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EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

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NEW DELHI, FRIDAY, MARCH 27, 2020/CHAITRA 7, 1942 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## MINISTRY OF LAW AND JUSTICE (Legislative Department)

*New Delhi, the 27th March, 2020/Chaitra 7, 1942 (Saka)*

The following Act of Parliament received the assent of the President on the 27th March, 2020, and is hereby published for general information:—

### THE FINANCE ACT, 2020

No. 12 OF 2020

[27th March, 2020.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2020-2021.

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

#### CHAPTER I

##### PRELIMINARY

1. (1) This Act may be called the Finance Act, 2020.

Short title and commencement.

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

(a) sections 2 to 104 shall come into force on the 1st day of April, 2020;

(b) sections 116 to 129 and section 132 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, 2020, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in each case in the manner provided therein.

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

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

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

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

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

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

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

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

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

43 of 1961.

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

income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act:

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBD, 115BBDA, 115BBF, 115BBG, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax 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 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 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 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 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 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 does not exceed two crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

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

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

Provided also that in the case of 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.

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

(5) In cases in which tax has to be deducted under sections 193, 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, 196A, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for the purposes of the Union,—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply,

“advance tax” shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

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

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

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

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

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

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

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

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

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

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

(iii) at the rate of twenty-five per cent. of such “advance tax”, where the total income [excluding the income 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 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 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 chargeable under clause (b) of sub-section (1) of section 115AD of the Income-tax Act, the rate of surcharge on the advance tax calculated on that part of income shall not exceed fifteen per cent.;



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the



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

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

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

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

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

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

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

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

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

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

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

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,

referred to in item (II) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

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

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

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

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

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

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

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

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

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

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

## CHAPTER III

## DIRECT TAXES

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

(i) in clause (13A), with effect from the 1st day of April, 2021,—

(a) in sub-clause (ii), the word “and” occurring at the end shall be omitted;

(b) the long line shall be omitted;

(ii) in clause (15A),—

(a) after the words "Chief Commissioner of Income-tax", the words "or a Director General of Income-tax" shall be inserted;

(b) after the words "Principal Chief Commissioner of Income-tax", the words "or a Principal Director General of Income-tax" shall be inserted.

(iii) in clause (42A), in *Explanation 1*, in clause (i), after sub-clause (hg), the following sub-clause shall be inserted, namely:—

“(hh) in the case of a capital asset, being a unit or units in a segregated portfolio referred to in sub-section (2AG) of section 49, there shall be included the period for which the original unit or units in the main portfolio were held by the assessee;”.

**4.** In section 6 of the Income-tax Act, with effect from the 1st day of April, 2021,—Amendment  
of section 6.(a) in clause (1), in *Explanation 1*, in clause (b), for the words "substituted" occurring at the end, the words "substituted and in case of the citizen or person of Indian origin having total income, other than the income from foreign sources, exceeding fifteen lakh rupees during the previous year," for the words "sixty days" occurring therein, the words "one hundred and twenty days" had been substituted;

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

“(1A) Notwithstanding anything contained in clause (1), an individual, being a citizen of India, having total income, other than the income from foreign sources, exceeding fifteen lakh rupees during the previous year shall be deemed to be resident in India in that previous year, if he is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature;

(c) in clause (6), in sub-clause (b), for the words “days or less” occurring at the end, the following shall be substituted, namely:—

“days or less; or

(c) a citizen of India, or a person of Indian origin, having total income, other than the income from foreign sources, exceeding fifteen lakh rupees during the previous year, as referred to in clause (b) of *Explanation 1* to clause (1), who has been in India for a period or periods amounting in all to one hundred and twenty days or more but less than one hundred and eighty-two days; or

(d) a citizen of India who is deemed to be resident in India under clause (1A).

*Explanation.*—For the purposes of this section, the expression "income from foreign sources" means income which accrues or arises outside India (except income derived from a business controlled in or a profession set up in India).**5.** In section 9 of the Income-tax Act, in sub-section (1),—Amendment  
of section 9.

(a) in clause (i),—

(i) in *Explanation 1*, in clause (a), for the words “in the case of a business”, the words “in the case of a business, other than the business having business

connection in India on account of significant economic presence,” shall be substituted with effect from the 1st day of April, 2022;

(ii) *Explanation 2A* shall be omitted with effect from the 1st day of April, 2021 and the following *Explanation* shall be inserted with effect from the 1st day of April, 2022, namely:—

*‘Explanation 2A.*—For the removal of doubts, it is hereby declared that the significant economic presence of a non-resident in India shall constitute “business connection” in India and “significant economic presence” for this purpose, shall mean—

(a) transaction in respect of any goods, services or property carried out by a non-resident with any person in India including provision of download of data or software in India, if the aggregate of payments arising from such transaction or transactions during the previous year exceeds such amount as may be prescribed; or

(b) systematic and continuous soliciting of business activities or engaging in interaction with such number of users in India, as may be prescribed:

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

(i) the agreement for such transactions or activities is entered in India; or

(ii) the non-resident has a residence or place of business in India; or

(iii) the non-resident renders services in India:

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

(iii) after *Explanation 3*, the following *Explanation* shall be inserted with effect from the 1st day of April, 2021, namely:—

*“Explanation 3A.*—For the removal of doubts, it is hereby declared that the income attributable to the operations carried out in India, as referred to in *Explanation 1*, shall include income from—

(i) such advertisement which targets a customer who resides in India or a customer who accesses the advertisement through internet protocol address located in India;

(ii) sale of data collected from a person who resides in India or from a person who uses internet protocol address located in India; and

(iii) sale of goods or services using data collected from a person who resides in India or from a person who uses internet protocol address located in India.”;

(iv) after *Explanation 3A* as so inserted, the following proviso shall be inserted with effect from the 1st day of April, 2022, namely:—

“Provided that the provisions contained in this *Explanation* shall also apply to the income attributable to the transactions or activities referred to in *Explanation 2A.*”;

(v) in *Explanation 5*,—

(I) in the second proviso, after the words, brackets and figures “Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014”, the words “prior to their repeal” shall be inserted;

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

“Provided also that nothing contained in this *Explanation* shall apply to an asset or a capital asset, which is held by a non-resident by way of investment, directly or indirectly, in Category-I foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992.”;

15 of 1992.

(b) in clause (vi), in *Explanation 2*, in clause (v), the words “, but not including consideration for the sale, distribution or exhibition of cinematographic films” shall be omitted with effect from the 1st day of April, 2021.

6. In section 9A of the Income-tax Act, in sub-section (3),—

Amendment  
of section 9A.

(a) in clause (c), the following proviso shall be inserted, namely:—

“Provided that for the purposes of calculation of the said aggregate participation or investment in the fund, any contribution made by the eligible fund manager during the first three years of operation of the fund, not exceeding twenty-five crore rupees, shall not be taken into account;”;

(b) in clause (j), in the first proviso, for the words “six months from the last day of the month of its establishment or incorporation, or at the end of such previous year, whichever is later”, the words “twelve months from the last day of the month of its establishment or incorporation” shall be substituted.

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

Amendment  
of section 10.

(I) in clause (23C),—

(A) for the first and second provisos, the following provisos shall be substituted with effect from the 1st day of June, 2020, namely:—

“Provided that the exemption to the fund or trust or institution or university or other educational institution or hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) under the respective sub-clauses shall not be available to it unless such fund or trust or institution or university or other educational institution or hospital or other medical institution makes an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for grant of approval,—

(i) where such fund or trust or institution or university or other educational institution or hospital or other medical institution is approved under the second proviso [as it stood immediately before its amendment by the Finance Act, 2020], within three months from the date on which this clause has come into force;

(ii) where such fund or trust or institution or university or other educational institution or hospital or other medical institution is approved and the period of such approval is due to expire, at least six months prior to expiry of the said period;

(iii) where such fund or trust or institution or university or other educational institution or hospital or other medical institution

has been provisionally approved, at least six months prior to expiry of the period of the provisional approval or within six months of commencement of its activities, whichever is earlier;

(iv) in any other case, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought,

and the said fund or trust or institution or university or other educational institution or hospital or other medical institution is approved under the second proviso:

Provided further that the Principal Commissioner or Commissioner, on receipt of an application made under the first proviso, shall,—

(i) where the application is made under clause (i) of the said proviso, pass an order in writing granting approval to it for a period of five years;

(ii) where the application is made under clause (ii) or clause (iii) of the said proviso,—

(a) call for such documents or information from it or make such inquiries as he thinks necessary in order to satisfy himself about—

(A) the genuineness of activities of such fund or trust or institution or university or other educational institution or hospital or other medical institution; and

(B) the compliance of such requirements of any other law for the time being in force by it as are material for the purpose of achieving its objects; and

(b) after satisfying himself about the objects and the genuineness of its activities under item (A), and compliance of the requirements under item (B), of sub-clause (a),—

(A) pass an order in writing granting approval to it for a period of five years;

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

(iii) where the application is made under clause (iv) of the said proviso, pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the registration is sought, and send a copy of such order to the fund or trust or institution or university or other educational institution or hospital or other medical institution:”;

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

"*Explanation.*—For the removal of doubts, it is hereby clarified that for the purposes of this proviso, 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:";

(C) for the eighth and ninth provisos, the following provisos shall be substituted with effect from the 1st day of June, 2020 namely:—

“Provided also that any approval granted under the second proviso shall apply in relation to the income of the fund or trust or institution or university or other educational institution or hospital or other medical institution,—

(i) where the application is made under clause (i) of the first proviso, from the assessment year from which approval was earlier granted to it;

(ii) where the application is made under clause (iii) of the first proviso, from the first of the assessment years for which it was provisionally approved;

(iii) in any other case, from the assessment year immediately following the financial year in which such application is made:

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

(D) in the tenth proviso, for the words and figures “section 288 and furnish along with the return of income for the relevant assessment year”, the words, figures and letters “section 288 before the specified date referred to in section 44AB and furnish by that date” shall be substituted;

(E) in the twelfth proviso, for the words, brackets, figures and letters "in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), to any trust or institution registered under section 12AA, being voluntary contribution made with a specific direction that they shall form part of the corpus of the trust or institution," the words, brackets, figures and letters "in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), to any other fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) or trust or institution registered under section 12AA, being voluntary contribution made with a specific direction that they shall form part of the corpus," shall be substituted;

(F) with effect from the 1st day of June, 2020,—

(a) the sixteenth proviso shall be omitted;

(b) for the eighteenth proviso, the following proviso shall be substituted, namely:—

“Provided also that all applications made under the first proviso [as it stood before its amendment by the Finance Act, 2020] pending before the Principal Commissioner or Commissioner, on which no order has been passed before the date on which the first proviso has come into force, shall be deemed to be an application made under clause (iv) of the first proviso on that date:”;

(II) with effect from the 1st day of April, 2021,—

(a) in clause (23D), in the opening portion, the words, figures and letter “subject to the provisions of Chapter XII-E,” shall be omitted;



(b) in clause (23FC), in sub-clause (b), for the words, brackets, figures and letter “referred to in sub-section (7) of section 115-O”, the words “received or receivable from a special purpose vehicle” shall be substituted;

(c) in clause (23FD), for the words, brackets, letters and figures “in sub-clause (a) of clause (23FC)”, the words, brackets, letters and figures “in sub-clause (a) of clause (23FC) or sub-clause (b) of said clause (in a case where the special purpose vehicle has exercised the option under section 115BAA)” shall be substituted;

(d) after clause (23FD), the following clause shall be inserted, namely:—

‘(23FE) any income of a specified person in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India, whether in the form of debt or share capital or unit, if the investment—

(i) is made on or after the 1st day of April, 2020 but on or before the 31st day of March, 2024;

(ii) is held for at least three years; and

(iii) is in—

(a) a business trust referred to in sub-clause (i) of clause (13A) of section 2; or

(b) a company or enterprise or an entity carrying on the business of developing, or operating and maintaining, or developing, operating and maintaining any infrastructure facility as defined in the *Explanation* to clause (i) of sub-section (4) of section 80-IA or such other business as the Central Government may, by notification in the Official Gazette, specify in this behalf; or

(c) a Category-I or Category-II Alternative Investment Fund regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992, 15 of 1992, having hundred per cent. investment in one or more of the company or enterprise or entity referred to in item (b):

Provided that if any difficulty arises regarding interpretation or implementation of the provisions of this clause, the Board may, with the approval of the Central Government, issue guidelines for the purpose of removing the difficulty:

Provided further that every guideline issued under the first proviso, shall be laid before each House of Parliament and shall be binding on the income-tax authority and the specified person:

Provided also that where any income has not been included in the total income of the specified person due to the provisions of this clause, and subsequently during any previous year the specified person fails to satisfy any of the conditions of this clause so that the said income would not have been eligible for such non-inclusion, such income shall be chargeable to income-tax as the income of the specified person of that previous year.

