub-section (1) of section 12A, its income chargeable to tax shall be computed after allowing deduction for the expenditure (other than capital expenditure) incurred in India, for the objects of the trust or institution, subject to fulfilment of the following conditions, namely:—

(a) such expenditure is not from the corpus standing to the credit of the trust or institution as on the end of the financial year immediately preceding the previous year relevant to the assessment year for which income is being computed;

(b) such expenditure is not from any loan or borrowing;

(c) claim of depreciation is not in respect of an asset, acquisition of which has been claimed as application of income in the same or any other previous year; and

(d) such expenditure is not in the form of any contribution or donation to any person.

It is also proposed to insert a new *Explanation* in the said sub-section (10) to provide that for the purposes of determining the amount of expenditure under this sub-section, the provisions of sub-clause (*ia*) of clause (*a*) of section 40 and sub-sections (3) and (3A) of section 40A, shall, *mutatis mutandis*, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession".

It is also proposed to insert a new sub-section (11) to the said section so as to provide that for the purposes of computing income chargeable to tax under sub-section (10), no deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed to the assessee under any other provision of this Act.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 9 seeks to amend section 14A of the Income-tax Act relating to expenditure incurred in relation to income not includible in total income.

The said section, *inter-alia*, provides that no deduction shall be allowed in relation to income which does not form part of the total income under the Income-tax Act.

It is proposed to amend sub-section (1) of the said section to provide that notwithstanding anything to the contrary contained in this Act, for the purpose of computing the total income, no deduction shall be allowable in respect of expenditure incurred in relation to income which does not form part of the total income.

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.

It is also proposed to insert an *Explanation* to the said section to clarify that notwithstanding anything to the contrary contained in this Act, the provisions of the said section shall apply and shall be deemed to have been always applied in a case where the income, not forming part of the total income, has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such income not form part of the total income.

This amendment will take effect from 1st April, 2022.

Clause 10 seeks to amend section 17 of the Income-tax Act relating to definition of "salary", "perquisite" and "profits in lieu of salary".

Clause (2) of the said section, *inter alia*, provides the definition of the term "perquisite" and proviso to the said clause provides certain exclusions which shall not be part of "perquisite".

Clause (ii) of the said proviso provides that any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family in certain specified cases shall not be part of perquisite.

It is proposed to amend the said clause (ii) to insert a new sub-clause to provide that any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family in respect of any illness relating to COVID-19 subject to such conditions, as may be notified by the Central Government in this behalf, shall not be forming part of "perquisite".

This amendment will take effect retrospectively from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 11 seeks to amend section 35 of the Income-tax Act relating to expenditure on scientific research.

Sub-section (1A) of said section provides that the research association, university, college or other institution referred to in clause (ii) or clause (iii) or the company referred to in clause (iia) of sub-section (1) of the said section, shall not be entitled to deduction as provided under sub-section (1), unless such research association, university, college or other institution or company, inter-alia, prepares a statement, setting forth such particulars and furnishes to the donor, a certificate specifying the amount of donation in the manner specified therein.

It is proposed to amend the said sub-section so as to provide that the deduction in respect of any sum paid to the research association, university, college or other institution referred to in clause (ii) or clause (iii) or the company referred to in clause (iia) of sub-section (1) shall not be allowed unless such research association, university, college or such other institution or company, inter-alia, prepares a statement, setting forth such particulars and furnishes to the donor, a certificate specifying the amount of donation in the manner specified therein.

This amendment will take effect retrospectively from 1st April, 2021.

Clause 12 seeks to amend section 37 of the Income-tax Act relating to General allowability of expenditure.

The said section provides for general allowability of expenditure laid out or expended wholly and exclusively for the purpose of business or profession.

Explanation 1 of sub-section (1) of the said section provides that if any expenditure is incurred by an assessee for any purpose which is an offence or which is prohibited by law shall not be deemed to have been incurred for the purpose of business or profession and no deduction or allowance shall be made in respect of such expenditure.

It is proposed to insert a new *Explanation* 3 to the said sub-section to further clarify that the expression "expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law" under *Explanation* 1, shall include and shall be deemed to have always included the expenditure incurred by an assessee,—

(i) for any purpose which is an offence under, or which is prohibited by, any law for the time being in force, in India or outside India; or

(ii) to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guideline, as the case may be, for the time being in force, governing the conduct of such person; or

(iii) to compound an offence under any law for the time being in force, in India or outside India.

This amendment will take effect from 1st April, 2022.

Clause 13 seeks to amend section 40 of the Income-tax Act relating to amounts not deductible.

Sub-clause (ii) of clause (a) of the said section provides that any sum paid on account of any rate or tax levied on the profits or gains of any business or profession or assessed at a proportion of, or otherwise on the basis of, any such profits or gains shall not be deducted in computing the income chargeable under the head "profits and gains of business or profession".

It is proposed to insert a new *Explanation* 3 to sub-clause (ii) of clause (a) of the said section to clarify that for the purposes of sub-clause (ii), the term "tax" shall include and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax.

This amendment will take effect retrospectively from 1st April, 2005 and will, accordingly, apply in relation to the assessment year 2005-2006 and subsequent assessment years.

Clause 14 seeks to amend section 43B of the Income-tax Act relating to certain deductions to be allowed only on actual payment.

Explanations 3C, 3CA and 3D of the said section provide that a deduction of any sum, being interest payable under clauses (*d*), (*da*), and (*e*) of the said section, shall be allowed if such interest has been actually paid and any interest referred to in the said clauses which has been converted into a loan or borrowing or advance shall not be deemed to have been actually paid.

It is proposed to amend the said *Explanations* 3C, 3CA and 3D of the said section to provide that conversion of interest payable under clauses (*d*), (*da*), and (*e*) of the said section, into debenture or any other instrument by which liability to pay is deferred to a future date, shall also not be deemed to have been actually paid.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 15 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 provides for certain modification in the applicability of the 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 this Act.

Proviso to the said section provides that in a case where goodwill of a business or profession forms part of a block of assets for the assessment year beginning of the 1st day of April, 2020 and depreciation thereon has been obtained by the assessee under the Income-tax 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 provided by rules.

It is proposed to amend section 50 to insert an *Explanation* to clarify that for the purposes of the said section 50, reduction of the amount of goodwill of a business or profession, from the block of asset in accordance with sub-item (B) of item (ii) of sub-clause (c) of clause (6) of section 43 shall be deemed to be transfer.

This amendment will take effect retrospectively from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 16 seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Sub-section (2) of the said section provides that certain incomes as provided therein shall be chargeable to income-tax under the head "Income from other sources" without prejudice to the generality of the provisions of sub-section (1) thereof.

Clause (viib) of the said-sub-section provides that where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable under the head of Income-from other sources.

The first proviso to said clause (viib) provides that the provisions of the said clause shall not apply, where the consideration for issue of shares is received by a venture capital undertaking from, *inter-alia*, a specified fund.

Explanation to the said clause provides the definition of "specified fund" as a Category I or a Category II Alternative Investment Fund which 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.

It is proposed to amend the said *Explanation* to clause (viib) to provide that "specified fund" shall also include Category I or a Category II Alternative Investment Fund which is regulated under the International Financial Services Centres Authority Act, 2019.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

The existing provisions of clause (x) of sub-section (2) of the said section of the Income-tax Act, 1961 (the Act) *inter alia*, provides that where any person receives, in any previous year, from any person or persons any sum of money, without consideration, the aggregate value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum shall be the income of the person receiving such sum.

Proviso to the said clause provides for certain exclusions which shall not be part of the income specified in the clause.

It is proposed to amend the said proviso to insert two new clauses (XII) and (XIII) so as to provide that–

(i) any sum of money received by an individual, from any person, in respect of any expenditure actually incurred by him on his medical treatment or treatment of any member of his family, in respect of any illness related to COVID-19 subject to such conditions, as may be notified by the Central Government in this behalf, shall not be the income of such person;

(ii) any sum of money received by a member of the family of a deceased person, from the employer of the deceased person, or from any other person or persons to the extent that such sum or aggregate of such sums does not exceed ten lakh rupees,

where the cause of death of such person is illness relating to COVID-19 and the payment is, received within twelve months from the date of death of such person, and subject to such other conditions, as may be notified by the Central Government in this behalf, shall not be the income of such person.

It is also proposed to insert an *Explanation* to provide that for the purpose of both of the said clauses (XII) and (XIII) of this proviso, "family" in relation to an individual shall have the same meaning as assigned to in the *Explanation 1* to clause (5) of section 10.

This amendment will take effect retrospectively from 1st April, 2020 and shall accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Explanation to clause (x) of the said sub-section provides that for the purposes of the said clause, the expressions "assessable", "fair market value", "jewellery", "property", "relative" and "stamp duty value shall have the same meanings as respectively assigned to them in the *Explanation* to clause (vii).

It is proposed to amend the said *Explanation* to include the definition of the expression "property" to have the same meaning as assigned to it in clause (d) of the *Explanation* to clause (vii) and shall include virtual digital asset.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 17 seeks to amend section 68 of the Income-tax Act relating to cash credits.

The provisions of the said section provide that where any sum is found to be credited in the books of an assessee maintained for any previous year, and the assessee offers no explanation about the nature and source thereof or the explanation offered by him is not, in the opinion of the Assessing Officer, satisfactory, the sum so credited may be charged to income-tax as the income of the assessee of that previous year.

It is proposed to insert a new proviso to the said section to provide that where the sum so credited consists of loan or borrowing or any such amount by whatever name called, any explanation offered by the assessee shall be deemed to be not satisfactory unless (a) the person in whose name such credit is recorded in the books of the assessee also offers an explanation about the nature and source of such sum so credited, and (b) such explanation

in the opinion of the Assessing Officer has been found to be satisfactory and consequential amendments in the other provisos.

These amendments will take effect from 1st April, 2023, and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 18 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, i*nter alia*, provides that where a change in shareholding has taken place during the previous year in the case of a company, not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per cent of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent of the voting power on the last day of year or years in which the loss was incurred.

Sub-section (2) of the said section provides certain circumstances in which the provisions of sub-section (1) shall not apply.

It is proposed to amend the said sub-section (2) by inserting a new clause (f) to provide that nothing in sub-section (1) shall apply to an erstwhile public sector company subject to the condition that the ultimate holding company of such company, immediately after the completion of strategic disinvestment, continues to hold, directly or through its subsidiary or subsidiaries, at least fifty-one per cent. of the voting power of the erstwhile public sector company in aggregate.

It is further proposed to insert a new sub-section (3) in the said section to provide that notwithstanding anything contained in sub-section (2), if the condition specified in clause (f) of the said sub-section is not complied with in any previous year after the completion of strategic disinvestment, the provisions of sub-section (1) shall apply for such previous year and subsequent previous years.

It is also proposed to amend the *Explanation*, *inter alia*, to insert the definition of the expressions “erstwhile public sector company”, and “strategic disinvestment”.

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 19 seeks to insert a new section 79A of the Income tax Act, relating to no set off of losses consequent to search, requisition and survey.

The proposed new section seeks to provide that notwithstanding anything contained in the Act, no set off of losses brought forward, or otherwise, or unabsorbed depreciation under sub-section (2) of section 32 shall be allowed to an assessee while computing his total income in any previous year which includes undisclosed income –

(i) that is found in the course of a search under section 132 or a requisition under section 132A or a survey under section 133A, other than under sub-section (2A) of

that section, or

(ii) that is represented, either wholly or partly, by any entry in the books of account in respect of an expense or other documents maintained in the normal course relating to the previous year which is found to be false and would not have been found to be so, had the search not been initiated or the survey not been conducted or the requisition not been made.

The proposed new section further seeks to define the expression "undisclosed income" for the purposes of the said section.

This amendment will take effect from lst April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.

Clause 20 seeks to amend section 80 CCD of the Income-tax Act relating to deduction in respect of contribution to pension scheme of the Central Government.

Sub-section (2) of the said section, *inter alia*, provides that in respect of any contribution made by the Central Government or any other employer to the account of the employee under a notified pension scheme, the assessee shall be allowed a deduction in the computation of his total income, of the whole of the amount contributed by the Central Government as it does not exceed fourteen per cent. or any other employer as it does not exceed ten per cent. of his salary in the previous year.

It is proposed to amend the said sub-section so as to provide that the deduction under the said section shall be allowed to the assessee, in respect of any contribution made by the State Government also to the account of the employee under a notified pension scheme, of the whole of the amount contributed by the State Government as it does not exceed fourteen per cent. of his salary in the previous year.

This amendment will take effect retrospectively from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 21 seeks to amend section 80DD of the Income-tax Act relating to deduction in respect of maintenance including medical treatment of a dependant who is a person with disability.

The provisions of the said section, *inter alia*, provide for a deduction to an individual or Hindu undivided family, who is a resident in India, in respect of expenditure incurred for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability; or amount paid to Life Insurance Company or any other insurer or administrator or specified company, in respect of a scheme for the maintenance of a disabled dependant.