*Explanation.*—For the purposes of this clause, “specified person” means—

(a) a wholly owned subsidiary of the Abu Dhabi Investment Authority which—

(i) is a resident of the United Arab Emirates; and

(ii) makes investment, directly or indirectly, out of the fund owned by the Government of the United Arab Emirates;

(b) a sovereign wealth fund which satisfies the following conditions, namely:—

(i) it is wholly owned and controlled, directly or indirectly, by the Government of a foreign country;

(ii) it is set up and regulated under the law of such foreign country;

(iii) the earnings of the said fund are credited either to the account of the Government of that foreign country or to any other account designated by that Government so that no portion of the earnings inures any benefit to any private person;

(iv) the asset of the said fund vests in the Government of such foreign country upon dissolution;

(v) it does not undertake any commercial activity whether within or outside India; and

(vi) it is specified by the Central Government, by notification in the Official Gazette, for this purpose;

(c) a pension fund, which—

(i) is created or established under the law of a foreign country including the laws made by any of its political constituents being a province, state or local body, by whatever name called;

(ii) is not liable to tax in such foreign country;

(iii) satisfies such other conditions as may be prescribed; and

(iv) is specified by the Central Government, by notification in the Official Gazette, for this purpose;’;

(e) in clause (34), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that nothing contained in this clause shall apply to any income by way of dividend received on or after the 1st day of April, 2020 other than the dividend on which tax under section 115-O and section 115BBDA, wherever applicable, has been paid;”;

(f) in clause (35), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that nothing contained in this clause shall apply to any income in respect of units received on or after the 1st day of April, 2020;”;

(g) clause (45) shall be omitted;

(III) after clause (48B), the following clause shall be inserted, namely:—

“(48C) any income accruing or arising to the Indian Strategic Petroleum Reserves Limited, being a wholly owned subsidiary of the Oil Industry Development Board under the Ministry of Petroleum and Natural Gas, as a result of arrangement for replenishment of crude oil stored in its storage facility in pursuance of directions of the Central Government in this behalf:

Provided that nothing contained in this clause shall apply to an arrangement, if the crude oil is not replenished in the storage facility within three years from the end of the financial year in which the crude oil was removed from the storage facility for the first time;”;

(IV) in clause (50), with effect from the 1st day of April, 2021, for the words “comes into force”, the words, figures and letters “comes into force or arising from any e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2021” shall be substituted.

Amendment  
of section  
10A.

**8.** In section 10A of the Income-tax Act, in sub-section (5),—

(i) the words “along with the return of income,” shall be omitted;

(ii) after the word and figures “section 288” , the words, figures and letters “before the specified date referred to in section 44AB” shall be inserted.

Amendment  
of section 11.

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

(I) in sub-section (I), in *Explanation 2*, for the words, figures and letters " to any other trust or institution registered under section 12AA, being contribution with a specific direction that they shall form part of the corpus of the trust or institution", the words, brackets, figures and letters "to any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 or other trust or institution registered under section 12AA, being contribution with a specific direction that it shall form part of the corpus" shall be substituted;

(II) in sub-section (7), with effect the 1st day of June, 2020—

(a) for the words, brackets, letters and figures “under clause (b) of sub-section (I) of section 12AA”, the words, figures and letters “under section 12AA or section 12AB” shall be substituted;

(b) for the words, brackets, figures and letter “clause (I) and clause (23C)”, the words, brackets, figures and letter “clause (I), clause (23C) and clause (46)” shall be substituted;

(c) the following provisos shall be inserted, namely:—

“Provided that such registration shall become inoperative from the date on which the trust or institution is approved under clause (23C) of section 10 or is notified under clause (46) of the said section, as the case may be, or the date on which this proviso has come into force, whichever is later:

Provided further that the trust or institution, whose registration has become inoperative under the first proviso, may apply to get its registration operative under section 12AB subject to the condition that on doing so, the approval under clause (23C) of section 10 or notification under clause (46) of the said section, as the case may be, to such trust or

institution shall cease to have any effect from the date on which the said registration becomes operative and thereafter, it shall not be entitled to exemption under the respective clauses.”.

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

Amendment  
of section  
12A.

(I) in sub-section (I),—

(A) after clause (ab), the following clause shall be inserted with effect from the 1st day of June, 2020, namely:—

“(ac) notwithstanding anything contained in clauses (a) to (ab), the person in receipt of the income has made an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for registration of the trust or institution,—

(i) where the trust or institution is registered under section 12A [as it stood immediately before its amendment by the Finance (No. 2) Act, 1996] or under section 12AA, [as it stood immediately before its amendment by the Finance Act, 2020] within three months from the date on which this clause has come into force;

(ii) where the trust or institution is registered under section 12AB and the period of the said registration is due to expire, at least six months prior to expiry of the said period;

(iii) where the trust or institution has been provisionally registered under section 12AB, at least six months prior to expiry of period of the provisional registration or within six months of commencement of its activities, whichever is earlier;

(iv) where registration of the trust or institution has become inoperative due to the first proviso to sub-section (7) of section 11, at least six months prior to the commencement of the assessment year from which the said registration is sought to be made operative;

(v) where the trust or institution has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, within a period of thirty days from the date of the said adoption or modification;

(vi) in any other case, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought,

and such trust or institution is registered under section 12AB;”;

(B) in clause (b), for the words “and the person in receipt of the income furnishes along with the return of income for the relevant assessment year”, the words, figures and letters “before the specified date referred to in section 44AB and the person in receipt of the income furnishes by that date” shall be substituted;

(II) in sub-section (2), with effect from the 1st day of June, 2020,—

(A) in the first proviso, for the words “Provided that”, the following shall be substituted, namely:—

“Provided that the provisions of sections 11 and 12 shall apply to a trust or institution, where the application is made under—

(a) sub-clause (i) of clause (ac) of sub-section (I), from the assessment year from which such trust or institution was earlier granted registration;

(b) sub-clause (iii) of clause (ac) of sub-section (I), from the first of the assessment years for which it was provisionally registered:

Provided further that”;

(B) in the second proviso, for the words “Provided further”, the words “Provided also” shall be substituted;

(C) in the first and third provisos, after the word, figures and letters “section 12AA”, the words, figures and letters “or section 12AB” shall be inserted.

Amendment of section 12AA.

**11.** In section 12AA of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of June, 2020, namely:—

“(5) Nothing contained in this section shall apply on or after the 1st day of June, 2020.”.

Insertion of new section 12AB.

**12.** After section 12AA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2020, namely:—

“12AB. (I) The Principal Commissioner or Commissioner, on receipt of an application made under clause (ac) of sub-section (I) of section 12A, shall,—

(a) where the application is made under sub-clause (i) of the said clause, pass an order in writing registering the trust or institution for a period of five years;

(b) where the application is made under sub-clause (ii) or sub-clause (iii) or sub-clause (iv) or sub-clause (v) of the said clause,—

(i) call for such documents or information from the trust or institution or make such inquiries as he thinks necessary in order to satisfy himself about—

(A) the genuineness of activities of the trust or institution; and

(B) the compliance of such requirements of any other law for the time being in force by the trust or institution as are material for the purpose of achieving its objects;

(ii) after satisfying himself about the objects of the trust or institution and the genuineness of its activities under item (A), and compliance of the requirements under item (B), of sub-clause (i),—

(A) pass an order in writing registering the trust or institution for a period of five years; or

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

(c) where the application is made under sub-clause (vi) of the said clause, pass an order in writing provisionally registering the trust or institution for a period of three years from the assessment year from which the registration is sought,

and send a copy of such order to the trust or institution.

(2) All applications, pending before the Principal Commissioner or Commissioner on which no order has been passed under clause (b) of sub-section (I) of section 12AA before the date on which this section has come into force, shall be deemed to be an application made under sub-clause (vi) of clause (ac) of sub-section (I) of section 12A on that date.

(3) The order under clause (a), sub-clause (ii) of clause (b) and clause (c), of sub-section (I) shall be passed, in such form and manner as may be prescribed, before

expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received.

(4) Where registration of a trust or an institution has been granted under clause (a) or clause (b) of sub-section (1) and subsequently, the Principal Commissioner or Commissioner is satisfied that the activities of such trust or institution are not genuine or are not being carried out in accordance with the objects of the trust or institution, as the case may be, he shall pass an order in writing cancelling the registration of such trust or institution after affording a reasonable opportunity of being heard.

(5) Without prejudice to the provisions of sub-section (4), where registration of a trust or an institution has been granted under clause (a) or clause (b) of sub-section (1) and subsequently, it is noticed that—

(a) the activities of the trust or the institution are being carried out in a manner that the provisions of sections 11 and 12 do not apply to exclude either whole or any part of the income of such trust or institution due to operation of sub-section (1) of section 13; or

(b) 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,

then, the Principal Commissioner or the Commissioner may, by an order in writing, after affording a reasonable opportunity of being heard, cancel the registration of such trust or institution.”.

**13.** In section 17 of the Income-tax Act, in clause (2), for sub-clause (vii), the following sub-clauses shall be substituted with effect from the 1st day of April, 2021, namely:— Amendment of section 17.

“(vii) the amount or the aggregate of amounts of any contribution made to the account of the assessee by the employer—

(a) in a recognised provident fund;

(b) in the scheme referred to in sub-section (1) of section 80CCD; and

(c) in an approved superannuation fund,

to the extent it exceeds seven lakh and fifty thousand rupees in a previous year;

(viii) the annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme referred to in sub-clause (vii) to the extent it relates to the contribution referred to in the said sub-clause which is included in total income under the said sub-clause in any previous year computed in such manner as may be prescribed; and”.

**14.** In section 32AB of the Income-tax Act, in sub-section (5), for the words “and the assessee furnishes, along with his return of income,”, the words, figures and letters “before the specified date referred to in section 44AB and the assessee furnishes by that date” shall be substituted. Amendment of section 32AB.

**15.** In section 33AB of the Income-tax Act, in sub-section (2), for the words “and the assessee furnishes, along with his return of income,”, the words, figures and letters “before the specified date referred to in section 44AB and the assessee furnishes by that date” shall be substituted. Amendment of section 33AB.

**16.** In section 33ABA of the Income-tax Act, in sub-section (2), for the words “and the assessee furnishes, along with his return of income,”, the words, figures and letters “before the specified date referred to in section 44AB and the assessee furnishes by that date” shall be substituted. Amendment of section 33ABA.

Amendment  
of section 35.

17. In section 35 of the Income-tax Act, with effect from the 1st day of June, 2020,—

(i) in sub-section (1),—

(a) after sub-clause (iii), in the *Explanation*, for the words, brackets and figures,—

(A) “to which clause (ii) or clause (iii)”, the words, brackets, figures and letter “to which clause (ii) or clause (iii) or to a company to which clause (iia)” shall be substituted;

(B) “clause (ii) or clause (iii)”, the words, brackets, figures and letter “clause (ii) or clause (iii) or to a company referred to in clause (iia)” shall be substituted;

(b) after the fourth proviso occurring after clause (iv), the following provisos shall be inserted, namely:—

“Provided also that every notification under clause (ii) or clause (iii) in respect of the research association, university, college or other institution or under clause (iia) in respect of the company issued on or before the date on which this sub-section has come into force, shall be deemed to have been withdrawn unless such research association, university, college or other institution referred to in clause (ii) or clause (iii) or the company referred to in clause (iia) makes an intimation in such form and manner, as may be prescribed, to the prescribed income-tax authority within three months from the date on which this proviso has come into force, and subject to such intimation the notification shall be valid for a period of five consecutive assessment years beginning with the assessment year commencing on or after the 1st day of April, 2021:

Provided also that any notification issued by the Central Government under clause (ii) or clause (iia) or clause (iii), after the date on which the Finance Bill, 2020 receives the assent of the President, shall, at any one time, have effect for such assessment year or years, not exceeding five assessment years as may be specified in the notification.”;

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

“(1A) Notwithstanding anything contained in sub-section (1), 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, unless such research association, university, college or other institution or company—

(i) prepares such statement for such period as may be prescribed and deliver or cause to be delivered to the said prescribed income-tax authority or the person authorised by such authority such statement in such form, verified in such manner, setting forth such particulars and within such time, as may be prescribed:

Provided that such research association, university, college or other institution or the company may also deliver to the prescribed authority a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under this sub-section in such form and verified in such manner as may be prescribed; and



(ii) furnishes to the donor, a certificate specifying the amount of donation in such manner, containing such particulars and within such time from the date of receipt of sum, as may be prescribed.”.

**18.** In section 35AD of the Income-tax Act,—

Amendment  
of section  
35AD.

(i) in sub-section (1), for the words “An assessee shall”, the words “An assessee shall, if he opts,” shall be substituted;

(ii) in sub-section (4), after the words “in any other previous year”, the words “, if the deduction has been claimed or opted by the assessee and allowed to him under this section” shall be inserted.

**19.** In section 35D of the Income-tax Act, in sub-section (4), for the words “and the assessee furnishes, along with his return of income for the first year in which the deduction under this section is claimed, the report of such audit”, the words, figures and letters “before the specified date referred to in section 44AB and the assessee furnishes for the first year in which the deduction under this section is claimed, the report of such audit by that date” shall be substituted.

Amendment  
of section  
35D.

**20.** In section 35E of the Income-tax Act, in sub-section (6), for the words “and the assessee furnishes, along with his return of income for the first year in which the deduction under this section is claimed, the report of such audit”, the words, figures and letters “before the specified date referred to in section 44AB and the assessee furnishes for the first year in which the deduction under this section is claimed, the report of such audit by that date” shall be substituted.

Amendment  
of section  
35E.

**21.** In section 43 of the Income-tax Act, in clause (5),—

Amendment  
of section 43.

(a) for the words “recognised association” wherever they occur, the words “recognised stock exchange” shall be substituted;

(b) in *Explanation 2*, for clause (iii), the following clause shall be substituted, namely:—

‘(iii) “recognised stock exchange” means a recognised stock exchange as referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 and which fulfils such conditions as may be prescribed and notified by the Central Government for this purpose;’.

42 of 1956.

**22.** In section 43CA of the Income-tax Act, in sub-section (1), in the proviso, for the words “five per cent.”, the words “ten per cent.” shall be substituted with effect from the 1st day of April, 2021.

Amendment  
of section  
43CA.

**23.** In section 44AB of the Income-tax Act,—

Amendment  
of section  
44AB.

(A) in clause (a),—

(i) the word “or” occurring at the end shall be omitted;

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

‘Provided that in the case of a person whose—

(a) aggregate of all amounts received including amount received for sales, turnover or gross receipts during the previous year, in cash, does not exceed five per cent. of the said amount; and

(b) aggregate of all payments made including amount incurred for expenditure, in cash, during the previous year does not exceed five per cent. of the said payment,

this clause shall have effect as if for the words “one crore rupees”, the words “five crore rupees” had been substituted; or’;

(B) in the *Explanation*, in clause (ii), after the word “means”, the words “date one month prior to” shall be inserted.

Amendment  
of section  
44DA.

**24.** In section 44DA of the Income-tax Act, in sub-section (2), for the words “and furnish along with the return of income,”, the words, figures and letters “before the specified date referred to in section 44AB and furnish by that date” shall be substituted.

Amendment  
of section 49.

**25.** In section 49 of the Income-tax Act, after sub-section (2AF), the following shall be inserted, namely:—

‘(2AG) The cost of acquisition of a unit or units in the segregated portfolio shall be the amount which bears, to the cost of acquisition of a unit or units held by the assessee in the total portfolio, the same proportion as the net asset value of the asset transferred to the segregated portfolio bears to the net asset value of the total portfolio immediately before the segregation of portfolios.

(2AH) The cost of the acquisition of the original units held by the unit holder in the main portfolio shall be deemed to have been reduced by the amount as so arrived at under sub-section (2AG).

*Explanation.*—For the purposes of sub-section (2AG) and sub-section (2AH), the expressions “main portfolio”, “segregated portfolio” and “total portfolio” shall have the meanings respectively assigned to them in the circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160, dated the 28th December, 2018, issued by the Securities and Exchange Board of India under section 11 of the Securities and Exchange Board of India Act, 1992.’

15 of 1992.

Amendment  
of section  
50B.

**26.** In section 50B of the Income-tax Act, in sub-section (3), for the words, brackets and figures “along with the return of income, a report of an accountant as defined in the *Explanation* below sub-section (2) of section 288,”, the words, brackets, figures and letters “a report of an accountant as defined in the *Explanation* below sub-section (2) of section 288 before the specified date referred to in section 44AB” shall be substituted.

Amendment  
of section  
50C.

**27.** In section 50C of the Income-tax Act, in sub-section (1), in the third proviso, for the words “five per cent.”, the words “ten per cent.” shall be substituted with effect from the 1st day of April, 2021.

Amendment  
of section 55.

**28.** In section 55 of the Income-tax Act, in sub-section (2), in clause (b), after sub-clause (ii), the following shall be inserted with effect from the 1st day of April, 2021, namely:—

‘Provided that in case of a capital asset referred to in sub-clauses (i) and (ii), being land or building or both, the fair market value of such asset on the 1st day of April, 2001 for the purposes of the said sub-clauses shall not exceed the stamp duty value, wherever available, of such asset as on the 1st day of April, 2001.

*Explanation.*—For the purposes of this proviso, “stamp duty value” means the value adopted or assessed or assessable by any authority of the Central Government or a State Government for the purpose of payment of stamp duty in respect of an immovable property.’

Amendment  
of section 56.

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

(A) with effect from the 1st day of June, 2020,—

(i) in clause (v), in the proviso, in clause (g), for the word, figures and letters “section 12AA”, the words, figures and letters “section 12AA or section 12AB” shall be substituted;

(ii) in clause (vi), in the proviso, in clause (g), for the word, figures and letters “section 12AA”, the words, figures and letters “section 12AA or section 12AB” shall be substituted;

(iii) in clause (vii), in the second proviso, in clause (g), for the word, figures and letters “section 12AA”, the words, figures and letters “section 12AA or section 12AB” shall be substituted;

(B) in clause (x),—

(i) in sub-clause (b), in item (B), in sub-item (ii), for the words “five per cent.”, the words “ten per cent.” shall be substituted with effect from the 1st day of April, 2021;

(ii) in the proviso, in clause (VII), for the words, figures and letters “section 12A or section 12AA”, the words, figures and letters “section 12A or section 12AA or section 12AB” shall be substituted with effect from the 1st day of June, 2020.

**30.** In section 57 of the Income-tax Act, with effect from the 1st day of April, 2021,—

Amendment of section 57.

(a) in clause (i), for the words, figures and letter “dividends, other than dividends referred to in section 115-O”, the word “dividends” shall be substituted;

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

“Provided that no deduction shall be allowed from the dividend income, or income in respect of units of a Mutual Fund specified under clause (23D) of section 10 or income in respect of units from a specified company defined in the *Explanation* to clause (35) of section 10, other than deduction on account of interest expense, and in any previous year such deduction shall not exceed twenty per cent. of the dividend income, or income in respect of such units, included in the total income for that year, without deduction under this section.”.

**31.** For section 72AA of the Income-tax Act, the following section shall be substituted, namely:—

Substitution of new section for section 72AA.

‘72AA. Notwithstanding anything contained in sub-clauses (i) to (iii) of clause (1B) of section 2 or section 72A, where there has been an amalgamation of—

Carry forward and set off of accumulated loss and unabsorbed depreciation allowance in scheme of amalgamation in certain cases.

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

10 of 1949.

(ii) one or more corresponding new bank or banks with any other corresponding new bank under a scheme brought into force by the Central Government under section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or under section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 or both, as the case may be; or

5 of 1970.  
40 of 1980.

(iii) one or more Government company or companies with any other Government company under a scheme sanctioned and brought into force by the Central Government under section 16 of the General Insurance Business (Nationalisation) Act, 1972,

57 of 1972.

the accumulated loss and the unabsorbed depreciation of such banking company or companies or amalgamating corresponding new bank or banks or amalgamating Government company or companies shall be deemed to be the loss or, as the case may be, allowance for depreciation of such banking institution or amalgamated corresponding new bank or amalgamated Government company for the previous year in which the scheme of amalgamation was brought into force and other provisions of this Act relating to set off and carry forward of loss and allowance for depreciation shall apply accordingly.

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

(i) “accumulated loss” means so much of the loss of the amalgamating banking company or companies or amalgamating corresponding new bank or banks or amalgamating Government company or companies under the head “Profits and gains of business or profession” (not being a loss sustained in a speculation business) which such amalgamating banking company or companies or amalgamating corresponding new bank or banks or amalgamating Government company or companies, would have been entitled to carry forward and set off under the provisions of section 72, if the amalgamation had not taken place;

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

(iii) “banking institution” shall have the meaning assigned to it in sub-section (15) of section 45 of the Banking Regulation Act, 1949; 10 of 1949.

(iv) “corresponding new bank” shall have the meaning assigned to it in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or, as the case may be, clause (b) of section (2) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980; 5 of 1970.  
40 of 1980.

(v) “general insurance business” shall have the meaning assigned to it in clause (g) of section 3 of the General Insurance Business (Nationalisation) Act, 1972; 57 of 1972.

(vi) “Government company” means a Government company as defined in clause (45) of section 2 of the Companies Act, 2013, which is engaged in the general insurance business and which has come into existence by operation of section 4 or section 5 or section 16 of the General Insurance Business (Nationalisation) Act, 1972; 18 of 2013.  
57 of 1972.