Sub-section (2) of the said section provides that deduction shall be allowed only if the payment of annuity or lump sum amount has been made for the benefit of the dependant, being a person with disability, in the event of the death of the individual or the member of the Hindu undivided family in whose name subscription to the scheme has been made and

the assessee nominates either the dependant or any other person to receive the payment on his behalf for the benefit of the dependant, being a person with disability.

Sub-section (3) of the said section provides that if the dependant with disability, predeceases the individual or the member of the Hindu undivided family, the amount deposited in such scheme shall be deemed to be the income of the assessee of the previous year in which such amount is received by the assessee and shall accordingly be chargeable to tax as the income of that previous year.

It is proposed to substitute clause (a) of sub-section (2) of the said section so as to provide that the deduction under clause (b) of sub-section (1) of the said section shall be allowed if the scheme provides for payment of annuity or lump sum amount for the benefit of a dependant, being a person with disability, in the event of the death of the individual or the member of the Hindu undivided family in whose name subscription to the scheme has been made; or on his attaining the age of sixty years or more or the member of the Hindu undivided family, and the payment or deposit to such scheme has been discontinued.

Further, it is proposed to insert a new sub-section (3A) to provide that the provisions of sub-section (3) shall not apply to the amount received by the dependant, being a person with disability, before his death, by way of annuity or lump sum by application of the condition referred to in the proposed sub-clause (ii) of clause (a) of sub-section (2).

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 22 seeks to amend section 80-IAC of the Income-tax Act relating to special provision in respect of specified business.

The provisions of the said section, *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, beginning from the year of incorporation, at the option of the assesses subject to the condition that,—

(i) the total turnover of its business does not exceed one hundred crore rupees;

(ii) it is holding a certificate of eligible business from the Inter-Ministerial Board of Certification; and

(iii) it is incorporated on or after the 1st day of April, 2016 but before the 1st day of April 2022.

It is proposed to amend sub-clause (a) of clause (ii) of the *Explanation* occurring after sub-section (4) of the said section so as to extend the period of incorporation of eligible start-ups to the 1st day of April, 2023.

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 23 seeks to amend section 80LA of the Income-tax Act relating to deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre.

Sub-section (1A) of the said section, *inter-alia*, provides that where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (2) of the said section, there shall be allowed, in accordance with and subject to the provisions of that section, a deduction from such income, of an amount equal to one hundred per cent. of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years, beginning with the assessment year relevant to the previous year in which the permission, under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 or permission or registration under the Securities and Exchange Board of India Act, 1992 or any other relevant law was obtained.

Sub-section (2) of the said section specifies the incomes which are eligible for deduction, *inter-alia*, under the said sub-section (1A).

It is proposed to amend clause (d) of sub-section (2) of the said section to provide that the income arising from the transfer of an asset, being a ship which was leased by an unit of the International Financial Services Centre to a person, subject to the condition that the unit has commenced operation on or before the 31st day of March, 2024 shall also be eligible for deduction under the said sub-section (1A).

It is further proposed to amend the *Explanation* to the said clause (d) so as to provide that the term "ship" shall have the same meaning as provided in clause (4F) of section 10 of the Act.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 24 seeks to amend section 92CA of the Income-tax Act relating to Reference to Transfer Pricing Officer.

The said section, *inter alia*, empowers the Central Government to notify a scheme for the purposes of determination of the arm's length price so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the Transfer Pricing Officer and the assessee or any other person to the extent technologically feasible;

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

(*c*) introducing a team-based determination of arm's length price with dynamic jurisdiction.

Sub-section (9) of the said section further provides that for the purposes of giving effect to the aforesaid scheme, the Central Government may by notification in the Official Gazette direct that any of the provisions of the Act shall not apply or shall apply with such

exceptions, modifications and adaptations as may be specified.

It is proposed to amend the proviso to the said sub-section (9), extending the date for issuing directions for the purposes of the said sub-section from 31st day of March, 2022 to 31st day of March, 2024.

This amendment will take effect from 1st April, 2022.

Clause 25 seeks to amend section 94 of the Income-tax Act relating to avoidance of tax by certain transactions in securities.

It is proposed to amend sub-section (8) of said section so as to provide that the provisions of the said sub-section shall also be applicable to securities.

It is further proposed to substitute clause (aa) of the *Explanation* to the said section, so as to substitute the definition of the expression "record date" to mean such date as may be fixed by a company, or a Mutual Fund or the Administrator of the specified undertaking or the specified company referred to in the *Explanation* to clause (*35*) of section 10; or a business trust as defined in clause (13A) of section 2; or an Alternative Investment Fund as defined in clause (b) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992, for the purposes of entitlement of the holder of the securities or units, as the case may be, to receive dividend, income, or additional securities or unit without any consideration, as the case may be.

It is also proposed to amend clause (d) of the aforesaid, *Explanation* to amend the definition of the term “unit”.

These amendments will take effect from the 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 26 seeks to amend section 115BAB of the Income-tax Act relating to tax on income of new manufacturing domestic companies.

Sub-section (2) of the said section specifies the conditions which a domestic company needs to satisfy to be eligible to be taxed under this section.

Clause (a) of sub-section (2) of the said section requires that the domestic company should be set-up and registered on or after the 1st day of October, 2019, and should have commenced manufacturing or production of an article or thing on or before the 31st day of March, 2023.

It is proposed to amend the said clause so as to extend the date of commencement of manufacturing or production of an article or thing from 31st March, 2023 to 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 27 seeks to amend section 115BBD of the Income-tax Act relating to tax on certain dividends received from foreign companies.

The said section, *inter-alia*, provides that in case of an Indian company whose total income includes any income by way of dividends declared, distributed or paid by a foreign company, in which the said Indian company holds twenty-six per cent. or more in nominal value of the equity share capital, such dividend income shall be taxed at the rate of fifteen per cent.

It is proposed to insert a new sub-section (4) to provide that the provisions of this section shall not apply to any assessment year beginning on or after the 1st day of April, 2023.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 28 seeks to insert new section 115BBH relating to tax on income from virtual digital assets and new section 115BBI relating to specified income of certain institutions.

Sub-section (1) of the proposed new section 115BBH seeks to provide that where the total income of an assessee includes any income from the transfer of any virtual digital asset, the income-tax payable shall be the aggregate of—

(a) the amount of income-tax calculated on the income from transfer of such virtual digital asset at the rate of thirty per cent.; and

(b) the amount of income-tax with which the assessee would have been chargeable had the total income of the assessee been reduced by the income referred to in clause (a).

Sub-section (2) of the said section seeks to provide that notwithstanding anything contained in any other provision of the Act,—

(a) no deduction in respect of any expenditure (other than cost of acquisition) or allowance or set off of any loss shall be allowed to the assessee under any provision of the Act in computing the income referred to in clause (a) of sub-section (1); and

(b) no set off of loss from transfer of the virtual digital asset computed under clause (a) of sub-section (1) shall be allowed against income computed under any other provision of the Act to the assessee and such loss shall not be allowed to be carried forward to succeeding assessment years.

Sub-section (1) of the proposed new section 115BBI provides that where the total income of an assessee, being a person in receipt of income on behalf of any fund or institution referred to in sub-clause (*iv*) or any trust or institution referred to in sub-clause (*v*) or any university or other educational institution referred to in sub-clause (*vi*) or any hospital or other medical institution referred to in sub-clause (*via*), of clause (*23C*) of section 10 or any trust or institution referred to in section 11, includes any income by way of any specified income, the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated at the rate of thirty per cent. on the aggregate of such specified income; and

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

Sub-section (2) of the said section provides that no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provision of the Act in computing the specified income referred to in clause (i) of sub-section (1).

The *Explanation* to the said sub-section provides that "specified income" means—

(a) income accumulated or set apart in excess of fifteen percent of the income where such accumulation is not allowed under any specific provisions of the Act; or

(b) deemed income referred to in *Explanation* 4 to third proviso to clause (23C) of section 10 or sub-section (1B) or (3) of section 11; or

(c) any income which is not exempt under clause (23C) of section 10 on account of violation of the provisions of clause (b) of the third proviso of clause (23C) of section 10, or not to be excluded from the total income under the provisions of clause (d) of sub-section (1) of section 13; or

(d) any income which is deemed to be income under the twenty-first proviso to clause (23C) of section 10 or which is not excluded from the total income under clause (c) of sub-section (1) of section 13; or

(e) any income which is not excluded from the total income under clause (c) of sub-section (1) of section 11.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 29 seeks to amend section 115JC of the Income-tax Act relating to special provisions for payment of tax by certain persons other than a company.

The provisions of the said section, *inter alia*, provide that where the regular income-tax payable for a previous year by a person, other than a company, is less than the alternate minimum tax payable for such previous year, the adjusted total income shall be deemed to be the total income of that person for such previous year and he shall be liable to pay income-tax on such total income at the rate of eighteen and one-half per cent.

Sub-section (4) of the said section provides that notwithstanding anything contained in sub-section (1) thereof, where the person referred to therein, is a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, it shall be liable to pay income-tax on such total income at the rate of nine per cent.

It is proposed to substitute the said sub-section (4), to provide that notwithstanding anything contained in sub-section (1) of the said section, where the person referred to therein, is a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, it shall be liable to pay income-tax on such total income at the rate of nine per cent. and where the person referred to therein, is a co-operative society, it shall be liable to pay income-tax on such total income at the rate of fifteen per cent.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 30 seeks to amend section 115JF of the Income-tax Act relating to interpretation in the Chapter XII-BA.

The said section provides for definitions of earlier terms and expressions used in the said Chapter.

Clause (b) of the said section provides for the definition of "alternate minimum tax".

It is proposed to substitute the sub-clause (i) to provide that the rate of alternate minimum tax, in case of an assessee, being a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, shall be nine per cent., and in case of an assessee, being a co-operative society, fifteen per cent.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 31 seeks to amend section 115TD of the Income-tax Act relating to tax on accreted income.

The said section, *inter-alia*, provides that where in any previous year, a trust or institution registered under section 12AA or section 12AB has converted into any form which is not eligible for grant of registration under said sections or merged with any entity other than an entity which is a trust or institution having objects similar to it and registered under said sections or failed to transfer upon dissolution all its assets to any other trust or institution registered under said sections or to 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 clause (23C) of section 10, within a period of twelve months from the end of the month in which the dissolution takes place, then, in addition to the income-tax chargeable in respect of the total income of such trust or institution, the accreted income of the trust or the institution as on the specified date shall be charged to tax and such trust or institution, as the case may be, shall be liable to pay additional income-tax at the maximum marginal rate on the accreted income.

It is proposed to make consequential amendments in the said section so as to provide that the provisions of the said section shall also be applicable to 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 clause (23C) of section 10 of the Act.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 32 seeks to amend section 115TE of the Income-tax Act relating to interest payable for non-payment of tax by trust or institution.

The said section, *inter alia*, provides that where the principal officer or the trustee of the trust or the institution and the trust or the institution fails to pay the whole or any part of the tax on the accreted income referred to in sub-section (1) of section 115TD, within the time allowed under sub-section (5) of that section, he or it shall be liable to pay simple interest at the rate of one per cent. for every month or part thereof on the amount of such tax for the period beginning on the date immediately after the last date on which such tax was payable and ending with the date on which the tax is actually paid.

It is proposed to amend the said section so as to substitute the reference of the expression "trust or the institution" with the reference of "specified person".

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 33 seeks to amend section 115TF of the Income-tax Act relating to when trust or institution is deemed to be assessee in default.

The said section, *inter-alia*, provides that if any principal officer or the trustee of the trust or the institution and the trust or the institution does not pay tax on accreted income in accordance with the provisions of section 115TD, then, he or it shall be deemed to be an assessee in default in respect of the amount of tax payable by him or it and all the provisions of the Act for the collection and recovery of income-tax shall apply.

It is proposed to amend the said section so as to substitute the reference of the expression "trust or the institution" with the reference of "specified person".

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 34 seeks to amend section 119 of the Income-tax Act relating to instructions to subordinate authorities.

Clause (a) of sub-section (2) of the said section empowers the Board to issue general or special orders in respect of any class of incomes or class of cases to be followed by other income-tax authorities by way of relaxation or otherwise relating to the provisions of the sections specified therein, for the purpose of proper and efficient management of the work of assessment and collection of revenue.

It is proposed to insert the reference of section 234F relating to fee for default in furnishing return of income, to the list of sections mentioned therein in respect of which such relaxation can be granted by the Board.

This amendment will take effect from lst April, 2022.

Clause 35 seeks to amend section 132 of the Income-tax Act relating to search and seizure.