(vii) “unabsorbed depreciation” means so much of the allowance for depreciation of the amalgamating banking company or companies or amalgamating corresponding new bank or banks or amalgamating Government company or companies which remains to be allowed and which would have been allowed to such banking company or companies or amalgamating corresponding new bank or banks or amalgamating Government company or companies, if the amalgamation had not taken place.’.

Amendment  
of section  
80EEA.

**32.** In section 80EEA of the Income-tax Act, in sub-section (3), in clause (i), for the figures “2020”, the figures “2021” shall be substituted with effect from the 1st day of April, 2021.

33. In section 80G of the Income-tax Act, with effect from the 1st day of June, 2020,— Amendment  
of section  
80G.

(i) in sub-section (5),—

(a) in clause (vi), for the words “approved by the Commissioner in accordance with the rules made in this behalf; and”, the words “approved by the Principal Commissioner or Commissioner;” shall be substituted;

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

“(viii) the institution or fund prepares such statement for such period as may be prescribed and deliver or cause to be delivered to the prescribed income-tax authority or the person authorised by such authority such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed:

Provided that the institution or fund may also deliver to the said prescribed authority a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under this sub-section in such form and verified in such manner as may be prescribed; and

(ix) the institution or fund furnishes to the donor, a certificate specifying the amount of donation in such manner, containing such particulars and within such time from the date of receipt of donation, as may be prescribed:

Provided that the institution or fund referred to in clause (vi) shall make an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for grant of approval,—

(i) where the institution or fund is approved under clause (vi) [as it stood immediately before its amendment by the Finance Act, 2020], within three months from the date on which this proviso has come into force;

(ii) where the institution or fund is approved and the period of such approval is due to expire, at least six months prior to expiry of the said period;

(iii) where the institution or fund has been provisionally approved, at least six months prior to expiry of the period of the provisional approval or within six months of commencement of its activities, whichever is earlier;

(iv) in any other case, at least one month prior to commencement of the previous year relevant to the assessment year from which the said approval is sought:

Provided further that the Principal Commissioner or Commissioner, on receipt of an application made under the first proviso, shall,—

(i) where the application is made under clause (i) of the said proviso, pass an order in writing granting it approval for a period of five years;

(ii) where the application is made under clause (ii) or clause (iii) of the said proviso,—

(a) call for such documents or information from it or make such inquiries as he thinks necessary in order to satisfy himself about—

(A) the genuineness of activities of such institution or fund; and

(B) the fulfilment of all the conditions laid down in clauses (i) to (v);

(b) after satisfying himself about the genuineness of activities under item (A), and the fulfilment of all the conditions under item (B), of sub-clause (a),—

(A) pass an order in writing granting it approval for a period of five years; or

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

(iii) where the application is made under clause (iv) of the said proviso, pass an order in writing granting it approval provisionally for a period of three years from the assessment year from which the registration is sought,

and send a copy of such order to the institution or fund:

Provided also that the order under clause (i), sub-clause (b) of clause (ii) and clause (iii) of the first proviso shall be passed in such form and manner as may be prescribed, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received:

Provided also that the approval granted under the second proviso shall apply to an institution or fund, where the application is made under—

(a) clause (i) of the first proviso, from the assessment year from which approval was earlier granted to such institution or fund;

(b) clause (iii) of the first proviso, from the first of the assessment years for which such institution or fund was provisionally approved;

(c) in any other case, from the assessment year immediately following the financial year in which such application is made.”;

(ii) in sub-section (5D), after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

“*Explanation 2A.*— For the removal of doubts, it is hereby declared that claim of the assessee for a deduction in respect of any donation made to an institution or fund to which the provisions of sub-section (5) applies, in the return of income for any assessment year filed by him, shall be allowed

on the basis of information relating to said donation furnished by the institution or fund to the prescribed income-tax authority or the person authorised by such authority, subject to verification in accordance with the risk management strategy formulated by the Board from time to time.”;

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

“(5E) All applications, pending before the Commissioner on which no order has been passed under clause (vi) of sub-section (5) before the date on which this sub-section has come into force, shall be deemed to be applications made under clause (iv) of the first proviso to sub-section (5) on that date.”.

**34.** In section 80GGA of the Income-tax Act, with effect from the 1st day of June, 2020,— Amendment of section 80GGA.

(i) in sub-section (2A), for the words “ten thousand rupees”, the words “two thousand rupees” shall be substituted;

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

“*Explanation.*—For the removal of doubts, it is hereby declared that the claim of the assessee for a deduction in respect of any sum referred to in sub-section (2) in the return of income for any assessment year filed by him, shall be allowed on the basis of information relating to such sum furnished by the payee to the prescribed income-tax authority or the person authorised by such authority, subject to verification in accordance with the risk management strategy formulated by the Board from time to time.”.

**35.** In section 80-IA of the Income-tax Act, in sub-section (7), for the words “and the assessee furnishes, along with his return of income”, the words, figures and letters “before the specified date referred to in section 44AB and the assessee furnishes by that date” shall be substituted. Amendment of section 80-IA.

**36.** In section 80-IAC of the Income-tax Act, with effect from the 1st day of April, 2021,— Amendment of section 80-IAC.

(i) in sub-section (2), for the word “seven”, the word “ten” shall be substituted;

(ii) in the *Explanation*, in clause (ii), in sub-clause (b), for the word “twenty-five”, the words “one hundred” shall be substituted.

**37.** In section 80-IB of the Income-tax Act,—

(a) in sub-section (7A), in clause (b), for sub-clause (iii), the following sub-clause shall be substituted, namely:— Amendment of section 80-IB.

“(iii) the assessee furnishes the report of audit in such form and containing such particulars, as may be prescribed, duly signed and verified by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, before the specified date referred to in section 44AB, certifying that the deduction has been correctly claimed.”;

(b) in sub-section (7B), in clause (b), for sub-clause (iii), the following sub-clause shall be substituted, namely:—

“(iii) the assessee furnishes the report of audit in such form and containing such particulars, as may be prescribed, duly signed and verified by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, before the specified date referred to in section 44AB, certifying that the deduction has been correctly claimed.”;



(c) in sub-section (IIB), for clause (iv), the following clause shall be substituted, namely:—

“(iv) the assessee furnishes the report of audit in such form and containing such particulars, as may be prescribed, duly signed and verified by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, before the specified date referred to in section 44AB, certifying that the deduction has been correctly claimed.”;

(d) in sub-section (IIC), for clause (iv), the following clause shall be substituted, namely:—

“(iv) the assessee furnishes the report of audit in such form and containing such particulars, as may be prescribed, duly signed and verified by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, before the specified date referred to in section 44AB, certifying that the deduction has been correctly claimed.”.

Amendment of section 80-IBA.

**38.** In section 80-IBA of the Income-tax Act, in sub-section (2), in clause (a), for the figures “2020”, the figures “2021” shall be substituted with effect from the 1st day of April, 2021.

Amendment of section 80JJAA.

**39.** In section 80JJAA of the Income-tax Act, in sub-section (2), in clause (c), for the words, brackets and figures “alongwith the return of income the report of the accountant as defined in the *Explanation* below sub-section (2) of section 288”, the words, brackets, figures and letters “the report of the accountant, as defined in the *Explanation* below sub-section (2) of section 288, before the specified date referred to in section 44AB” shall be substituted.

Insertion of new section 80M.

**40.** After section 80LA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2021, namely:—

Deduction in respect of certain inter-corporate dividends.

‘80M. (1) Where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

(2) Where any deduction, in respect of the amount of dividend distributed by the domestic company, has been allowed under sub-section (1) in any previous year, no deduction shall be allowed in respect of such amount in any other previous year.

*Explanation.*—For the purposes of this section, the expression “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.’.

Amendment of section 90.

**41.** In section 90 of the Income-tax Act, in sub-section (1), in clause (b), after the words “as the case may be,”, the words and brackets “without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit to residents of any other country or territory),” shall be inserted with effect from the 1st day of April, 2021.

Amendment of section 90A.

**42.** In section 90A of the Income-tax Act, in sub-section (1), in clause (b), after the words “specified territory outside India,”, the words and brackets “without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in the

said agreement for the indirect benefit to residents of any other country or territory),” shall be inserted with effect from the 1st day of April, 2021.

**43.** In section 92CB of the Income-tax Act,—

Amendment  
of section  
92CB.

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

“(I) The determination of—

(a) income referred to in clause (i) of sub-section (I) of section 9; or

(b) arm’s length price under section 92C or section 92CA,

shall be subject to safe harbour rules.”;

(II) in sub-section (2), in the *Explanation*, for the words "the transfer price declared by the assessee", the words, brackets and figures "the transfer price or income, deemed to accrue or arise under clause (i) of sub-section (I) of section 9, as the case may be, declared by the assessee" shall be substituted.

**44.** In section 92CC of the Income-tax Act,—

Amendment  
of section  
92CC.

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

“(I) The Board, with the approval of the Central Government, may enter into an advance pricing agreement with any person, determining the—

(a) arm’s length price or specifying the manner in which the arm’s length price is to be determined, in relation to an international transaction to be entered into by that person;

(b) income referred to in clause (i) of sub-section (I) of section 9, or specifying the manner in which said income is to be determined, as is reasonably attributable to the operations carried out in India by or on behalf of that person, being a non-resident.

(2) The manner of determination of the arm’s length price referred to in clause (a) or the income referred to in clause (b) of sub-section (I), may include the methods referred to in sub-section (I) of section 92C or the methods provided by rules made under this Act, respectively, with such adjustments or variations, as may be necessary or expedient so to do.

(3) Notwithstanding anything contained in section 92C or section 92CA or the methods provided by rules made under this Act, the arm’s length price of any international transaction or the income referred to in clause (b) of sub-section (I), in respect of which the advance pricing agreement has been entered into, shall be determined in accordance with the advance pricing agreement so entered.”;

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

“(9A) The agreement referred to in sub-section (I), may, subject to such conditions, procedure and manner as may be prescribed, provide for determining the—

(a) arm’s length price or specify the manner in which the arm’s length price shall be determined in relation to the international transaction entered into by the person;

(b) income referred to in clause (i) of sub-section (I) of section 9, or specifying the manner in which the said income is to be determined, as is reasonably attributable to the operations carried out in India by or on behalf of that person, being a non-resident,

during any period not exceeding four previous years preceding the first of the previous years referred to in sub-section (4), and the arm’s length price of such international transaction or the income of such person shall be determined in accordance with the said agreement.”.