Sub-section (8) of the said section provides that the books of account or other documents seized under sub-section (1) or sub-section (1A) of the said section shall not be retained by the authorised officer for a period exceeding thirty days from the date of the order of assessment under section 153A or clause (c) of section 158BC unless the reasons for retaining the same are recorded by him in writing and the approval of the Principal Chief Commissioner or Chief Commissioner, Principal Commissioner or Commissioner, Principal Director General or Director General or Principal Director or Director for such retention is obtained.

It is proposed to amend the said sub-section to provide that provisions therein shall be applicable to an order of assessment or reassessment or recomputation made in a search case.

This amendment will take effect from lst April, 2022.

Clause 36 seeks to amend section 132B of the Income-tax Act relating to application of seized or requisitioned assets.

Sub-section (1) of the said section provides the manner in which assets seized under section 132 or requisitioned under section 132A are dealt with. It is proposed to amend clause (i) of sub-section (1) of section 132B to provide that the provisions of such clause shall apply to completion of assessment or reassessment or recomputation.

Sub-section (4) of the said section provides the computation of simple interest that the Central Government shall pay on the amount of money seized under section 132 or requisitioned under section 132A. It is proposed to amend sub-clause (b) of the said sub-section to provide that the said clause shall also be applicable to completion of assessment or reassessment or recomputation.

These amendments will take effect from lst April, 2022.

Clause 37 seeks to amend the section 133A of the Income-tax Act relating to power of survey.

Explanation to the said section, *inter alia*, defines the expression “income-tax authority”.

It is proposed to amend the said definition “income-tax authority” to mean such authority who is subordinate to the Principal Director General or the Director General or the Principal Chief Commissioner or the Chief Commissioner, as may be specified by the Board.

This amendment will take effect from 1st April, 2022.

Clause 38 seeks to amend section 139 of the Income-tax Act relating to return of income.

It is proposed to insert sub-section (8A) in the said section to provide that any person, whether or not he has furnished a return under sub-section (1) or sub-section (4) or sub-section (5), for an assessment year (herein referred to as the relevant assessment year), may furnish an updated return of his income or the income of any other person in respect of which he is assessable under the Income-tax Act, for the previous year relevant to such assessment year, in the prescribed form, verified in the prescribed manner and setting forth such particulars as may be prescribed, at any time within twenty-four months from the end of the relevant assessment year.

It is further proposed to provide that the proposed sub-section (8A) shall not apply, if the updated return, is a return of a loss or has the effect of decreasing the total tax liability determined on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5) or results in refund or increases the refund due on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5), of such person under this Act for the relevant assessment year.

It is also proposed that such person shall not be eligible to furnish an updated return under this sub-section, where a search has been initiated under section 132 or books of account or other documents or any assets are requisitioned under section 132A in the case of such person or a survey has been conducted under section 133A other than sub-section (2A) of that section, in the case such person or a notice has been issued to the effect that any money, bullion, jewellery or valuable article or thing, seized or requisitioned under section 132 or section 132A in the case of any other person belongs to such person or a notice has been issued to the effect that any books of account or documents, seized or requisitioned under section 132 or section 132A in the case of any other person, pertain or pertains to, or any other information contained therein, relate to, such person, for the assessment year relevant to the previous year in which such search is initiated or survey is conducted or requisition is made and two assessment years preceding such assessment year.

It is also proposed that no updated return shall be furnished by any person for the relevant assessment year, where, an updated return has been furnished by him under the proposed sub-section (8A) for the relevant assessment year or any proceeding for assessment or reassessment or recomputation or revision of income under the Income-tax Act is pending or has been completed for the relevant assessment year in his case or the Assessing Officer has information in respect of such person for the relevant assessment year in his possession under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 or the Prohibition of *Benami* Property Transactions Act, 1988 or the Prevention of Money-laundering Act, 2002 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 and the same has been communicated to him, prior to the date of furnishing of return under this sub-section or information for the relevant assessment has been received under an agreement referred to in sections 90 or 90A of the Act in respect of such person and the same has been communicated to him, prior to the date of furnishing of return under this sub-section or any prosecution proceedings under the Chapter XXII have been initiated for the relevant assessment year in respect of such person, prior to the date of furnishing of return under this sub-section or he is such person or belongs to such class of persons, as may be notified by the Board in this regard.

It is also proposed to insert a clause in the *Explanation* to sub-section (9) of the said section to provide that a return furnished under the proposed sub-section (8A) of the said

section unless such return is accompanied by the proof of payment of tax as required under section 140B.

These amendments will take effect from 1st April, 2022.

Clause 39 seeks to insert a new section 140B in the Income-tax Act relating to tax on updated return.

It is proposed to provide for filing of updated return by a person under the new sub-section (8A) of section 139. It is, therefore, proposed to provide that the total tax shall be payable by such person furnishing a return under the said sub-section (8A) as a consequential amendment.

The proposed new section provides that in the case of an assessee, where no return of income under sub-section (1) or sub-section (4) of section 139 has been furnished by such assessee and tax is payable, on the basis of return to be furnished by such assessee under sub-section (8A) of section 139, the assessee shall be liable to pay such tax together with interest and fee payable under any provision of this Act for any delay in furnishing the return or any default or delay in payment of advance tax, along with the payment of additional income-tax, before furnishing such return. The tax payable shall be computed after taking into account the following:—

(*i*) the amount of tax, if any, already paid as advance tax;

(*ii*) any tax deducted or collected at source;

(*iii*) any relief of tax claimed under section 89;

(*iv*) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;

(*v*) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and

(*vi*) any tax credit claimed to be set off in accordance with the provisions of section 115JAA or section 115JD.

Such updated return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

It is further proposed that, in the case of an assessee, where, return of income under sub-section (1) or sub-section (4) or sub-section (5) of section 139 (referred to as the earlier return) has been furnished by such assessee and tax is payable on the basis of return to be furnished by such assessee under sub-section (8A) of section 139, the assessee shall be liable to pay such tax together with interest payable under any provision of this Act for any default or delay in payment of advance tax, along with the payment of additional income-tax, as reduced by the amount of interest paid under the provisions of this Act in the earlier return, before furnishing the return and the tax payable shall be computed after taking into account the following:—

(*i*) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been claimed in the earlier return ;

(*ii*) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;

(*v*) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return, and

as increased by the amount of refund, if any, issued in respect of such earlier return.

The updated return, furnished under sub-section (8A) of section 139, shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

It is also proposed that the additional income-tax, payable at the time of furnishing the return under sub-section (8A) of section 139, shall be equal to twenty-five per cent. of aggregate of tax and interest payable, as determined above, if such return is furnished after expiry of the time available under sub-section (4) or sub-section (5) of section 139 and before completion of period of twelve months from the end of the relevant assessment year. However, if such return is furnished after the expiry of twelve months from the last date of the relevant assessment year but before completion of the period of twenty-four months from the last date of the relevant assessment year, the additional income-tax payable shall be fifty per cent. of aggregate of tax and interest payable, as determined above.

It is proposed to insert *Explanation* in sub-section (3) to provide that for the purpose of computing additional income-tax, “tax” shall include surcharge and cess, by whatever name called, on such tax.

It is also proposed that notwithstanding anything contained in *Explanation* 1 to section 234B, in the cases where an earlier return has been furnished, interest payable under section 234B shall be computed on an amount equal to the assessed tax or, as the case may be, on the amount by which the advance tax paid falls short of the "assessed tax" which means the tax on the total income as declared in the return to be furnished under sub-section (8A) of section 139, after taking into account the following:—

(i) the amount of relief or tax, referred to in sub-section (1) of section 140A, the credit for which has been claimed in the earlier return;

(ii) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing such total income, which has not been included in the earlier return;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;

(v) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return, and

as increased by the amount of refund, if any, issued in respect of such earlier return.

It is also proposed that if any difficulty arises in giving effect to the provisions of the proposed section, the Board may, with the approval of the Central Government, issue guidelines, by notification in the Official Gazette, for the purpose of removing the difficulty and every such guideline shall be laid before each House of Parliament.

It is also proposed to provide that interest payable under section 234A, where no earlier return has been furnished, shall be computed on the amount of tax on the total income as declared in the return under sub-section (8A) of section 139. Further, interest payable under section 234C, where an earlier return has been furnished, shall be computed after taking into account the total income furnished in the return under sub-section (8A) of section 139 as the returned income. At the same time, for the computation of additional income-tax above, the interest payable shall be interest chargeable under any provision of the Income-tax Act, on the income as per return furnished under sub-section (8A) of section 139, as reduced by interest paid in the earlier return, if any. However, the interest paid in the earlier return shall be considered to be nil if no earlier return has been furnished.

This amendment will take effect from 1st April, 2022.

Clause 40 seeks to amend section 143 of the Income-tax Act relating to assessment.

Sub-section (3) of the said section, inter-alia, provides that the Assessing Officer shall, by an order in writing, make an assessment of the total income or loss of the assessee, and determine the sum payable by him or refund of any amount due to him on the basis of such assessment.

The proviso to the said sub-section, inter-alia, provides that in case of fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via) of clause (23C) of section 10, no order of assessment of the total income or loss shall be made by the Assessing Officer without giving effect to the provisions of section 10, unless contravention of the provisions

of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 has been intimated by the Assessing Officer to the Central Government or prescribed authority and the approval granted has been withdrawn or notification has been rescinded.

It is proposed to amend the said proviso so as to omit the reference of fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via) of clause (23C) of section 10.

It is further proposed to insert a new proviso after the first proviso so as to provide that where the Assessing Officer is satisfied that any fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via), of clause (23C) of section 10, or any trust or institution referred to in section 11, has committed any specified violation as defined in the Explanation 2 to fifteenth proviso to clause (23C) of section 10 or the *Explanation* to sub-section (4) of section 12AB, as the case may be, he shall—

(a) send a reference to the Principal Commissioner or Commissioner to withdraw the approval or registration, as the case may be; and

(b) no order making an assessment of the total income or loss of such fund or institution or trust or any university or other educational institution or any hospital or other medical institution shall be made by him without giving effect to the order passed by the Principal Commissioner or Commissioner under clause (ii) or (iii) of fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB.

These amendments will take effect from 1st April, 2022.

Clause 41 seeks to amend section 144 of the Income-tax relating to best judgement assessment.

It is proposed to amend clause (a) of sub-section (1) of the said section to provide that the Assessing Officer shall make best judgement assessment if any person fails to furnish updated return under sub-section (8A) of section 139 along with failure to make return under sub-section (1) or sub-section (4) or sub-section (5) of section 139.

This amendment will take effect from 1st April, 2022.

Clause 42 seeks to amend section 144B of the Income-tax Act relating to faceless assessment.

The provisions of the said section provides the procedure to be followed during the conduct of faceless assessment under sub–section (3) of section 143 or section 144. It further, provides the scope of the cases covered under the faceless assessment, setting up of the National Faceless Assessment Centre (NaFAC), Regional Faceless Assessment Centres, assessment units (AU), verification units (VU), technical units (TU) and review units (RU) as well as the authorities in such units, authentication of electronic record,

delegates power to lay down standards, procedures and processes for effective functioning of the various centres and units, etc.

It is proposed to substitute sub-sections (1) to (8) of the said section with new sub-sections (1) to (8) to provide for modified procedure of faceless assessment for resolving the difficulties faced in its implementation. The provisions of the proposed amendment to the said section shall apply for faceless assessment, reassessment or recomputation under sub-section (3) of section 143 or under section 144 or under section 147 of the Act, as the case may be, in the cases specified therein. The NaFAC shall assign the case selected for the purposes of faceless assessment to a specific AU and intimate the assessee that assessment in his case shall be completed as per the said section. The assessee shall be served a notice under sub-section (2) of section 143 or under sub-section (1) of section 142 of the Act, through the NaFAC. The assessee may file his response to the aforementioned notice, within the date specified in such notice, to the NaFAC, which shall forward the same to the AU.

Thereafter, the AU may make a request, through the NaFAC, for obtaining such further information, documents or evidence from the assessee or any other person, as it may specify and the NaFAC shall serve appropriate notice or requisition on the assessee or any other person for obtaining the same. The AU may also make a request, through the NaFAC, for conducting enquiry or verification by VU and the request shall be assigned by the NaFAC to a VU through an automated allocation system. The AU may also similarly make a request for reference to the technical unit and the request shall be assigned by the NaFAC to a TU through an automated allocation system. The assessee or any other person, as the case may be, shall file his response in compliance to the said notice served by NaFAC, at the request of AU, to the NaFAC which shall forward the reply to the AU. If the assessee fails to comply with the said notice served by NaFAC, at the request of AU, or the earlier notice under sub-section (2) of section 143 or under sub-section (1) of section 142, the NaFAC shall intimate the same to the AU. The AU shall serve upon the assessee, through NaFAC, a show cause notice under section 144 giving him the opportunity to explain as to why the assessment in his case should not be completed to the best of its judgement. The NaFAC shall send any report received from the VU or TU to the AU.

The assessee shall file his response to the show-cause notice under section 144 of the Act, within the time specified in such notice, to the NaFAC which shall forward the same to the AU. If the assessee fails to respond, the NaFAC shall intimate the same to the AU. The AU shall, after taking into account all the relevant material available on the record, prepare in writing, an income or loss determination proposal where no variation prejudicial to assessee is proposed and send the same to the NaFAC or in any other case, serve a show cause notice on the assessee stating the variations proposed to be made to the income of the assessee and calling upon him to submit as to why the proposed variation should not be made, through the NaFAC.

The assessee shall file his reply to such show cause notice, to the NaFAC, on date and time as specified, which shall forward the reply to the AU. If the assessee fails to respond within the specified time, the NaFAC shall intimate the same to the AU. After considering the response of the assessee or the intimation of failure of assessee to file a response received from NaFAC and all relevant material available on the record, the AU shall prepare an income or loss determination proposal and send the same to the NaFAC.

Upon receipt of such income or loss determination proposal, with or without any variations proposed to the income of the assessee, as the case may be, the NaFAC may, convey to the AU to prepare draft order which shall thereafter prepare a draft order, or assign the income or loss determination proposal to a RU through an automated allocation system, which shall conduct a review of such order, prepare a review report and send it to NaFAC. The NaFAC shall forward the review report received from the RU to the AU which had proposed the income or loss determination proposal. The AU may accept or reject some or all of the modifications proposed in such review report, prepare a draft order accordingly, and send it to NaFAC.

The NaFAC shall, upon receiving draft order in a case of eligible assessee, where there is a proposal to make any variation which is prejudicial to the interest of such assessee under sub-section (1) of section 144C, serve such draft order and assessee. In any case, other than that of eligible assessee under section 144C, the NaFAC shall convey to the AU to pass the final assessment order in accordance with such draft order which shall thereafter pass the final assessment order and initiate penalty proceedings, if any, and send it to the NaFAC. The NaFAC shall serve a copy of the final assessment order, notice for initiating penalty proceedings, if any and the demand notice, to the assessee;

An eligible assessee, as referred to in section 144C, has to file his acceptance of the variations proposed in such draft order or file objections, if any, to such variations with the Dispute Resolution Panel, under section 144C and the NaFAC, within the period specified in sub-section (2) of the said section.

In case the variations proposed in the draft order are accepted by the assessee or not objected to within the time given in sub-section (2) of section 144C, the NaFAC shall intimate the AU of the same, which shall pass the assessment order, on the basis of the draft order, within the time allowed under sub-section (4) of section 144C and initiate penalty proceedings, if any, and send the order to the NaFAC. Where the eligible assessee files objections with the Dispute Resolution Panel against the variations proposed in the draft order in his case, the NaFAC shall send such intimation along with a copy of such objections to the AU.

Upon receipt of the directions issued by the Dispute Resolution Panel in the case of an eligible assessee, the NaFAC shall forward such directions to the AU. The AU shall complete the assessment within the time allowed in sub-section (13) of section 144C and initiate penalty proceedings, if any, in conformity with the directions issued by the Dispute Resolution Panel under sub-section (5) of section 144C, and send a copy of the assessment order to the NaFAC.

The NaFAC shall, upon receipt of final assessment order, in the case of an eligible assessee under section 144C or in other cases, serve a copy of such order and notice for initiating penalty proceedings, if any, on the assessee, along with the demand notice. The NaFAC shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over the said case for such action as may be required under the Income-tax Act.

The proposed section also provides that faceless assessment shall be made in respect of such territorial area, or persons or class of persons, or incomes or class of incomes, or cases or class of cases, as may be specified by the Board.

The proposed section also provides that Board may, for the purposes of faceless assessment, set up the following Centre and units and specify their functions and jurisdiction, namely:—

(i) a National Faceless Assessment Centre to facilitate the conduct of faceless assessment proceedings in a centralised manner;

(ii) assessment units, as it may deem necessary to conduct the faceless assessment, to perform the function of making assessment, which includes identification of points or issues material for the determination of any liability (including refund) under the Act, seeking information or clarification on points or issues so identified, analysis of the material furnished by the assessee or any other person, and such other functions as may be required for the purposes of making faceless assessment, and the term "assessment unit", wherever used in this section, shall mean an assessing officer having powers so assigned by the Board;

(iii) verification units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of verification, which includes enquiry, cross verification, examination of books of account, examination of witnesses and recording of statements, and such other functions as may be required for the purposes of verification and the term "verification unit", wherever used in this section, shall mean an assessing officer having powers so assigned by the Board;.

(iv) technical units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of providing technical assistance which includes any assistance or advice on legal, accounting, forensic, information technology, valuation, transfer pricing, data analytics, management or any other technical matter under the Income-tax Act or an agreement entered into under section 90 or section 90A which may be required in a particular case or a class of cases, under this section and the term "technical unit", wherever used in this section, shall mean an assessing officer having powers so assigned by the Board.

(v) review units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of review of the income determination proposal assigned to it, which includes checking whether the relevant and material evidence has been brought on record, relevant points of fact and law have been duly incorporated, the issues requiring addition or disallowance have been incorporated and such other functions as may be required for the purposes of review and the term "review unit", wherever used in this section, shall mean an assessing officer having powers so assigned by the Board.

It is also proposed that the AU, VU, TU and RU shall have the following authorities, namely:—

(i) Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, as the case may be;

(ii) Deputy Commissioner or Deputy Director or Assistant Commissioner or Assistant Director or Income-tax Officer, as the case may be;

(iii) such other income-tax authority, ministerial staff, executive or consultant, as considered necessary by the Board.

The proposed amendment also provide that all communication, among the AU, RU, VU or TU or with the assessee or any other person with respect to the information or documents or evidence or any other details, as may be necessary for the purposes of making a faceless assessment shall be through the NaFAC, between the NaFAC and the assessee, or his authorized representative, or any other person shall be exchanged exclusively by electronic mode and all communications between the NaFAC and various units shall be exchanged exclusively by electronic mode. However, this provision shall not apply to the enquiry or verification conducted by the verification unit in the circumstances as may be specified by the Board in this regard.

It is further proposed to provide for the authentication of electronic record for the purposes of faceless assessment.

A person shall not be required to appear either personally or through authorised representative in connection with any proceedings before any unit set up under the proposed section. It is also proposed that in a case where a variation is proposed in the income or loss determination proposal or the draft order, and an opportunity is provided to the assessee by serving a show cause notice upon him, the assessee or his authorized representative, as the case may be, may request for personal hearing so as to make his oral submissions or present his case before the income-tax authority of the relevant unit. Where the request for personal hearing has been received, the income-tax authority of the relevant unit shall allow such hearing, through NaFAC, which shall be conducted exclusively through video conferencing or video telephony, to the extent technologically feasible, in accordance with the procedure laid down by the Board. Any examination or recording of the statement of the assessee or any other person (other than the statement recorded in the course of survey under section 133A) shall be conduced by an income-tax authority in the relevant unit, exclusively through video conferencing or video telephony, to the extent technologically feasible, in accordance with the procedure laid down by the Board.

The Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of the NaFAC shall, with the prior approval of the Board, lay down the standards, procedures and processes in the specified manner for effective functioning of the NaFAC and the units set up, in an automated and mechanized environment.

The proposed section also seeks to provide that if at any stage of the proceedings before it, the AU having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary to do so, it may, upon recording its reasons in writing, refer the case to the NaFAC stating that the provisions of sub-section (2A) of section 142 may be invoked in the case. The Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of the National Faceless Assessment Centre shall, in accordance with the procedure laid down by the Board in this regard, if he considers appropriate that the provisions of sub-section (2A) of section 142 may be invoked in the

case, forward the reference received from an assessment unit to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner having jurisdiction over such case, and inform the assessment unit accordingly. He shall also transfer the case to the Assessing Officer having jurisdiction over such case. Where such a reference has been received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, he shall direct the Assessing Officer, having jurisdiction over the case, to invoke the provisions of sub-section (2A) of section 142. However, where such a reference has not been forwarded to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, having jurisdiction over the case, the assessment unit shall proceed to complete the assessment in accordance with the procedure in the said section.

It is also proposed to provide that the Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of National Faceless Assessment Centre may, at any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case, with the prior approval of the Board. Also, the function of VU for faceless assessment may also be performed by a VU located in any other faceless center set up under the provisions of the Act or under any scheme notified under the provisions of the Act and the request for verification may also be assigned through the NaFAC to such verification unit.

These amendments will take effect from 1st April, 2022.

It is also proposed to omit the existing sub-section (9) of the said section 144B retrospectively from the 1st April, 2021.

This amendment will take effect retrospectively from 1st April, 2021.

It is also proposed to omit sub-section (10).

It is also proposed to include the definition of the expression “electronic verification code” and to omit the definition of the term “originator” in the *Explanation* .

These amendments will take effect from 1st April, 2022.

Clause 43 seeks to amend section 144C of the Income-tax Act relating to Reference to dispute resolution panel.

The said section, *inter alia,* empowers the Central Government to notify a scheme for the purposes of issuance of directions by the dispute resolution panel so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the dispute resolution panel and the eligible assessee or any other person 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 for issuance of directions by dispute resolution panel.

Sub-section (14C) of the said section further provides that for the purposes of giving effect to the aforesaid scheme, the Central Government may by notification in the Official Gazette direct that any of the provisions of the Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified.

It is proposed to amend the proviso to the said sub-section (14C), extending the date for issuing directions for the purposes of the said sub-section from 31st day of March, 2022 to 31st day of March, 2024.

This amendment will take effect from 1st April, 2022.

Clause 44 seeks to amend section 148 of the Income-tax Act relating to issue of notice where income has escaped assessment.

The said section provides for issuance of notice to a person before making the assessment, reassessment or recomputation under section 147 of the Income-tax Act, requiring such person furnish a return of his income or income of any other person in respect of which he is assessable under the Act, within specified time, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed.

It is proposed to insert a new proviso under the first proviso to the effect that approval to issue notice under the said section 148 shall not be required where the Assessing Officer, with the prior approval of the specified authority has passed an order under clause (d) of section 148A that it is a fit case to issue a notice under the said section.

It is also proposed to amend *Explanation* 1 to the said section to provide that for the purposes of the said section and section 148A of the Act, the information with the Assessing Officer which suggests that the income chargeable to tax has escaped assessment means,—

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

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

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

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

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

It is also proposed to amend clause (ii) of *Explanation* 2 of the said section to omit the reference of sub-section (5) of section 133A.

These amendments will take effect from the lst April, 2022.

It is also proposed to amend *Explanation* 2 to the said section to provide that 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 where 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.

This amendment will take effect retrospectively from lst April, 2021.

Clause 45 seeks to amend section 148A of the Income-tax Act relating to conducting inquiry, providing opportunity before issue of notice under section 148.

Clause (b) of the said section provides that an opportunity of being heard shall be provided to the assessee, by serving upon him a notice to show cause 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) of the said section. It is proposed to omit the requirement of approval of specified authority in clause (b).

It is further proposed to insert a new clause (d) in the proviso to the said section to provide that the provisions of the said section shall not apply in cases where the Assessing Officer has received any information under the scheme notified under section 135A, pertaining to income chargeable to tax escaping assessment for any assessment year in the case of the assessee.

These amendments will take effect from lst April, 2022.

Clause 46 seeks to insert a new section 148B in the Income-tax Act relating to prior approval for assessment, reassessment or recomputation in certain cases.

The proposed new section seeks to provide that no order of assessment or reassessment or recomputation under the Act shall be passed by an Assessing Officer below the rank of Joint Commissioner, except with the prior approval of the Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, in respect of an assessment year to which clause (i), clause (ii), clause (iii) or clause (iv) of the *Explanation* 2 to section 148 apply.

This amendment will take effect from lst April, 2022.

Clause 47 seeks to amend section 149 of the Income-tax Act relating to time limit for notice.

The said section provides the time limit for issuance of notice under section 148 for assessment, reassessment or recomputation of income.

It is proposed to amend the clause (b) of sub-section (1) of the said section to provide that no notice under section 148 shall be issued for the relevant assessment year after three years but prior to ten years from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of,—

(i) an asset;

(ii) expenditure in respect of a transaction or in relation to an event or occasion; or

(iii) an entry or entries in the books of account,

which has escaped assessment amounts to or likely to amount to fifty lakh rupees or more.

This amendment will take effect from lst April, 2022.

It is also proposed to amend the first proviso to sub-section (1) of the said section to provide 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 a notice under section 148 or section 153A or section 153C 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 section 149 or section 153A or section 153C, as the case may be, as they stood immediately before the commencement of the Finance Act, 2021

This amendment will take effect retrospectively from lst April, 2021.