- Amendment of section 92F. **45.** In section 92F of the Income-tax Act, for clause (iv), the following clause shall be substituted, namely:—
- ‘(iv) “specified date” means the date one month prior to the due date for furnishing the return of income under sub-section (I) of section 139 for the relevant assessment year;’.
- Amendment of section 94B. **46.** In section 94B of the Income-tax Act, after sub-section (I), the following sub-section shall be inserted with effect from the 1st day of April, 2021, namely:—
- “(IA) Nothing contained in sub-section (I) shall apply to interest paid in respect of a debt issued by a lender which is a permanent establishment in India of a non-resident, being a person engaged in the business of banking.”.
- Amendment of section 115A. **47.** In section 115A of the Income-tax Act,—
- (I) in sub-section (I), in clause (a), with effect from the 1st day of April, 2021,—
- (i) the words, figures and letter "other than dividends referred to in section 115-O" at both the places where they occur, shall be omitted;
- (ii) in the long line, for clause (BA), the following clause shall be substituted, namely:—
- "(BA) the amount of income-tax calculated on the amount of income by way of interest referred to in,—
- (i) sub-clause (iia), if any, included in the total income, at the rate of five per cent.;
- (ii) sub-clause (iiaa) or sub-clause (iiab) or sub-clause (iiac), if any, included in the total income, at the rate provided in the respective sections referred to in the said sub-clauses;"
- (II) in sub-section (5),—
- (i) in clause (a), for the word, brackets and letter “clause (a)”, the words, brackets and letters “clause (a) or clause (b)” shall be substituted;
- (ii) for clause (b), the following clause shall be substituted, namely:—
- “(b) the tax deductible at source under the provisions of Part B of Chapter XVII has been deducted from such income and the rate of such deduction is not less than the rate specified under clause (a) or, as the case may be, clause (b) of sub-section (I).”.
- Amendment of section 115AC. **48.** In section 115AC of the Income-tax Act, for the words, figures and letter “dividends, other than dividends referred to in section 115-O” wherever they occur, the word “dividends” shall be substituted with effect from the 1st day of April, 2021.
- Amendment of section 115ACA. **49.** In section 115ACA of the Income-tax Act, for the words, figures and letter “dividends, other than dividends referred to in section 115-O” wherever they occur, the word “dividends” shall be substituted with effect from the 1st day of April, 2021.
- Amendment of section 115AD. **50.** In section 115AD of the Income-tax Act, in sub-section (I), in clause (a), the words, figures and letter “other than income by way of dividends referred to in section 115-O” shall be omitted with effect from the 1st day of April, 2021.
- Amendment of section 115BAA. **51.** In section 115BAA of the Income-tax Act, in sub-section (2), in clause (i), for the words, figures and letters ‘Chapter VI-A under the heading “C.—Deductions in respect of certain incomes” other than the provisions of section 80JJAA’, the words, figures and letters “Chapter VI-A other than the provisions of section 80JJAA or section 80M” shall be substituted with effect from the 1st day of April, 2021.

**52.** In section 115BAB of the Income-tax Act, in sub-section (2),—

Amendment  
of section  
115BAB.

(i) in clause (c), in sub-clause (i), for the words, figures and letters ‘Chapter VI-A under the heading “C.—Deductions in respect of certain incomes” other than the provisions of section 80JJAA’, the words, figures and letters “Chapter VI-A other than the provisions of section 80JJAA or section 80M” shall be substituted with effect from the 1st day of April, 2021;

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

‘*Explanation.*—For the purposes of clause (b), the “business of manufacture or production of any article or thing” shall include the business of generation of electricity.’

**53.** After section 115BAB of the Income-tax Act, the following sections shall be inserted with effect from the 1st day of April, 2021, namely:—

Insertion of  
new sections  
115BAC and  
115BAD.

‘115BAC. (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or a Hindu undivided family, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021, shall, at the option of such person, be computed at the rate of tax given in the following Table, if the conditions contained in sub-section (2) are satisfied, namely:—

Tax on  
income of  
individuals  
and Hindu  
undivided  
family.

TABLE

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Up to Rs. 2,50,000	<i>Nil</i>
2.	From Rs. 2,50,001 to Rs. 5,00,000	5 per cent.
3.	From Rs. 5,00,001 to Rs. 7,50,000	10 per cent.
4.	From Rs. 7,50,001 to Rs. 10,00,000	15 per cent.
5.	From Rs. 10,00,001 to Rs. 12,50,000	20 per cent.
6.	From Rs. 12,50,001 to Rs. 15,00,000	25 per cent.
7.	Above Rs. 15,00,000	30 per cent.:

Provided that where the person fails to satisfy the conditions contained in sub-section (2) in any previous year, the option shall become invalid in respect of the assessment year relevant to that previous year and other provisions of this Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year:

Provided further that where the option is exercised under clause (i) of sub-section (5), in the event of failure to satisfy the conditions contained in sub-section (2), it shall become invalid for subsequent assessment years also and other provisions of this Act shall apply for those years accordingly.

(2) For the purposes of sub-section (1), the total income of the individual or Hindu undivided family shall be computed,—

(i) without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32), of section 10 or section 10AA or section 16 or clause (b) of section 24 (in respect of the property referred to in sub-section (2) of section 23) or clause (iia) of sub-section (1) of

section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or clause (iia) of section 57 or under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or section 80JJAA;

(ii) without set off of any loss,—

(a) carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);

(b) under the head “Income from house property” with any other head of income;

(iii) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed; and

(iv) without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

(3) The loss and depreciation referred to in clause (ii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year:

Provided that where there is a depreciation allowance in respect of a block of assets which has not been given full effect to prior to the assessment year beginning on the 1st day of April, 2021, corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2020 in the prescribed manner, if the option under sub-section (5) is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021.

(4) In case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, which has exercised option under sub-section (5), the conditions contained in sub-section (2) shall be modified to the extent that the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

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

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(5) Nothing contained in this section shall apply unless option is exercised in the prescribed manner by the person,—

(i) having income from business or profession, on or before the due date specified under sub-section (1) of section 139 for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after the 1st day of April, 2021, and such option once exercised shall apply to subsequent assessment years;

(ii) having income other than the income referred to in clause (i), along with the return of income to be furnished under sub-section (1) of section 139 for a previous year relevant to the assessment year:

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

115BAD. (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being a co-operative society resident in India, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021, shall, at the option of such person, be computed at the rate of twenty-two per cent., if the conditions contained in sub-section (2) are satisfied:

Tax on income of certain resident co-operative societies.

Provided that where the person fails to satisfy the conditions contained in sub-section (2) in computing its income in any previous year, the option shall become invalid in respect of the assessment year relevant to that previous year and subsequent assessment years and other provisions of the Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year and subsequent assessment years.

(2) For the purposes of sub-section (1), the total income of the co-operative society shall be computed,—

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or under any of the provisions of Chapter VI-A other than the provisions of section 80JJAA;

(ii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i); and

(iii) by claiming the depreciation, if any, under section 32, other than clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

(3) The loss and depreciation referred to in clause (ii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year:

Provided that where there is a depreciation allowance in respect of a block of assets which has not been given full effect to prior to the assessment year beginning on the 1st day of April, 2021, corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2020 in such manner as may be prescribed, if the option under sub-section (5) is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021.

(4) In case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, which has exercised option under sub-section (5), the conditions contained in sub-section (2) shall be modified to the extent that the deduction under the said section shall be available to such Unit subject to fulfilment of the conditions contained in that section.

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

28 of 2005.

(5) Nothing contained in this section shall apply unless option is exercised by the person in such manner as may be prescribed on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for any previous year relevant to the assessment year commencing on or after the 1st day of April, 2021 and such option once exercised shall apply to subsequent assessment years:

Provided that once the option has been exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year.’.



- Amendment of section 115BBDA. **54.** In section 115BBDA of the Income-tax Act,—
- (a) in sub-section (1), for the words “or companies”, the words, figures and letters “or companies on or before the 31st day of March, 2020” shall be substituted with effect from the 1st day of April, 2021;
- (b) in the *Explanation*, in clause (b), in sub-clause (iii), for the words, figures and letters “under section 12A or section 12AA”, the words, figures and letters “under section 12A or section 12AA or section 12AB” shall be substituted with effect from the 1st day of June, 2020.
- Amendment of section 115C. **55.** In section 115C of the Income-tax Act, in clause (c), the words, figures and letter “other than dividends referred to in section 115-O” shall be omitted with effect from the 1st day of April, 2021.
- Amendment of section 115JB. **56.** In section 115JB of the Income-tax Act, in sub-section (4), for the words, brackets and figures “along with the return of income filed under sub-section (1) of section 139”, the words, figures and letters “before the specified date referred to in section 44AB” shall be substituted.
- Amendment of section 115JC. **57.** In section 115JC of the Income-tax Act,—
- (i) in sub-section (3), for the portion beginning with the words “in such form” and ending with the word and figures “section 139”, the words, figures and letters “before the specified date referred to in section 44AB, in such form as may be prescribed, from an accountant referred to in the *Explanation* below sub-section (2) of section 288, certifying that the adjusted total income and the alternate minimum tax have been computed in accordance with the provisions of this Chapter and furnish such report by that date” shall be substituted;
- (ii) after sub-section (4), the following sub-section shall be inserted, with effect from the 1st day of April, 2021, namely:—
- “(5) The provisions of this section shall not apply to a person who has exercised the option referred to in section 115BAC or section 115BAD.”.
- Amendment of section 115JD. **58.** In section 115JD of the Income-tax Act, after sub-section (6), the following sub-section shall be inserted, with effect from the 1st day of April, 2021, namely:—
- “(7) The provisions of this section shall not apply to a person who has exercised the option referred to in section 115BAC or section 115BAD.”.
- Amendment of section 115-O. **59.** In section 115-O of the Income-tax Act, in sub-section (1), after the words, figures and letters “on or after the 1st day of April, 2003”, the words, figures and letters “but on or before the 31st day of March, 2020” shall be inserted with effect from the 1st day of April, 2021.
- Amendment of section 115R. **60.** In section 115R of the Income-tax Act, in sub-section (2), after the words “or a Mutual Fund to its unit holders”, the words, figures and letters “on or before the 31st day of March, 2020” shall be inserted with effect from the 1st day of April, 2021.
- Amendment of section 115TD. **61.** In section 115TD of the Income-tax Act, for the words, figures and letters “under section 12AA” wherever they occur, the words, figures and letters “under section 12AA or section 12AB” shall be substituted with effect from the 1st day of June, 2020.
- Amendment of section 115UA. **62.** In section 115UA of the Income-tax Act, in sub-section (3), the words, brackets and letter “sub-clause (a) of” shall be omitted with effect from the 1st day of April, 2021.
- Amendment of section 115VW. **63.** In section 115VW of the Income-tax Act, in clause (ii), for the words “along with the return of income for that previous year”, the words, figures and letters “before the specified date referred to in section 44AB” shall be substituted.



- 64.** After section 119 of the Income-tax Act, the following section shall be inserted, namely:—
- Insertion of new section 119A.
- “119A. The Board shall adopt and declare a Taxpayer’s Charter and issue such orders, instructions, directions or guidelines to other income-tax authorities as it may deem fit for the administration of such Charter.”
- Taxpayer’s Charter.
- 65.** In section 133A of the Income-tax Act, after sub-section (6), for the proviso, the following proviso shall be substituted, namely:—
- Amendment of section 133A.
- “Provided that—
- (a) in a case where the information has been received from such authority, as may be prescribed, no action under sub-section (1) shall be taken by an Assistant Director or a Deputy Director or an Assessing Officer or a Tax Recovery Officer or an Inspector of Income-tax without obtaining the approval of the Joint Director or the Joint Commissioner, as the case may be;
- (b) in any other case, no action under sub-section (1) shall be taken by a Joint Director or a Joint Commissioner or an Assistant Director or a Deputy Director or an Assessing Officer or a Tax Recovery Officer or an Inspector of Income-tax without obtaining the approval of the Director or the Commissioner, as the case may be.”
- 66.** In section 139 of the Income-tax Act, in sub-section (1), in *Explanation 2*, in clause (a),—
- Amendment of section 139.
- (a) in sub-clause (iii), the word “working” shall be omitted;
- (b) in the long line, for the figures, letters and words “30th day of September”, the figures, letters and words “31st day of October” shall be substituted.
- 67.** In section 140 of the Income-tax Act,—
- Amendment of section 140.
- (i) in clause (c), after the words “by any director thereof”, the words “or any other person, as may be prescribed for this purpose” shall be inserted;
- (ii) in clause (cd), after the words “by any partner thereof”, the words “or any other person, as may be prescribed for this purpose” shall be inserted.
- 68.** In section 140A of the Income-tax Act, in sub-section (1),—
- Amendment of section 140A.
- (a) in clause (iv), the word “and” occurring at the end shall be omitted;
- (b) in clause (v), for the word, figures and letters “section 115JD,”, the words, figures and letters “section 115JD; and” shall be substituted;
- (c) after clause (v), the following clause shall be inserted, namely:—
- “(vi) any tax or interest payable according to the provisions of sub-section (2) of section 191,”.
- 69.** In section 143 of the Income-tax Act,—
- Amendment of section 143.
- (a) in sub-section (3A), after the word, brackets and figure “sub-section (3)”, the words and figures “or section 144” shall be inserted;
- (b) in sub-section (3B), in the proviso, for the figures, letters and words “31st day of March, 2020”, the figures, letters and words “31st day of March, 2022” shall be substituted.
- 70.** In section 144C of the Income-tax Act,—
- Amendment of section 144C.
- (a) in sub-section (1), the words “in the income or loss returned” shall be omitted;

(b) in sub-section (15), in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely:—

“(ii) any non-resident not being a company, or any foreign company.”.