It is also proposed to insert a new sub-section (1A) in the said section to provide that notwithstanding anything contained in sub-section (1) of the said section, where the income chargeable to tax represented in the form of an asset or expenditure in relation to an event or occasion of the value referred to in clause (b) of sub-section (1) of the said section, has escaped the assessment and the investment in such asset or expenditure in relation to such event or occasion has been made or incurred, in more than one previous years relevant to the assessment years within the period referred to in clause (b) of sub-section (1) of the said section, notice under section 148 shall be issued for every such assessment year for assessment, reassessment or recomputation, as the case may be.

This amendment will take effect from lst April, 2022.

Clause 48 seeks to amend section 153 of the Income-tax Act relating to time limit for completion of assessment, reassessment and recomputation.

It is proposed to insert a new sub-section (1A) in the said section to provide that where an updated return is furnished under sub-section (8A) of section 139, an order of assessment under section 143 or section 144 may be made at any time before the expiry of nine months from the end of the financial year in which such return was furnished.

It is further proposed to amend sub-section (3) of the said section to provide that fresh order under section 92CA, in pursuance of an order, setting aside or cancelling an order under section 92CA shall also come within the provision of the said sub-section.

It is also proposed to amend sub-section (5) of the said section to provide that an order passed by the Transfer Pricing Officer under section 92CA of the Act, in consequence to an order under section 263 of the Act shall also come within the purview of the said Act.

It is also proposed to insert a new sub-section (5A) to provide that where the Transfer Pricing Officer gives effect to an order or direction under section 263 by means of an order under section 92CA and forwards such order to the Assessing Officer, the Assessing Officer shall proceed to modify the order of assessment or reassessment or recomputation, in conformity with such order of the Transfer pricing Officer, within two months from the end of the month in which such order of the Transfer Pricing Officer is received by him.

It is also proposed to amend sub-section (6) to make a reference of the newly inserted sub-section (5A) therein.

These amendments are proposed consequent to the amendments made in section 263.

Explanation 1 to the said section provides the time limit in certain cases which are required to be excluded while computing the period of limitation under the said section.

It is also proposed to amend clause (iii) of the said *Explanation* so as to omit the reference of "sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10".

These amendments will take effect from lst April, 2022.

It is also proposed to insert a new clause (xii) to provide for exclusion of the period commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account or other documents, or any money, bullion , jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee,—

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

(b) to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to; or

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

or one hundred and eighty days, whichever is less, in computing the period of limitation for the purpose of assessment, reassessment or recomputation.

This amendment will take retrospectively effect from lst April, 2021.

It is also proposed to insert a new clause (xiii) in the said *Explanation* to provide that the period commencing from the date, on which the Assessing Officer makes a reference to the Principal Commissioner or Commissioner under third second proviso to sub-section (3) of section 143 or is deemed to have been made under *Explanation* 3 of the fifteenth proviso to clause (23C) of section 10, and ending with the date on which the copy of the order under clause (ii) or clause (iii) of fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB, as the case may be, is received by the Assessing Officer, shall be excluded while computing the period of limitation under the said section.

This amendment will take effect from lst April, 2022.

Clause 49 seeks to amend section 153B of the Income-tax Act relating to time limit for completion of assessment under section 153A.

The said section provides the time limit for completion of assessment or reassessment under section 153A in the case of an assessee in whose case a search has been conducted under section 132 or books of account, other documents or any assets are requisitioned under section 132A. It further provides the period of limitation for completion of assessment or reassessment under section 153C.

It is proposed to insert a new sub-section (4) in the said section to provide that nothing contained in the said section shall apply to any search under section 132 or requisition done under section 132A on or after the 1st day of April, 2021.

This amendment will take effect from lst April, 2022.

The *Explanation* to the said section provides the periods which shall be excluded while calculating the aforesaid period of limitation.

It is proposed to insert a new *Explanation* to the said section, clause (xi) may be inserted to provide for exclusion of the period commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account or other documents, or any money, bullion , jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee, in whose case such search is initiated under section 132 or such requisition is made under section 132A, as the case may be or one hundred and eighty days, whichever is less.

These amendments will take effect retrospectively from lst April, 2021.

Clause 50 seeks to insert a new section 156A in the Income-tax Act relating to modification and revision of notice in certain cases.

It is proposed to provide that where any tax, interest, penalty, fine or any other sum in respect of which a notice of demand has been issued under section 156, is reduced as a result of an order of an Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016, the Assessing Officer shall modify the demand

payable in conformity with such order and shall thereafter serve on the assessee a notice of demand specifying the sum payable, if any, and such notice of demand shall be deemed to be a notice under section 156 and the provisions of this Act shall apply accordingly.

It is further proposed to provide that where the order referred to in sub-section (1) is modified by the National Company Law Appellate Tribunal or the Supreme Court, as the case may be, the modified notice of demand as referred to in sub-section (1), issued by the Assessing Officer shall be revised accordingly.

These amendments will take effect from lst April, 2022.

Clause 51 seeks amend section 158AA of the Income-tax Act relating to procedure when in an appeal by revenue an identical question of law is pending before Supreme Court.

It is proposed to insert a proviso in sub-section (1) in the said section to provide that no direction shall be given under this sub-section on or after the 1st day of April, 2022.

This amendment will take effect from 1st April, 2022.

Clause 52 seeks to insert a new section 158AB in the Income-tax Act relating to procedure where an identical question of law is pending before the High Courts or Supreme Court.

Sub-section (1) of the proposed section seeks to provide that where a collegium of Chief Commissioners or Principal Commissioners or Commissioners is of the opinion that any question of law arising in the case of an assessee for any assessment year ("relevant case") is identical with a question of law arising in his case or in the case of any other assessee for an assessment year, which is pending before the jurisdictional High Court under section 260A or the Supreme Court in an appeal under section 261 or in a special leave petition under article 136 of the Constitution, against the order of the Appellate Tribunal or the jurisdictional High Court, as the case may be, in favour of such assessee ("other case"), it may, decide and inform the Principal Commissioner or Commissioner not to file any appeal, at this stage, to the Appellate Tribunal under sub-section (2) of section 253 or to the jurisdictional High Court under sub-section (2) of section 260A against the order of the Commissioner (Appeals) or the Appellate Tribunal, as the case may be.

Sub-section (2) of the proposed section provides that the Principal Commissioner or Commissioner shall, on receipt of communication from the collegium, direct the Assessing Officer to make an application to the Appellate Tribunal or the jurisdictional High Court, as the case may be, in the prescribed form within a period of sixty days from the date of receipt of the order of the Commissioner (Appeals) or within one hundred and twenty days from the date of receipt of the order of the Appellate Tribunal, as the case may be, stating that an appeal on the question of law arising in the relevant case may be filed when the decision on the question of law becomes final in the other case.

Sub-section (3) of the proposed section provides that the Principal Commissioner or Commissioner shall direct the Assessing Officer to make such an application only if an acceptance is received from the assessee to the effect that the question of law in the other case is identical to that arising in the relevant case, and in case no such acceptance is

received, the Principal Commissioner or Commissioner shall proceed in accordance with the provisions contained in sub-section (2) of section 253 or in sub-section (2) of section 260A.

Sub-section (4) of the proposed section provides that where the order of the Commissioner (Appeals) or the order of the Appellate Tribunal, as the case may be, in the relevant case is not in conformity with the final decision on the question of law in the other case as and when such order is received, the Principal Commissioner or Commissioner may direct the Assessing Officer to appeal to the Appellate Tribunal or the jurisdictional High Court, as the case may be, against such order and save as otherwise provided in this section all other provisions of Part B of Chapter XX shall apply accordingly.

Sub-section (5) of the proposed section provides that appeal in the relevant case shall be filed within a period of sixty days from the date on which the order of the jurisdictional High Court or the Supreme Court, in the other case, is communicated, in accordance with the procedure specified by the Board in this behalf, to the Principal Commissioner or Commissioner.

It is also proposed to define the expression "collegium" for the purposes of the proposed section to mean a collegium comprising of two or more Chief Commissioners, Principal Commissioners or Commissioners as may be specified by the Board.

This amendment will take effect from 1st April, 2022.

Clause 53 seeks to amend section 170 of the Income-tax Act relating to succession to business otherwise than on death.

It is proposed to amend the said section to insert a new sub-section (2A) to provide a deeming provision in order to save and validate the proceedings and to hold the assessment or other proceedings pending or completed on the predecessor in the event of a business reorganisation, to be held in the hands of the successor and to insert an *Explanation* to define the expressions,—

(i) "business reorganisation" means the reorganisation of business involving the amalgamation or de-merger or merger of business of one or more persons;

(ii) "pendency" to mean the period commencing from the date of filing of application for such reorganisation of business before the High Court or tribunal or the date of admission of an application for corporate insolvency resolution by the Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 and ending with the date on which the order of such High Court or tribunal or such Adjudicating Authority, as the case may be, is received by the Principal Commissioner or the Commissioner.

This amendment will take effect from lst April, 2022.

Clause 54 seeks to insert a new section 170A in the Income-tax Act relating to the effect of order of tribunal or court in respect of business reorganisation.

It is proposed to provide that notwithstanding anything contained in section 139, in

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

It is further proposed to insert an *Explanation* in the said section to define the expression "business reorganisation" shall have the same meaning as assigned to it in clause (i) of the *Explanation* to sub-section (2A) of section 170.

This amendment will take effect from lst April, 2022.

Clause 55 seeks to amend the section 179 of the Income-tax Act relating to liability of directors of private company in liquidation. It provides for recovery of tax dues of a private company from its directors, in cases where such tax dues cannot be recovered from the company itself.

The marginal heading of the said section reads as liability of directors of private company in liquidation. However, the provisions of the section do not deal with companies in liquidation. Therefore, it is proposed to omit the words "in liquidation" from the marginal heading of the said section.

It is further proposed to include "fees" within the scope of the expression "tax due" in the *Explanation* to the said section.

These amendments will take effect from 1st April, 2022.

Clause 56 seeks to amend section 194-IA of the Income-tax Act relating to payment on transfer of certain immovable property other than agricultural land.

Sub-section (1) of the said section provides for deduction of tax by any person responsible for paying to a resident any sum by way of consideration for transfer of any immovable property (other than agricultural land) shall at the time of credit or payment of such sum to the resident at the rate of one per cent. of such sum as income-tax thereon.

Sub-section (2) of the said section provides that no deduction of tax shall be made where the consideration for the transfer of an immovable property is less than fifty lakh rupees.

It is proposed to amend sub-section (1) of the said section to provide that the person responsible for paying to a resident any sum by way of consideration for transfer of any immovable property (other than agricultural land) shall at the time of credit or payment of such sum to the resident deduct tax at the rate of one per cent. of such sum or the stamp duty value of such property, whichever is higher, as income-tax thereon.

It is further proposed to amend sub-section (2) of the said section to provide that no deduction of tax shall be made where the consideration for the transfer of an immovable property and the stamp duty value of such property, are both less than fifty lakh rupees.

It is also proposed to insert clause (c) to the *Explanation* to define "stamp duty value".

These amendments will take effect from 1st April, 2022.

Clause 57 seeks to amend section 194-IB of the Income-tax Act relating to payment of rent by certain individuals or Hindu undivided family.

The said section provides for deduction of tax by an individual or Hindu undivided family (other than those referred to in second proviso of section 194-I) on the payment of any income by way of rent exceeding fifty thousand rupees for a month or part of a month to a resident at the rate of five per cent. of such income.

Sub-section (4) of the said section provides that where the tax is required to be deducted as per the provisions of section 206AA or section 206AB, 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) to omit the reference of section 206AB.

This amendment will take effect from 1st April, 2022.

Clause 58 seeks to insert a new section 194R to the Income-tax Act, 1961 relating to deduction of tax on benefit or perquisite in respect of a business or profession.

The proposed new section provides that the person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent. of the value or aggregate of value of such benefit or perquisite.

It is further proposed to provide that in a case where the benefit or perquisite, as the case may be, is wholly in kind or partly in cash and partly in kind but such part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such benefit or perquisite, the person responsible for providing such benefit of perquisite shall, before releasing the benefit or perquisite, ensure that tax has been paid in respect of the benefit or perquisite.

It is also proposed to provide that the provision of the said section shall not apply in case of a resident where the value or aggregate of value of the benefit or perquisite provided or likely to be provided to such resident during the financial year does not exceed twenty thousand rupees.

It is also proposed to provide that the provisions of the section shall not apply to a person being an individual or a Hindu undivided family, whose total sales, gross receipts or turnover does not exceed one crore rupees in case the of business or fifty lakh rupees in the case of profession, during the financial year immediately preceding the financial year in which such benefit or perquisite, as the case may be, is provided by such person.

It is also proposed to clarify that the expression "person responsible for providing" means the person providing such benefit or perquisite, or in case of a company, the company itself including the principal officer thereof.

This amendment will take effect from 1st July, 2022.

Clause 59 seeks to insert a new section 194S in the Income-tax Act relating to payment on transfer of virtual digital asset.

The proposed sub-section (1) seeks to provide that any person responsible for paying to a resident any sum by way of consideration for transfer of a virtual digital asset shall, at the time of credit of such sum to the account of the resident or at the time of payment of such sum by any mode, whichever is earlier, deduct an amount equal to one per cent. of such sum as income-tax thereon.

It is further proposed to provide a proviso therein that in a case where the consideration for transfer of virtual digital asset is—

(a) wholly in kind or in exchange of another virtual digital asset, where there is no part in cash; or

(b) partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such transfer,

the person responsible for paying such consideration shall, before releasing the consideration, ensure that tax has been paid in respect of such consideration for the transfer of virtual digital asset.

The proposed sub-section (2) seeks to provide that provisions of sections 203A and 206AB shall not apply to a specified person.

The proposed sub-section (3) seeks to provide that notwithstanding anything contained in sub-section (1), no tax shall be deducted in a case, where—

(a) the consideration is payable by a specified person and the value or aggregate value of such consideration does not exceed fifty thousand rupees during the financial year; and

(b) the consideration is payable by any person other than a specified person and the value or aggregate value of such consideration does not exceed ten thousand rupees during the financial year.

The proposed sub-section (4) seeks to provide that notwithstanding anything contained in Chapter XVII of the Income-tax Act, a transaction in respect of which tax has been deducted under sub-section (1) shall not be liable to deduction or collection of tax at source under any other provision of the said Chapter.

The proposed sub-section (5) 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 sum, such credit of the sum

shall be deemed to be the credit of such sum to the account of the payee and the provisions of this section shall apply accordingly.

The proposed sub-section (6) seeks to provide that if any difficulty arises in giving effect to the provisions of this section, the Board may, with the prior approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

The proposed sub-section (7) seeks to provide that every guideline issued by the Board under sub-section (6) shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the person responsible for paying the consideration on transfer of such virtual digital asset.

The proposed sub-section (8) seeks to provide that notwithstanding anything contained in section 194-O, in case of a transaction to which the provisions of the said section are also applicable along with the provisions of this section then, tax shall be deducted under sub-section (1).

Explanation to the said section seeks to provide that for the purposes of the said section "specified person" means a person,—

(a) being an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business carried on by him or profession exercised by him does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession, during the financial year immediately preceding the financial year in which such virtual digital asset is transferred;

(b) being an individual or a Hindu undivided family, not having any income under the head "Profits and gains of business or profession".

This amendment will take effect from 1st July, 2022.

Clause 60 of the Bill seeks to amend section 201 of the Income-tax Act 1961 relating to consequences of failure to deduct or pay.

Sub-section (1A) of the said section provides that if any person who is liable to deduct tax at source does not deduct it or after so deducting fails to pay the same to the credit of the Government, then, he shall be liable to pay simple interest at the rates specified therein.

It is proposed to insert a new proviso to the said sub-section to provide that where an order is made by the Assessing Officer for the default referred to in sub-section (1), the interest shall be paid by the person in accordance with such order.

This amendment will take effect from the 1st day of April, 2022.

Clause 61 seeks to amend section 206AB of the Income-tax Act relating to special provision for deduction of tax at source for non-filers of income-tax return.

Sub-section (1) of the said section provides the rates at which the tax shall be deducted in case of specified person.

It is proposed to amend the said sub-section (1) to,—

(i) include the reference of sections 194-IA, 194-IB and 194M; and

(ii) omit the brackets and words "(hereafter referred to as deductee)".

It is further proposed to amend sub-section (3) of the said section to provide that for the purposes of the said section, "specified person" shall mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the 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 the said previous year.

These amendments will take effect from 1st April, 2022.

Clause 62 of the Bill seeks to amend section 206C of the Income-tax Act 1961 relating to profits and gains from the business of trading in alcoholic liquor, forest produce, scrap etc.

Sub-section (7) of the said section deals with the consequences of persons who fail to collect tax or after collecting, fail to deposit the same to the credit of the Central Government. If any person who is liable to collect tax at source does not collect it or after so collecting fails to pay the same to the credit of the Government, then he shall be liable to pay interest at rates specified therein.

It is proposed to insert a new proviso to the said sub-section to provide that where an order is made by the Assessing Officer for the default referred to in sub-section (6A), the interest shall be paid by the person in accordance with such order.

These amendments will take effect from the 1st day of April, 2022.

Clause 63 seeks to amend section 206CCA of the Income-tax Act relating to special provision for collection of tax at source for non-filers of income-tax return.

Sub-section (1) of the said section provides for the rates at which tax shall be collected in case of specified person.

It is proposed to amend the said sub-section (1) to omit the brackets and words "(hereafter referred to as collectee)".

It is further proposed to amend sub-section (3) of the said section to provide that for the purposes of the said section, "specified person" shall mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected, for which the time limit for furnishing of 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 the said previous year.

These amendments will take effect from 1st April, 2022.

Clause 64 seeks to amend section 234A of the Income-tax Act relating to interest for defaults in furnishing return of income.

It is proposed to amend sub-section (1) of the said section to provide that an assessee shall be liable to pay simple interest for furnishing after due date or not furnishing a return under sub-section (8A) in addition to return under sub-section (1) or sub-section (4) of section 139.

It is further proposed to amend *Explanation* 2 of the sub-section to provide that,—

(i) "tax on total income as determined under sub-section (1) of section 143" shall not include the additional income-tax, if any, payable under section 140B or section 143 and

(ii) "tax on total income determined under such regular assessment" shall not include the additional income-tax payable under section 140B.

These amendments will take effect from 1st April, 2022.

Clause 65 seeks to amend section 234B of the Income-tax Act relating to interest for defaults in payment of advance tax.

It is proposed to amend *Explanation* 3 to sub-section (1) of the said section to provide that,—

(i) "tax on total income as determined under sub-section (1) of section 143" shall not include the additional income-tax, if any, payable under section 140B or section 143 and

(ii) "tax on total income determined under such regular assessment" shall not include the additional income-tax payable under section 140B.

This amendment will take effect from 1st April, 2022.

Clause 66 seeks to insert a new section 239A in the Income-tax Act relating to refund for denying liability to deduct tax in certain cases.

The proposed new section provides that where under an agreement or other arrangement, in writing, the tax deductible on any income, other than interest, under section 195 is to be borne by the person by whom the income is payable, and such person having paid such tax to the credit of the Central Government claims that no tax was required to be deducted on such income, he may file an application before the Assessing Officer for refund of such tax deducted and such application shall be filed by such person only after within a period of thirty days from the date of payment of such tax, in such form and manner as may be provided by rules.

Further, it is proposed that the Assessing Officer shall dispose of the abovementioned application for refund within a period of six months from the end of the month in which such application has been received, after making any such enquiry as he may consider necessary. The Assessing Officer may allow or reject such application by an order in writing, however, no such application shall be rejected unless an opportunity of being heard is given to the applicant.

This amendment will take effect from lst April, 2022.

Clause 67 seeks to amend section 245MA of the Income-tax Act relating to Dispute Resolution Committee.

The said section, *inter alia*, provides that the Central Government shall constitute one or more Dispute Resolution Committees, for specified persons who may opt for dispute resolution under the said section and who fulfil specified conditions mentioned in the said section.

It is proposed to insert a new sub-section (2A) in the said section to provide that notwithstanding anything contained in section 144C, upon receipt of order of the Dispute Resolution Committee, the Assessing Officer shall in a case where the specified order is a draft of the proposed order of assessment under sub-section (1) of section 144C, pass an order of assessment, reassessment or recomputation or in any other case, modify the order of assessment, reassessment or recomputation, which shall be passed in conformity with the directions contained in such order of the Dispute Resolution Committee, within a period of one month from the end of the month in which such order is received.

This amendment will take effect from 1st April, 2022.

Clause 68 seeks to amend section 246A of the Income-tax Act relating to appealable orders before Commissioner (Appeals).

Sub-section (1) of the said section provides for categories of orders against which appeal can be filed before the Commissioner (Appeals).

It is proposed to insert a new clause (ia) in the said sub-section to provide that the orders passed by an Assessing Officer under section 239A shall be appealable before the Commissioner (Appeals).

This amendment will take effect from lst April, 2022.

Clause 69 seeks to amend section 248 of the Income-tax Act relating to appeal by a person denying liability to deduct tax in certain cases.

The said section provides that where under an agreement or other arrangement, the tax deductible on any income, other than interest, under section 195 is to be borne by the person by whom the income is payable, and such person having paid such tax to the credit of the Central Government, claims that no tax was required to be deducted on such income, he may appeal to the Commissioner (Appeals) for a declaration that no tax was deductible on such income.

It is proposed to insert a proviso in the said section to provide that no appeal shall be filed under this section in a case where tax is paid to the credit of the Central Government on or after the 1st day of April, 2022.

This amendment will take effect from lst April, 2022.

Clause 70 seeks to amend the section 253 of the Income-tax Act relating to Appeals to the Appellate Tribunal.

The said section, *inter alia,* empowers the Central Government to notify a scheme for the purposes of appeal to the Appellate Tribunal 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 for appeal to the Appellate Tribunal, with dynamic jurisdiction.

Sub-section (9) of the said section further provides that for the purposes of giving effect to the aforesaid scheme, the Central Government may by notification in the Official Gazette direct that any of the provisions of the Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified.

It is proposed to amend the proviso to the said sub-section (9), extending the date for issuing directions for the purposes of the said sub-section from 31st day of March, 2022 to 31st day of March, 2024.

This amendment will take effect from 1st April, 2022.

Clause 71 seeks to amend section 255 of the Income-tax Act relating to procedure of Appellate Tribunal.

The said section, *inter alia,* empowers the Central Government to notify a scheme 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.

Sub-section (8) of the said section further provides that for the purposes of giving effect to the aforesaid scheme, the Central Government may direct that any of the provisions of the Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified.

It is proposed to amend the proviso to the said sub-section (8), extending the date for issuing directions for the purposes of the said sub-section from 31st day of March, 2023 to 31st day of March, 2024.

This amendment will take effect from 1st April, 2022.

Clause 72 seeks to amend section 263 of the Income-tax Act relating to revision of orders prejudicial to revenue.

Sub-section (1) in the said section provides that the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner may call for and examine the record of any proceedings under the Act, and if he considers that any order passed by the Assessing Officer under the Act is erroneous in so far as it is prejudicial to the interests of revenue, he may pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment and directing a fresh assessment, after making or causing to be made any such inquiry as he deems necessary.

It is proposed to provide that in addition to the existing provision, the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner may call for and examine the record of any proceedings under the Act, and if he considers that any order passed by the Transfer Pricing Officer under the Act is erroneous in so far as it is prejudicial to the interests of revenue, he may pass such order thereon as the circumstances of the case justify, including an order modifying the order under section 92CA or cancelling the order under section 92CA and directing a fresh order under section 92CA, after making or causing to be made any such inquiry as he deems necessary. Such order shall be passed only after giving the assessee an opportunity of being heard.

It is further proposed to amend clause (a) of *Explanation* 1 to the said sub-section also to include an order under section 92CA by the Transfer Pricing Officer for the purposes of the said section.

It is also proposed that the clause (c) of the *Explanation* 1 to the sub-section (1) of the said section shall provide that where any order referred to in the said sub-section and passed by the Assessing Officer or the Transfer Pricing Officer, as the case may be, had been the subject matter of any appeal filed on or before or after the 1st day of June, 1988, the powers of the Principal Commissioner or Commissioner under this sub-section shall extend and shall be deemed always to have extended to such matters as had not been considered and decided in such appeal.

It is also proposed to amend the *Explanation* 2 to the sub-section (1) to make it applicable to an order passed by the Transfer Pricing Officer also.

It is also proposed to insert *Explanation* 3 in the sub-section (1) of the said section to define the expression “Transfer Pricing Officer”.

These amendments will take effect from lst April, 2022.

Clause 73 seeks to amend the section 271AAB of the Income-tax Act relating to penalty where search has been initiated. Sub-sections (1) and (1A) of the said section, *inter alia*, enables the Assessing Officer to levy penalty in cases where search has been initiated under section 132.

It is proposed to amend sub-sections (1) and (1A) of the said section to extend the powers to levy penalty to Commissioner (Appeals) also.

These amendments will take effect from 1st April, 2022.

The *Explanation* to the said section defines certain expressions for the purposes of the said section.

It is proposed to amend clause (a) of the said *Explanation* to make applicable a notice issued under section 148 also, in case where search is initiated on or after 1st April, 2021.

This amendment will take effect retrospectively from lst April, 2021.

Clause 74 seeks to amend the section 271AAC of the Income-tax Act relating to penalty in respect of certain income. Sub-section (1) of the said section, *inter alia*, enables Assessing Officer to levy penalty in cases where the income determined includes any income referred to in section 68, section 69, section 69A, section 69B, section 69C or section 69D for any previous year.

It is proposed to amend sub-section (1) of the said section, to extend the powers to levy penalty to the Commissioner (Appeals) also.