Amendment  
of section  
156.

**71.** Section 156 of the Income-tax Act shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) Where the income of the assessee of any assessment year, beginning on or after the 1st day of April, 2021, includes income of the nature specified in clause (vi) of sub-section (2) of section 17 and such specified security or sweat equity shares referred to in the said clause are allotted or transferred directly or indirectly by the current employer, being an eligible start-up referred to in section 80-IAC, the tax or interest on such income included in the notice of demand referred to in sub-section (1) shall be payable by the assessee within fourteen days—

(i) after the expiry of forty-eight months from the end of the relevant assessment year; or

(ii) from the date of the sale of such specified security or sweat equity share by the assessee; or

(iii) from the date of the assessee ceasing to be the employee of the employer who allotted or transferred him such specified security or sweat equity share,

whichever is the earliest.”.

Amendment  
of section  
191.

**72.** Section 191 of the Income-tax Act shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) For the purposes of paying income-tax directly by the assessee under sub-section (1), if the income of the assessee in any assessment year, beginning on or after the 1st day of April, 2021, includes income of the nature specified in clause (vi) of sub-section (2) of section 17 and such specified security or sweat equity shares referred to in the said clause are allotted or transferred directly or indirectly by the current employer, being an eligible start-up referred to in section 80-IAC, the income-tax on such income shall be payable by the assessee within fourteen days—

(i) after the expiry of forty-eight months from the end of the relevant assessment year; or

(ii) from the date of the sale of such specified security or sweat equity share by the assessee; or

(iii) from the date of the assessee ceasing to be the employee of the employer who allotted or transferred him such specified security or sweat equity share,

whichever is the earliest.”.

Amendment  
of section  
192.

**73.** In section 192 of the Income-tax Act, after sub-section (1B), the following sub-section shall be inserted, namely:—

“(1C) For the purposes of deducting or paying tax under sub-section (1) or sub-section (1A), as the case may be, a person, being an eligible start-up referred to in section 80-IAC, responsible for paying any income to the assessee being perquisite of the nature specified in clause (vi) of sub-section (2) of section 17 in any previous year relevant to the assessment year, beginning on or after the 1st day of April, 2021, shall deduct or pay, as the case may be, tax on such income within fourteen days—

(i) after the expiry of forty-eight months from the end of the relevant assessment year; or

(ii) from the date of the sale of such specified security or sweat equity share by the assessee; or

(iii) from the date of the assessee ceasing to be the employee of the person,

whichever is the earliest, on the basis of rates in force for the financial year in which the said specified security or sweat equity share is allotted or transferred.”.

**74.** In section 194 of the Income-tax Act,—

Amendment  
of section  
194.

(A) for the words “in cash or before issuing any cheque or warrant”, the words “by any mode” shall be substituted;

(B) for the words “at the rates in force”, the words “at the rate of ten per cent.” shall be substituted;

(C) in the first proviso,—

(i) in clause (a), for the words “an account payee cheque”, the words “any mode other than cash” shall be substituted;

(ii) in clause (b), for the words “two thousand five hundred rupees”, the words “five thousand rupees” shall be substituted;

(D) the third proviso shall be omitted.

**75.** In section 194A of the Income-tax Act,—

Amendment  
of section  
194A.

(I) in sub-section (1), in the proviso, for the words, brackets, letters and figures “the monetary limits specified under clause (a) or clause (b) of section 44AB”, the words “one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted;

(II) in sub-section (3),—

(A) in clause (i), the *Explanation* shall be omitted;

(B) in clause (iii), after sub-clause (f), the following proviso shall be inserted, namely:—

“Provided that no notification under this sub-clause shall be issued on or after the 1st day of April, 2020.”;

(C) after clause (xi) and before *Explanation* 1, the following proviso shall be inserted, namely:—

“Provided that a co-operative society referred to in clause (v) or clause (vii) shall be liable to deduct income-tax in accordance with the provisions of sub-section (1), if—

(a) the total sales, gross receipts or turnover of the co-operative society exceeds fifty crore rupees during the financial year immediately preceding the financial year in which the interest referred to in sub-section (1) is credited or paid; and

(b) the amount of interest, or the aggregate of the amounts of such interest, credited or paid, or is likely to be credited or paid, during the financial year is more than fifty thousand rupees in case of payee being a senior citizen and forty thousand rupees in any other case.”;

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

‘*Explanation 2.*—For the purposes of this sub-section, “senior citizen” means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year.’;

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

“(5) The Central Government may, by notification in the Official Gazette, provide that the deduction of tax shall not be made or shall be made at such lower rate, from such payment to such person or class of persons, as may be specified in the said notification.”.

Amendment  
of section  
194C.

**76.** In section 194C of the Income-tax Act, in the *Explanation*,—

(I) in clause (i), in sub-clause (l), in item (B), for the words, brackets, letters and figures “is liable to audit of accounts under clause (a) or clause (b) of section 44AB”, the words “has total sales, gross receipts or turnover from business or profession carried on by him exceeding one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted;

(II) in clause (iv),—

(i) for sub-clause (e), the following sub-clause shall be substituted, namely:—

“(e) manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from such customer or its associate, being a person placed similarly in relation to such customer as is the person placed in relation to the assessee under the provisions contained in clause (b) of sub-section (2) of section 40A,”;

(ii) in the long line, after the words “other than such customer”, the words “or associate of such customer” shall be inserted.

Amendment  
of section  
194H.

**77.** In section 194H of the Income-tax Act, in the second proviso, for the words, brackets, letters and figures “the monetary limits specified under clause (a) or clause (b) of section 44AB”, the words “one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted.

Amendment  
of section  
194-I.

**78.** In section 194-I of the Income-tax Act, in the second proviso, for the words, brackets, letters and figures “the monetary limits specified under clause (a) or clause (b) of section 44AB”, the words “one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted.

Amendment  
of section  
194J.

**79.** In section 194J of the Income-tax Act, in sub-section (I),—

(a) in the long line, for the words “ten per cent. of such sum”, the words and brackets “two per cent. of such sum in case of fees for technical services (not being a professional services, or royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic films and ten per cent. of such sum in other cases,” shall be substituted;

(b) in the second proviso, for the words, brackets, letters and figures “the monetary limits specified under clause (a) or clause (b) of section 44AB”, the words “one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted.

Insertion of  
new section  
194K.

**80.** After section 194J of the Income-tax Act, the following section shall be inserted, namely:—

‘194K. Any person responsible for paying to a resident any income in respect of—

Income in respect of units.

(a) units of a Mutual Fund specified under clause (23D) of section 10; or

(b) units from the Administrator of the specified undertaking; or

(c) units from the specified company,

shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.:

Provided that the provisions of this section shall not apply—

(i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person responsible for making the payment to the account of, or to, the payee does not exceed five thousand rupees; or

(ii) if the income is of the nature of capital gains.

*Explanation 1.*—For the purposes of this section,—

(a) “Administrator” means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

58 of 2002.

(b) “specified company” means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

58 of 2002.

(c) “specified undertaking” shall have the meaning assigned to it in clause (i) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

58 of 2002.

*Explanation 2.*—For the removal of doubts, it is hereby clarified that where any income referred to in this section is credited to any account, whether called “suspense account” or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.’

**81.** In section 194LBA of the Income-tax Act,—

Amendment of section 194LBA.

(a) the words, brackets and letter “sub-clause (a) of” at both the places where they occur shall be omitted;

(b) in sub-section (2), for the words “five per cent.”, the words, brackets and letters “five per cent. in case of income of the nature referred to in sub-clause (a) and ten per cent. in case of income of the nature referred to in sub-clause (b), of the said clause” shall be substituted;

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

“(2A) Nothing contained in sub-sections (1) and (2) shall apply in respect of income of the nature referred to in sub-clause (b) of clause (23FC) of section 10, if the special purpose vehicle referred to in the said clause has not exercised the option under section 115BAA.”.

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

Amendment of section 194LC.

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

“Provided that in case of income by way of interest referred to clause (ib) of sub-section (2), the income-tax shall be deducted at the rate of four per cent.”;

(ii) in sub-section (2),—

(a) in clause (i), in sub-clause (a) and sub-clause (c), for the figures “2020”, the figures “2023” shall be substituted;

(b) in clause (ia), for the figures and word “2020, and”, the figures and word “2023, or” shall be substituted;

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

“(ib) in respect of monies borrowed by it from a source outside India by way of issue of any long-term bond or rupee denominated bond on or after the 1st day of April, 2020 but before the 1st day of July, 2023, which is listed only on a recognised stock exchange located in any International Financial Services Centre, and”;

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

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

28 of 2005.

(d) “recognised stock exchange” shall have the meaning assigned to it in clause (ii) of *Explanation 1* to clause (5) of section 43.’.

Amendment  
of section  
194LD.

**83.** In section 194LD of the Income-tax Act,—

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

“(2) The income by way of interest referred to in sub-section (1) shall be the interest payable,—

(a) on or after the 1st day of June, 2013 but before the 1st day of July, 2023 in respect of the investment made by the payee in—

(i) a rupee denominated bond of an Indian company; or

(ii) a Government security;

(b) on or after the 1st day of April, 2020 but before the 1st day of July, 2023 in respect of the investment made by the payee in municipal debt securities:

Provided that the rate of interest in respect of bond referred to in sub-clause (i) of clause (a) shall not exceed the rate as the Central Government may, by notification in the Official Gazette, specify.”;

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

‘(ba) “municipal debt securities” shall have the meaning assigned to it in clause (m) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 made under the Securities and Exchange Board of India Act, 1992;’.

15 of 1992.

Substitution  
of new section  
for section  
194N.

**84.** For section 194N of the Income-tax Act, the following section shall be substituted with effect from the 1st day of July, 2020, namely:—

Payment of  
certain  
amounts in  
cash.

“194N. Every person, being,—

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

10 of 1949.