This amendment will take effect from 1st April, 2022.

Clause 75 seeks to amend the section 271AAD of the Income-tax Act relating to penalty for false entry, etc. in books of account.

The said section, *inter alia*, enables the Assessing Officer to levy penalty in cases where, during any proceeding, it is found that in the books of account maintained by any person there is a false entry or an omission of any entry which is relevant for computation of total income of such person, to evade tax liability.

It is proposed to amend sub-sections (1) and (2) of the said section to extend the powers to levy penalty to the Commissioner (Appeals) also.

This amendment will take effect from 1st April, 2022.

Clause 76 seeks to insert section 271AAE in the Income-tax Act relating to benefits to related persons.

The proposed new section provides that without prejudice to any other provisions of Chapter XXI of the Act, if during any proceedings under this Act, it is found that a person, being any fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via) of clause (23C) of section 10, or any trust or institution referred to in section 11 has violated the provisions of the twenty-first proviso to clause (23C) of section 10 or clause (c) of sub-section (1) of section 13, as the case may be, the Assessing Officer may direct that such person shall pay by way of penalty—

(a) a sum equal to the aggregate amount of income of such person applied, directly or indirectly, by such person, for the benefit of any person referred to in sub-section

(3) of section 13, where the violation is noticed for the first time during any previous year; and

(b) a sum equal to two hundred per cent. of the aggregate amount of income of such person applied, directly or indirectly, by that person, for the benefit of any person referred to in sub-section (3) of section 13, where violation is noticed again in any subsequent previous year.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 77 seeks to amend the section 271C of the Income-tax Act relating to penalty for failure to deduct tax at source. It provides for penalty for failure to credit tax deducted at source to the Central Government or the tax payable by him as required by or under the second proviso to section 194B.

The first proviso to section 194B was omitted by the Finance Act, 1999 with effect from the 1st day of April, 2000 and the said section currently has only one proviso.

To give consequential effect, it is proposed to omit the word "second" in sub-clause (ii) of clause (b) of sub-section (1) of the section.

This amendment will take effect from lst April, 2022.

Clause 78 seeks to amend section 272A of the Income-tax Act relating to penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections, etc.

It is proposed to increase the existing penalty under sub-section (2) from one hundred rupees to five hundred rupees.

This amendment will take effect from 1st April, 2022.

Clause 79 seeks to amend section 276AB of the Income-tax Act relating to failure to comply with the provisions of sections 269UC, 269UE and 269UL.

It is proposed to insert a second proviso to the said section so as to provide that no proceeding under this section shall be initiated on or after the 1st day of April, 2022.

This amendment will take effect from 1st April, 2022.

Clause 80 seeks to amend section 276B of the Income-tax Act relating to failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B.

The first proviso to Section 194B was omitted vide the Finance Act, 1999 with effect from the 1st April, 2000 and the section currently has only one proviso.

It is proposed to omit the word "second" in the said section 276B.

This amendment will take effect from 1st April, 2022.

Clause 81 seeks to amend the section 276CC of the Income-tax Act relating to failure to furnish returns of income.

The proviso to the said section, *inter alia*, provides that a person shall not be proceeded against under the said section, for failure to furnish the return of income in due time, if a return is furnished by such person before the expiry of the assessment year or the tax payable by such person, not being a company, on the total income determined on regular assessment does not exceed rupees ten thousand.

It is proposed to amend sub-clause (a) of clause (ii) of the said proviso to provide that a person shall not be proceeded against under the said section for failure to furnish in due time the return of income under sub-section (1) of section 139, if such a person has furnished return under sub-section (8A) of section 139 for the relevant assessment year.

This amendment will take effect from 1st April, 2022.

Clause 82 seeks to amend the section 278A of the Income-tax Act relating to punishment for second and subsequent offences.

Section 276B provides for prosecution for failure to credit tax deducted at source to the Central Government and section 276BB provides for prosecution for failure to credit tax collected at source to the Central Government.

It is proposed to amend the said section 278A so as to bring section 276BB within the purview of said section.

This amendment will take effect from 1st April, 2022.

Clause 83 seeks to amend section 278AA of the Income-tax Act relating to punishment not to be imposed the certain cases.

Section 276B provides for prosecution for failure to credit tax deducted at source to the Central Government and section 276BB provides for prosecution for failure to credit tax collected at source to the Central Government.

It is proposed to amend the said section 278AA so as to bring section 276BB also within the purview of said section.

This amendment will take effect from 1st April, 2022.

Clause 84 seeks to substitute section 285B of the Income-tax Act relating to submission of statements by producers of cinematographic films.

The existing section provides that producers of cinematographic films shall furnish within thirty days from the end of the financial year or from the date of completion of the film, whichever is earlier, a statement containing particulars of all payments over fifty thousand rupees in the aggregate made by him or due from him to each person engaged by him.

It is proposed to substitute the said section to provide that any person carrying on the production of a cinematograph film or engaged in any specified activity, or both, during the whole or any part of any financial year shall, in respect of the period during which such production or specified activity is carried on by him in such financial year, furnish within the prescribed period, a statement in the prescribed form to the prescribed income tax authority in the prescribed manner, containing particulars of all payments of over fifty thousand rupees in the aggregate made by him or due from him to each such person as is engaged by him in such production or specified activity.

It is proposed to clarify that for the purposes of this section, "specified activity" means event management, documentary production, production of programmes for telecasting on television or over the top platforms or any other similar platform, sports event management, other performing arts or any other activity as the Central Government may, by notification in the Official Gazette, specify in this behalf.

This amendment will take effect from 1st April, 2022.

Customs

Clause 85 seeks to amend clause (34) of section 2 of the Customs Act so as to provide that "proper officer", in relation to any functions to be performed under the said Act, means the officer of the customs who is assigned the functions by the Board or the Principal Commissioner of Customs or Commissioner of Customs under section 5 of the said Act.

Clause 86 seeks to substitute section 3 of the Customs Act so as to specify the classes of officers of customs, including the officers of the Directorate of Revenue Intelligence, officers of Customs (Preventive) and audit officers for various purposes, as the Board may specify.

Clause 87 seeks to amend section 5 of the Customs Act relating to the powers of the officers of customs. It is proposed to insert a new sub-section (1A) in the said section so as to empower the Board to assign by notification, such functions as he may deem fit, to an officer of customs, who shall be the proper officer in relation to such functions.

It is further proposed to insert a new sub-section (1B) in the said section so as to empower the Principal Commissioner of Customs or Commissioner of Customs within their jurisdiction to assign by order such functions as he may deem fit to an officer of customs, who shall be the proper officer in relation to such functions.

It is also proposed to insert a new sub-section (4) in said section so as to provide the criteria which the Board may consider while specifying the conditions and limitations imposed under sub-section (1) and assigning functions under sub-section (1A) to an officer of customs.

It is also proposed to insert a new sub-section (5) in the said section so as to empower the Board in certain cases to specify by notification two or more officers of customs, whether or not of the same class, to have concurrent power and functions under the said Act.

Clause 88 seeks to amend section 14 of the Customs Act so as to empower the Central Government to make rules enabling the Central Board of Indirect Taxes and Customs to

specify the additional obligations of the importer in respect of a class of imported goods, whose value is not being declared correctly, the criteria of selection of such goods, and the checks, including the circumstances and manner of exercise of such checks, in respect of such goods.

Clause 89 seeks to amend section 28E of the Customs Act so as to omit the *Explanation* to clause (c) relating to expression 'joint venture in India' and also to omit clause (h) of the said section.

Clause 90 seeks to amend sub-section (1) of section 28H of the Customs Act so as to provide that fee for application for advance ruling shall also be prescribed.

It further seeks to omit sub-section (3) and to amend sub-section (4) so as to provide that an applicant for advance ruling may withdraw his application at any time before a ruling is pronounced.

Clause 91 seeks to substitute sub-section (7) of section 28-1 of the Customs Act so as to remove reference to 'Members' from the said sub-section.

Clause 92 seeks to substitute sub-section (2) of section 28J of the Customs Act so as to provide that advance ruling under sub-section (1) of that section shall remain valid for a period of three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier.

It further seeks to insert a proviso in the said sub-section so as to provide that in respect of advance rulings in force on the date the Finance Bill, 2022 receives assent of the President, the said period of three years shall be reckoned from the date on which the said Finance Bill receives assent of the President.

Clause 93 seeks to insert a new section 110AA in the Customs Act so as to provide that where in pursuance of any proceeding under Chapter XIIA or Chapter XIII, if an officer of customs has reasons to believe that any duty has been short-levied, not levied, short-paid or not paid or any duty has been erroneously refunded or any drawback has been erroneously allowed or any interest has been short-levied, not levied, short-paid or not paid, or erroneously refunded, then such officer of customs shall, after inquiry, investigation, or audit, transfer the relevant documents, along with a report in writing to the proper officer having jurisdiction, in respect of assessment of such duty, or who allowed such refund or drawback, or to an officer to whom proper officer is subordinate.

It further seeks to provide that in case of multiple jurisdictions, such transfer shall be made to an officer of customs to whom such matter is assigned by the Board under section 5.

Clause 94 seeks to insert a new section 135AA in the Customs Act, so as to make punishable the publishing of information relating to the value or classification or quantity of goods entered for export from India, or import into India, or the details of the exporter or importer of such goods, unless required so to do under any law for the time being in force.

It further seeks to provide that nothing contained in the said section shall apply to any publication made by or on behalf of the Central Government.

Clause 95 seeks to insert the words, figures and letters "or section 135AA" in sub-section (1) of section 137 of the Customs Act so as to provide that no court shall take cognizance of any offence under the said section 135AA, except with the previous sanction of the Principal Commissioner of Customs or Commissioner of Customs.

Clause 96 seeks to give validation to any action taken or functions performed before the date of commencement of the Finance Act, 2022, under certain Chapters of the Customs Act and notifications issued thereunder for appointing an officer of customs or assigning functions, by giving retrospective effect to sections 2, 3 and 5 of the Customs Act as amended by this Act to that extent.

Customs Tariff

Clause 97 seeks to amend the First Schedule to the Customs Tariff Act —

(a) in the manner specified in the Second Schedule so as to revise the rates in respect of certain tariff items with effect from the 2nd February, 2022;

(b) in the manner specified in the Third Schedule with a view to harmonise certain entries with Harmonised System of Nomenclature to create new tariff lines in respect of certain entries and to revise the rates in respect of certain tariff items, with effect from the 1st May, 2022.

Excise

Clause 98 seeks to amend the Fourth Schedule to the Central Excise Act to insert two new tariff items 2710 12 43 and 2710 12 44 under sub-heading 2710 12 in Chapter 27 relating to E12 and E15 fuel blends, as new BIS specification IS 17586 has been issued for Ethanol Blended Petrol with percentage of ethanol upto twelve (E12) and fifteen (E15) percent, so as to align the Fourth Schedule to the Central Excise Act with the proposed amendments for the sub-heading 2710 12 in the First Schedule to the Customs Tariff Act, 1975, in the manner specified in Fourth Schedule.

This amendment will take effect from the date on which the Finance Bill, 2022 receives the assent of the President.

Central Goods and Services Tax

Clause 99 seeks to amend section 16 of the Central Goods and Services Tax Act, 2017 by inserting a new clause (ba) in sub-section (2) thereof, so as to provide that input tax credit with respect to a supply may be availed only when such credit has not been restricted in the details communicated to the registered person under section 38.

It further seeks to amend sub-section (4) so as to provide that a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note after the thirtieth day of November following the end of the financial year to which such invoice or debit note pertains, or furnishing of the relevant annual return, whichever is earlier.

Clause 100 seeks to amend clause (b) of sub-section (2) of section 29 of the Central Goods and Services Tax Act so as to provide that the registration of a person paying tax under section 10 is liable to be cancelled if the return for a financial year has not been furnished beyond three months from the due date of furnishing of the said return.

It further seeks to amend clause (c) of the said sub-section (2) so as to provide for prescribing continuous tax periods for which return has not been furnished, which would make a registration liable for cancellation, in respect of any registered person, other than a person specified in clause (b) thereof.

Clause 101 seeks to amend sub-section (2) of section 34 of the Central Goods and Services Tax Act so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date for issuance of credit notes in respect of any supply made in a financial year.

Clause 102 seeks to amend sub-section (1) of section 37 of the Central Goods and Services Tax Act so as to provide for prescribing conditions and restrictions for furnishing the details of outward supply and the conditions and restrictions as well as manner and time for communication of the details of such outward supplies to concerned recipients.

It further seeks to omit sub-section (2) and first proviso to sub-section (1) so as to do away with two-way communication process in return filing.

It also seeks to amend sub-section (3) so as to remove reference to unmatched details under section 42 or section 43, as the said sections are proposed to be omitted, and to provide for thirtieth day of November following the end of the financial year or furnishing of the relevant annual return, whichever is earlier, as the last date for rectification of errors or omission in respect of details of outward supplies furnished under sub-section (1).