(ii) a co-operative society engaged in carrying on the business of banking;

or

(iii) a post office,

who is responsible for paying any sum, being the amount or the aggregate of amounts, as the case may be, in cash exceeding one crore rupees during the previous year, to any person (herein referred to as the recipient) from one or more accounts maintained by the recipient with it shall, at the time of payment of such sum, deduct an amount equal to two per cent. of such sum, as income-tax:

Provided that in case of a recipient who has not filed the returns of income for all of the three assessment years relevant to the three previous years, for which the time limit of file return of income under sub-section (1) of section 139 has expired, immediately preceding the previous year in which the payment of the sum is made to him, the provision of this section shall apply with the modification that—

(i) the sum shall be the amount or the aggregate of amounts, as the case may be, in cash exceeding twenty lakh rupees during the previous year; and

(ii) the deduction shall be—

(a) an amount equal to two per cent. of the sum where the amount or aggregate of amounts, as the case may be, being paid in cash exceeds twenty lakh rupees during the previous year but does not exceed one crore rupees; or

(b) an amount equal to five per cent. of the sum where the amount or aggregate of amounts, as the case may be, being paid in cash exceeds one crore rupees during the previous year:

Provided further that the Central Government may specify in consultation with the Reserve Bank of India, by notification in the Official Gazette, the recipient in whose case the first proviso shall not apply or apply at reduced rate, if such recipient satisfies the conditions specified in such notification:

Provided also that nothing contained in this section shall apply to any payment made to—

(i) the Government;

(ii) any banking company or co-operative society engaged in carrying on the business of banking or a post office;

(iii) any business correspondent of a banking company or co-operative society engaged in carrying on the business of banking, in accordance with the guidelines issued in this regard by the Reserve Bank of India under the Reserve Bank of India Act, 1934;

2 of 1934.

(iv) any white label automated teller machine operator of a banking company or co-operative society engaged in carrying on the business of banking, in accordance with the authorisation issued by the Reserve Bank of India under the Payment and Settlement Systems Act, 2007:

51 of 2007.

Provided also that the Central Government may specify in consultation with the Reserve Bank of India, by notification in the Official Gazette, the recipient in whose case the provision of this section shall not apply or apply at reduced rate, if such recipient satisfies the conditions specified in such notification.

**85.** After section 194N of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2020, namely:—

Insertion of new section 194-O.



Payment of certain sums by e-commerce operator to e-commerce participant.

‘194-O. (1) Notwithstanding anything to the contrary contained in any of the provisions of Part B of this Chapter, where sale of goods or provision of services of an e-commerce participant is facilitated by an e-commerce operator through its digital or electronic facility or platform (by whatever name called), such e-commerce operator shall, at the time of credit of amount of sale or services or both to the account of an e-commerce participant or at the time of payment thereof to such e-commerce participant by any mode, whichever is earlier, deduct income-tax at the rate of one per cent. of the gross amount of such sales or services or both.

*Explanation.*—For the purposes of this sub-section, any payment made by a purchaser of goods or recipient of services directly to an e-commerce participant for the sale of goods or provision of services or both, facilitated by an e-commerce operator, shall be deemed to be the amount credited or paid by the e-commerce operator to the e-commerce participant and shall be included in the gross amount of such sale or services for the purpose of deduction of income-tax under this sub-section.

(2) No deduction under sub-section (1) shall be made from any sum credited or paid or likely to be credited or paid during the previous year to the account of an e-commerce participant, being an individual or Hindu undivided family, where the gross amount of such sale or services or both during the previous year does not exceed five lakh rupees and such e-commerce participant has furnished his Permanent Account Number or Aadhaar number to the e-commerce operator.

(3) Notwithstanding anything contained in Part B of this Chapter, a transaction in respect of which tax has been deducted by the e-commerce operator under sub-section (1), or which is not liable to deduction under sub-section (2), shall not be liable to tax deduction at source under any other provision of this Chapter:

Provided that the provisions of this sub-section shall not apply to any amount or aggregate of amounts received or receivable by an e-commerce operator for hosting advertisements or providing any other services which are not in connection with the sale or services referred to in sub-section (1).

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

(5) Every guideline issued by the Board under sub-section (4) shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the e-commerce operator.

(6) For the purposes of this section, e-commerce operator shall be deemed to be the person responsible for paying to e-commerce participant.

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

(a) “electronic commerce” means the supply of goods or services or both, including digital products, over digital or electronic network;

(b) “e-commerce operator” means a person who owns, operates or manages digital or electronic facility or platform for electronic commerce;

(c) “e-commerce participant” means a person resident in India selling goods or providing services or both, including digital products, through digital or electronic facility or platform for electronic commerce;

(d) “services” includes “fees for technical services” and fees for “professional services”, as defined in the *Explanation* to section 194J.’.

Amendment of section 195.

**86.** In section 195 of the Income-tax Act, in sub-section (1), the second proviso shall be omitted.

- 87.** In section 196A of the Income-tax Act, in sub-section (I),—
- Amendment  
of section  
196A.
- (a) for the words “of the Unit Trust of India”, the words, brackets and figures “from the specified company referred to in the *Explanation* to clause (35) of section 10” shall be substituted;
- (b) for the words “in cash or by the issue of a cheque or draft or by any other mode”, the words “ by any mode” shall be substituted;
- (c) the proviso shall be omitted.
- 88.** In section 196C of the Income-tax Act,—
- Amendment  
of section  
196C.
- (a) for the words “in cash or by the issue of a cheque or draft or by any other mode”, the words “by any mode” shall be substituted;
- (b) the proviso shall be omitted.
- 89.** In section 196D of the Income-tax Act, in sub-section (I),—
- Amendment  
of section  
196D.
- (a) for the words “in cash or by the issue of a cheque or draft or by any other mode”, the words “by any mode” shall be substituted;
- (b) the proviso shall be omitted.
- 90.** In section 197 of the Income-tax Act, in sub-section (I), for the figures and letter “194M”, the figures and letters “194M, 194-O” shall be substituted.
- Amendment  
of section  
197.
- 91.** In section 197A of the Income-tax Act, for sub-section (IF), the following sub-section shall be substituted, namely:—
- Amendment  
of section  
197A.
- “(IF) Notwithstanding anything contained in this Chapter, no deduction of tax shall be made, or deduction of tax shall be made at such lower rate, from such payment to such person or class of persons, including institution, association or body or class of institutions, associations or bodies, as may be notified by the Central Government in the Official Gazette, in this behalf.”.
- 92.** Section 203AA of the Income-tax Act shall be omitted with effect from the 1st day of June, 2020.
- Omission of  
section  
203AA.
- 93.** In section 204 of the Income-tax Act, after clause (iv) and before the *Explanation*, the following clause shall be inserted, namely:—
- Amendment  
of section  
204.
- “(v) in the case of a person not resident in India, the person himself or any person authorised by such person or the agent of such person in India including any person treated as an agent under section 163.”.
- 94.** In section 206AA of the Income-tax Act, in sub-section (I), the following proviso shall be inserted, namely:—
- Amendment  
of section  
206AA.
- ‘Provided that where the tax is required to be deducted under section 194-O, the provisions of clause (iii) shall apply as if for the words “twenty per cent.”, the words “five per cent.” had been substituted.’.
- 95.** In section 206C of the Income-tax Act with effect from the 1st day of October, 2020,—
- Amendment  
of section  
206C.
- (I) after sub-section (IF), the following sub-sections shall be inserted, namely:—
- ‘(IG) Every person,—
- (a) being an authorised dealer, who receives an amount, for remittance out of India from a buyer, being a person remitting such amount out of India under the Liberalised Remittance Scheme of the Reserve Bank of India;

(b) being a seller of an overseas tour programme package, who receives any amount from a buyer, being the person who purchases such package,

shall, at the time of debiting the amount payable by the buyer or at the time of receipt of such amount from the said buyer, by any mode, whichever is earlier, collect from the buyer, a sum equal to five per cent. of such amount as income-tax:

Provided that the authorised dealer shall not collect the sum, if the amount or aggregate of the amounts being remitted by a buyer is less than seven lakh rupees in a financial year and is for a purpose other than purchase of overseas tour programme package:

Provided further that the sum to be collected by an authorised dealer from the buyer shall be equal to five per cent. of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, where the amount being remitted is for a purpose other than purchase of overseas tour programme package:

Provided also that the authorised dealer shall collect a sum equal to one half per cent. of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education:

Provided also that the authorised dealer shall not collect the sum on an amount in respect of which the sum has been collected by the seller:

Provided also that the provisions of this sub-section shall not apply, if the buyer is,—

(i) liable to deduct tax at source under any other provision of this Act and has deducted such amount;

(ii) the Central Government, a State Government, an embassy, a High Commission, a legation, a commission, a consulate, the trade representation of a foreign State, a local authority as defined in the *Explanation* to clause (20) of section 10 or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

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

(i) “authorised dealer” means a person authorised by the Reserve Bank of India under sub-section (1) of section 10 of the Foreign Exchange Management Act, 1999 to deal in foreign exchange or foreign security;

42 of 1999.

(ii) “overseas tour program package” means any tour package which offers visit to a country or countries or territory or territories outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expenditure of similar nature or in relation thereto.

(1H) Every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G) shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent. of the sale consideration exceeding fifty lakh rupees as income-tax:

Provided that if the buyer has not provided the Permanent Account Number or the Aadhaar number to the seller, then the provisions of clause (ii) of sub-section (I) of section 206CC shall be read as if for the words “five per cent.”, the words “one per cent.” had been substituted:

Provided further that the provisions of this sub-section shall not apply, if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount.

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

(a) “buyer” means a person who purchases any goods, but does not include,—

(A) the Central Government, a State Government, an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or

(B) a local authority as defined in the *Explanation* to clause (20) of section 10; or

(C) a person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein;

(b) “seller” means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.’;

(I-I) If any difficulty arises in giving effect to the provisions of sub-section (IG) or sub-section (IH), the Board may, with the approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

(I-J) Every guideline issued by the Board under sub-section (I-I) shall be laid before each House of Parliament, and shall be binding on the Income-tax authorities and on the person liable to collect the sum.

(II) in sub-section (2), for the words, brackets, figures and letter “sub-section (I) or sub-section (IC)”, the words “this section” shall be substituted;

(III) in sub-section (3), for the words, brackets, figures and letter “sub-section (I) or sub-section (IC)”, the words “this section” shall be substituted;

(IV) in sub-section (6A), in the first proviso, for the words “in accordance with the provisions of this section”, the words, brackets, figures and letter “in accordance with the provisions of sub-section (I) and sub-section (IC)” shall be substituted;

(V) in the *Explanation*, in clause (c),—

(i) for the word “means”, the words, brackets, figures and letter “with respect to sub-section (I) and sub-section (IF) means” shall be substituted;

(ii) for the words, brackets, letters and figures “the monetary limits specified under clause (a) or clause (b) of section 44AB”, the words “one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted.

Insertion of new section 234G.

**96.** After section 234F of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2020, namely:—

Fee for default relating to statement or certificate.

“234G. (I) Without prejudice to the provisions of this Act, where,—

(a) 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 (I) of section 35 fails to deliver or cause to be delivered a statement within the time prescribed under clause (i), or furnish a certificate prescribed under clause (ii) of sub-section (IA) of that section; or

(b) the institution or fund fails to deliver or cause to be delivered a statement within the time prescribed under clause (viii) of sub-section (5) of section 80G, or furnish a certificate prescribed under clause (ix) of the said sub-section,

it shall be liable to pay, by way of fee, a sum of two hundred rupees for every day during which the failure continues.

(2) The amount of fee referred to in sub-section (I) shall,—

(a) not exceed the amount in respect of which the failure referred to therein has occurred;

(b) be paid before delivering or causing to be delivered the statement or before furnishing the certificate referred to in sub-section (I).”.

Amendment of section 250.