It also seeks to insert sub-section (4) so as to provide for tax period-wise sequential filing of details of outward supplies under sub-section (1).

Clause 103 seeks to substitute a new section for section 38 of the Central Goods and Services Tax Act. Sub section (1) seeks to provide for prescribing such other supplies as well as the manner, time, conditions and restrictions for communication of details of inward supplies and input tax credit to the recipient by means of an auto-generated statement and to do away with two-way communication process in return filing.

Sub-section (2) seeks to provide for the details of inward supplies in respect of which input tax credit may be availed and the details of supplies on which input tax credit cannot be availed by the recipient.

Clause 104 seeks to amend sub-section (5) of section 39 of the Central Goods and Services Tax Act so as to provide that the non-resident taxable person shall furnish the return for a month within thirteen days after the end of the month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.

It further seeks to substitute the first proviso to sub-section (7) so as to provide an option to the persons furnishing return under proviso to sub-section (1) to pay either the self-assessed tax or an amount that may be prescribed.

It also seeks to amend sub-section (9) by removing reference of section 37 and section 38 and to amend the proviso to said sub-section (9) so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date for the rectification of errors in the return furnished under section 39.

It also seeks to amend sub-section (10) so as to provide for furnishing of details of outward supplies of a tax period under sub-section (1) of section 37 as a condition for furnishing the return under section 39 for the said tax period.

Clause 105 seeks to substitute a new section for section 41 of the Central Goods and Services Tax Act so as to do away with the concept of "claim" of eligible input tax credit on a "provisional" basis and to provide for availment of self-assessed input tax credit subject to such conditions and restrictions as may be prescribed.

Clause 106 seeks to omit section 42 of the Central Goods and Services Tax Act relating to matching, reversal and reclaiming of input tax credit so as to do away with the concept of "claim" of eligible input tax credit on a "provisional" basis and subsequent matching, reversals and reclaim of such credit. It further seeks to omit section 43 relating to matching, reversal and reclaim of reduction in output tax liability so as to do away with two-way communication process in return filing. It also seeks to omit section 43A.

Clause 107 seeks to amend sub-section (1) of section 47 of the Central Goods and Services Tax Act so as to provide for levy of late fee for delayed filing of return under section 52 and to remove reference of section 38 as there is no requirement of furnishing details of inward supplies by the registered person under the said section 38.

Clause 108 seeks to amend sub-section (2) of section 48 of the Central Goods and Services Tax Act so as to remove reference to section 38 therefrom as there is no requirement of furnishing details of inward supplies by the registered person under the said section 38.

Clause 109 seeks to amend sub-section (4) of section 49 of the Central Goods and Services Tax Act so as to provide for prescribing restrictions for utilizing the amount available in the electronic credit ledger.

It further seeks to amend sub-section (10) so as to allow transfer of amount available in electronic cash ledger under the Central Goods and Services Tax Act of a registered person to the electronic cash ledger under the said Act or the Integrated Goods and Services Tax Act of a distinct person.

It also seeks to insert sub-section (12) so as to provide for prescribing the maximum proportion of output tax liability which may be discharged through the electronic credit ledger.

Clause 110 seeks to substitute a new sub-section for sub-section (3) of section 50 of the Central Goods and Services Tax Act, retrospectively, with effect from the 1st July, 2017, so as to provide for levy of interest on input tax credit wrongly availed and utilised, and to provide for prescribing manner of calculation of interest in such cases.

Clause 111 seeks to amend proviso to sub-section (6) of section 52 of the Central Goods and Services Tax Act so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date upto which the rectification of errors shall be allowed in the statement furnished under sub-section (4).

Clause 112 seeks to amend proviso to sub-section (1) of section 54 of the Central Goods and Services Tax Act so as to explicitly provide that claim of refund of any balance in the electronic cash ledger shall be made in such form and manner as may be prescribed.

It further seeks to amend sub-section (2) so as to align it with sub-section (1) by providing time limit of two years from the last day of the quarter in which the supply was received for claiming refund of tax paid on inward supplies of goods or services or both by the person specified in the said sub-section.

It also seeks to amend sub-section (10) so as to extend the scope of the said sub-section to all types of refund claims.

It also seeks to insert a new sub-clause (ba) in clause (2) of *Explanation* in order to provide clarity regarding the relevant date for filing refund claim in respect of supplies made to a Special Economic Zone developer or a Special Economic Zone unit.

Clause 113 o seeks to amend sub-section (2) of section 168 of the Central Goods and Services Tax Act so as to remove reference to section 38 therefrom.

Clause 114 seeks to amend notification number G.S.R. 58(E), dated the 23rd January, 2018 to notify www.gst.gov.in, retrospectively, with effect from 22nd June, 2017, as the Common Goods and Services Tax Electronic Portal, for all functions provided under Central Goods and Services Tax Rules, 2017, save as otherwise provided in the notification issued *vide* number G.S.R. 925 (E), dated the 13th December, 2019.

Clause 115 seeks to amend notification number G.S.R. 661(E), dated the 28th June, 2017, so as to notify rate of interest under sub-section (3) of section 50 of the Central Goods and Services Tax Act as 18%, retrospectively, with effect from the 1st day of July, 2017.

Clause 116 seeks to provide retrospective exemption from central tax in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period from the 1st day of July, 2017 upto the 30th day of September, 2019 (both days inclusive).

It further seeks to provide that no refund shall be made of the said tax which has already been collected.

Clause 117 seeks to give retrospective effect to the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 746(E), dated the 30th September, 2019 with effect from the 1st day of July, 2017.

It further seeks to provide that no refund shall be made of the central tax which has already been collected.

Integrated Goods and Services Tax

Clause 118 seeks to amend notification number G.S.R. 698(E), dated the 28th June, 2017, so as to notify rate of interest under sub-section (3) of section 50 of the Central Goods and Services Tax Act as 18%, retrospectively, with effect from the 1st day of July, 2017.

Clause 119 seeks to provide retrospective exemption from integrated tax in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period from the 1st day of July, 2017 upto the 30th day of September, 2019 (both days inclusive).

It further seeks to provide that no refund shall be made of the said tax which has already been collected.

Clause 120 seeks to give retrospective effect to the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 745(E), dated the 30th September,2019 with effect from the 1st day of July,2017.

It further seeks to provide that no refund shall be made of the integrated tax which has already been collected.

Union Territory Goods and Services Tax

Clause 121 seeks to amend notification number G.S.R. 747(E), dated the 30th June, 2017, so as to notify rate of interest under sub-section (3) of section 50 of the Central Goods and Services Tax Act as 18%, retrospectively, with effect from the 1st day of July, 2017.

Clause 122 seeks to provide retrospective exemption from Union territory tax in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period from the 1st day of July, 2017 upto the 30th day of September, 2019 (both days inclusive).

It further seeks to provide that no refund shall be made of the said tax which has already been collected.

Clause 123 seeks to give retrospective effect to the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 747(E), dated the 30th September, 2019 with effect from the 1st day of July, 2017.

It further seeks to provide that no refund shall be made of the Union territory tax which has already been collected.

Miscellaneous

Clause 124 seeks to amend sections 2 and 22 of the Reserve Bank of India Act, 1934.

It is proposed to provide clarity in section 2 of the said Act that the Central Bank Digital Currency should also be regarded as bank notes.

It is further proposed to insert a new section 22A relating to non-applicability of sections 24, 25, 27, 28 and 39 of the said Act to digital form of bank notes.

Clause 125 seeks to amend the Seventh Schedule to the Finance Act, 2001 to substitute tariff item 2709 20 00 and the entries relating thereto with tariff item 2709 00 10 so as to align the said Schedule with the Fourth Schedule to the Central Excise Act, 1944 in the manner specified in the Ninth Schedule.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

Clause (23C) of the said section provides for exemption to the income of certain entities.

Sub-clause (b) of clause 4 of the Bill provides for amendment to the provisions of clause (23C) of section 10 of the Income-tax Act.

Explanation 3 to the third proviso of clause (23C) of the said section provides for the form and manner in which the person referred to therein shall furnish a statement for the purposes of determining the amount of application under this proviso.

It is proposed to amend the tenth proviso to the said clause (23C) of the said section. Clause (a) of the said proviso provides for form, manner and place for keeping and maintaining the books of account and other documents to be provided by rules. Clause (b) of the said proviso provides for the form and manner in which the report of such audit shall be signed and verified by the accountant and setting forth such particulars, as may be provided by rules.

Clause 6 seeks to amend section 12A of the Income-tax Act relating to conditions for applicability of sections 11 and 12.

Clause (b) of sub-section (1) of the said section 12A provides that the provisions of section 11 and section 12 shall not apply in relation to the income of any trust or institution unless, *inter-alia*, where the total income of the trust or institution as computed under this Act without giving effect to the provisions of section 11 and section 12 exceeds the maximum amount which is not chargeable to income-tax in any previous year, the accounts of the trust or institution for that year have been audited by an accountant as defined in the *Explanation* below sub-section (2) of section 288 before the specified date referred to in section 44AB and the person in receipt of the income furnishes by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be provided by rules.

It is proposed to substitute the said clause to provide that in addition to the condition requiring the trust or institutions, having income exceeding the maximum amount not chargeable to tax, to get their accounts audited, such trusts shall also be required to keep and maintain books of account and other documents in such form and manner and at such place, as may be provided by rules.

Clause 31 seeks to amend section 115TD of the Income-tax Act relating to tax on accreted income. The proposed sub-section (2) of the said section provides that the accreted income for the purposes of sub-section (1) means the amount by which the aggregate fair market value of the total assets of the specified person, as on the specified date, exceeds the total liability of such specified person, computed in accordance with the method of valuation, as may be provided by rules.

Clause 38 seeks to amend section 139 of the Income-tax Act relating to return of income.

It is proposed to insert a new sub-section (8A) in the said section to provide that any person, whether or not he has furnished a return under sub-section (1), sub-section (4) or sub-section (5), for an assessment year (herein referred to as the relevant assessment year), may furnish an updated return of his income or the income of any other person in respect of which he is assessable under the Income-tax Act, for the previous year relevant to such assessment year, in the prescribed form, verified in the manner and setting forth such particulars as may be provided by rules, at any time within twenty-four months from the end of the relevant assessment year.

Clause 54 seeks to insert a new section 170A of the Income-tax Act relating to effect of order of tribunal or court in respect of business reorgainsation.

It is proposed to provide that notwithstanding anything to the contrary contained in section 139 in case of business reorganisation, where prior to the date of order of a High Court or tribunal or an adjudicating authority, as the case may be, any return of income had been furnished by the successor under the provisions of section 139 for any assessment year relevant to the previous year to which such order applies, such successor shall furnish a modified return within a period of six months in such form and manner as may be provided by rules.

Clause 66 seeks to insert a new section 239A in the Income-tax Act relating to refund for denying liability to deduct tax in certain cases.

The proposed new section provides that where under an agreement or other arrangement, in writing, the tax deductible on any income, other than interest, under section 195 is to be borne by the person by whom the income is payable, and such person claims that no tax was required to be deducted on such income, he may file an application before the Assessing Officer for refund of such tax deducted and such application shall be filed by such person only after having paid such tax to the credit of the Central Government within a period of thirty days from the date of payment of such tax, in such form and manner as may be provided by rules.

Indirect Taxes

Clause 100 seeks to amend clause (c) of sub-section (2) of section 29 of the Central Goods and Services Tax Act so as to provide by rules continuous tax periods for which return has not been furnished, which would make a registration liable for cancellation, in respect of any registered person, other than a person specified in clause (b) thereof.

Clause 103 seeks to substitute a new section for section 38 of the Central Goods and Services Tax Act. Sub-section (1) seeks to empower the Central Government to make rules to specify other supplies as well as the manner, time, conditions and restrictions for communication of details of inward supplies and input tax credit to the recipient by means of an auto-generated statement and to do away with two-way communication process in return filing.

Clause 105 seeks to substitute a new section for section 41 of the Central Goods and Services Tax Act so as to do away with the concept of "claim" of eligible input tax credit on a "provisional" basis and to provide for availment of self-assessed input tax credit subject to such conditions and restrictions as may be provided by rules.

Clause 109 seeks to amend section 49 of the Central Goods and Services Tax Act to insert sub-section (12) so as to empower the Central Government to make rules to specify maximum proportion of output tax liability which may be discharged through the electronic credit ledger.

Clause 110 seeks to substitute a new sub-section for sub-section (3) of section 50 of the Central Goods and Services Tax Act so as to provide for levy of interest on input tax credit wrongly availed and utilised, and to provide by rules the manner of calculation of interest in such cases.

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.

LOK SABHA

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BILL

to give effect to the financial proposals of the Central Government
for the financial year 2022-2023.

(Smt. Nirmala Sitharaman,
Minister of Finance.)