**97.** In section 250 of the Income-tax Act, after sub-section (6A), the following sub-sections shall be inserted, namely:—

“(6B) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of disposal of appeal by Commissioner (Appeals), so as to impart greater efficiency, transparency and accountability by—

(a) eliminating the interface between the Commissioner (Appeals) and the appellant 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 in which appeal shall be disposed of by one or more Commissioner (Appeals).

(6C) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (6B), by notification in the Official Gazette, direct that any of the provisions of this Act relating to jurisdiction and procedure for disposal of appeals by Commissioner (Appeals) shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(6D) Every notification issued under sub-section (6B) and sub-section (6C) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.”.

Amendment of section 253.

**98.** In section 253 of the Income-tax Act, in sub-section (I), in clause (c), for the words, figures and letters “under section 12AA”, the words, figures and letters “under section 12AA or section 12AB” shall be substituted with effect from the 1st day of June, 2020.

Amendment of section 254.

**99.** In section 254 of the Income-tax Act, in sub-section (2A),—

(a) in the first proviso, after the words “from the date of such order”, the words “subject to the condition that the assessee deposits not less than

twenty per cent. of the amount of tax, interest, fee, penalty, or any other sum payable under the provisions of this Act, or furnishes security of equal amount in respect thereof” shall be inserted;

(b) for the second proviso, the following proviso shall be substituted, namely:—

“Provided further that no extension of stay shall be granted by the Appellate Tribunal, where such appeal is not so disposed of within the said period of stay as specified in the order of stay, unless the assessee makes an application and has complied with the condition referred to in the first proviso and the Appellate Tribunal is satisfied that the delay in disposing of the appeal is not attributable to the assessee, so however, that the aggregate of the period of stay originally allowed and the period of stay so extended shall not exceed three hundred and sixty-five days and the Appellate Tribunal shall dispose of the appeal within the period or periods of stay so extended or allowed.”.

**100.** After section 271AAC of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 271AAD.

‘271AAD. (1) Without prejudice to any other provisions of this Act, if during any proceeding under this Act, it is found that in the books of account maintained by any person there is—

Penalty for false entry, etc., in books of account.

(i) a false entry; or

(ii) an omission of any entry which is relevant for computation of total income of such person, to evade tax liability,

the Assessing Officer may direct that such person shall pay by way of penalty a sum equal to the aggregate amount of such false or omitted entry.

(2) Without prejudice to the provisions of sub-section (1), the Assessing Officer may direct that any other person, who causes the person referred to in sub-section (1) in any manner to make a false entry or omits or causes to omit any entry referred to in that sub-section, shall pay by way of penalty a sum equal to the aggregate amount of such false or omitted entry.

*Explanation.*—For the purposes of this section, “false entry” includes use or intention to use—

(a) forged or falsified documents such as a false invoice or, in general, a false piece of documentary evidence; or

(b) invoice in respect of supply or receipt of goods or services or both issued by the person or any other person without actual supply or receipt of such goods or services or both; or

(c) invoice in respect of supply or receipt of goods or services or both to or from a person who does not exist.’.

**101.** After section 271J of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2020, namely:—

Insertion of new section 271K.

“271K. Without prejudice to the provisions of this Act, the Assessing Officer may direct that a sum not less than ten thousand rupees but which may extend to one lakh rupees shall be paid by way of penalty by—

Penalty for failure to furnish statements, etc.

(i) 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 section 35, if it fails to deliver or cause to be delivered a

statement within the time prescribed under clause (i), or furnish a certificate prescribed under clause (ii) of sub-section (1A) of that section; or

(ii) the institution or fund, if it fails to deliver or cause to be delivered a statement within the time prescribed under clause (viii) of sub-section (5) of section 80G, or furnish a certificate prescribed under clause (ix) of the said sub-section.”.

Amendment  
of section  
274.

**102.** In section 274 of the Income-tax Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of imposing penalty under this Chapter so as to impart greater efficiency, transparency and accountability by—

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

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

(c) introducing a mechanism for imposing of penalty with dynamic jurisdiction in which penalty shall be imposed by one or more income-tax authorities.

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

Provided that no direction shall be issued after the 31st day of March, 2022.

(2C) Every notification issued under sub-section (2A) and sub-section (2B) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.”.

Insertion of  
new section  
285BB.

**103.** After section 285BA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2020, namely:—

‘285BB. The prescribed income-tax authority or the person authorised by such authority shall upload in the registered account of the assessee an annual information statement in such form and manner, within such time and alongwith such information, which is in the possession of an income-tax authority, as may be prescribed.

*Explanation.*—For the purposes of this section, “registered account” means the electronic filing account registered by the assessee in designated portal, that is, the web portal designated as such by the prescribed income-tax authority or the person authorised by such authority.’.

Amendment  
of section  
288.

**104.** In section 288 of the Income-tax Act, in sub-section (2), after clause (vii), the following clause shall be inserted, namely:—

“(viii) any other person as may be prescribed.”.

Amendment  
of section  
295.

**105.** In section 295 of the Income-tax Act, in sub-section (2), in clause (b),—

(a) after sub-clause (ii), the following sub-clause shall be inserted with effect from the 1st day of April, 2021, namely:—

“(iia) operations carried out in India by a non-resident;”;

(b) after sub-clause (iia) as so inserted, the following sub-clause shall be inserted with effect from the 1st day of April, 2022, namely:—

“(iib) transactions or activities of a non-resident;”.



**106.** In the First Schedule to the Income-tax Act, in rule 5, after clause (c), the following proviso shall be inserted, namely:—

Amendment  
of First  
Schedule.

“Provided that any sum payable by the assessee under section 43B, which is added back in accordance with clause (a) of this rule, shall be allowed as deduction in computing the income under the said rule in the previous year in which such sum is actually paid.”.

#### CHAPTER IV INDIRECT TAXES

##### Customs

52 of 1962. **107.** In section 11 of the Customs Act, 1962 (hereinafter referred to as the Customs Act), in sub-section (2), in clause (f), for the words “gold or silver”, the words “gold, silver or any other goods” shall be substituted.

Amendment  
of section 11.

**108.** In section 28 of the Customs Act, for *Explanation 4*, the following *Explanation* shall be substituted and shall be deemed to have been substituted with effect from the 29th day of March, 2018, namely:—

Amendment  
of section 28.

“*Explanation 4.*—For the removal of doubts, it is hereby declared that notwithstanding anything to the contrary contained in any judgment, decree or order of the Appellate Tribunal or any Court or in any other provision of this Act or the rules or regulations made thereunder, or in any other law for the time being in force, in cases where notice has been issued for non-levy, short-levy, non-payment, short-payment or erroneous refund, prior to the 29th day of March, 2018, being the date of commencement of the Finance Act, 2018, such notice shall continue to be governed by the provisions of section 28 as it stood immediately before such date.”.

13 of 2018.

**109.** In section 28AAA of the Customs Act, in sub-section (1),—

Amendment  
of section  
28AAA.

(a) for the words “by such person”, the words “or any other law, or any scheme of the Central Government, for the time being in force, by such person” shall be substituted;

(b) after the words “the rules”, the words “or regulations” shall be inserted;

(c) in *Explanation 1*, for the words “with respect to”, the words, figures and letter “or duty credit issued under section 51B, with respect to” shall be substituted.

**110.** After Chapter VA of the Customs Act, the following Chapter shall be inserted, namely:—

Insertion of  
new Chapter  
VAA.

#### ‘CHAPTER VAA

##### ADMINISTRATION OF RULES OF ORIGIN UNDER TRADE AGREEMENT

28DA. (1) An importer making claim for preferential rate of duty, in terms of any trade agreement, shall,—

Procedure  
regarding  
claim of  
preferential  
rate of duty.

(i) make a declaration that goods qualify as originating goods for preferential rate of duty under such agreement;

(ii) possess sufficient information as regards the manner in which country of origin criteria, including the regional value content and product specific criteria, specified in the rules of origin in the trade agreement, are satisfied;

(iii) furnish such information in such manner as may be provided by rules;

(iv) exercise reasonable care as to the accuracy and truthfulness of the information furnished.

(2) The fact that the importer has submitted a certificate of origin issued by an Issuing Authority shall not absolve the importer of the responsibility to exercise reasonable care.

(3) Where the proper officer has reasons to believe that country of origin criteria has not been met, he may require the importer to furnish further information, consistent with the trade agreement, in such manner as may be provided by rules.

(4) Where importer fails to provide the requisite information for any reason, the proper officer may,—

(i) cause further verification consistent with the trade agreement in such manner as may be provided by rules;

(ii) pending verification, temporarily suspend the preferential tariff treatment to such goods:

Provided that on the basis of the information furnished by the importer or the information available with him or on the relinquishment of the claim for preferential rate of duty by the importer, the Principal Commissioner of Customs or the Commissioner of Customs may, for reasons to be recorded in writing, disallow the claim for preferential rate of duty, without further verification.

(5) Where the preferential rate of duty is suspended under sub-section (4), the proper officer may, on the request of the importer, release the goods subject to furnishing by the importer a security amount equal to the difference between the duty provisionally assessed under section 18 and the preferential duty claimed:

Provided that the Principal Commissioner of Customs or the Commissioner of Customs may, instead of security, require the importer to deposit the differential duty amount in the ledger maintained under section 51A.

(6) Upon temporary suspension of preferential tariff treatment, the proper officer shall inform the Issuing Authority of reasons for suspension of preferential tariff treatment, and seek specific information as may be necessary to determine the origin of goods within such time and in such manner as may be provided by rules.

(7) Where, subsequently, the Issuing Authority or exporter or producer, as the case may be, furnishes the specific information within the specified time, the proper officer may, on being satisfied with the information furnished, restore the preferential tariff treatment.

(8) Where the Issuing Authority or exporter or producer, as the case may be, does not furnish information within the specified time or the information furnished by him is not found satisfactory, the proper officer shall disallow the preferential tariff treatment for reasons to be recorded in writing:

Provided that in case of receipt of incomplete or non-specific information, the proper officer may send another request to the Issuing Authority stating specifically the shortcoming in the information furnished by such authority, in such circumstances and in such manner as may be provided by rules.

(9) Unless otherwise specified in the trade agreement, any request for verification shall be sent within a period of five years from the date of claim of preferential rate of duty by an importer.

(10) Notwithstanding anything contained in this section, the preferential tariff treatment may be refused without verification in the following circumstances, namely:—

(i) the tariff item is not eligible for preferential tariff treatment;

(ii) complete description of goods is not contained in the certificate of origin;

(iii) any alteration in the certificate of origin is not authenticated by the Issuing Authority;

(iv) the certificate of origin is produced after the period of its expiry,

and in all such cases, the certificate of origin shall be marked as “INAPPLICABLE”.

(11) Where the verification under this section establishes non-compliance of the imported goods with the country of origin criteria, the proper officer may reject the preferential tariff treatment to the imports of identical goods from the same producer or exporter, unless sufficient information is furnished to show that identical goods meet the country of origin criteria.

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

(a) “certificate of origin” means a certificate issued in accordance with a trade agreement certifying that the goods fulfil the country of origin criteria and other requirements specified in the said agreement;

(b) “identical goods” means goods that are same in all respects with reference to the country of origin criteria under the trade agreement;

(c) “Issuing Authority” means any authority designated for the purposes of issuing certificate of origin under a trade agreement;

(d) “trade agreement” means an agreement for trade in goods between the Government of India and the Government of a foreign country or territory or economic union.’.

**111.** In Chapter VIIA of the Customs Act, in the heading, after the word “LEDGER”, the words “AND ELECTRONIC DUTY CREDIT LEDGER” shall be inserted.

Amendment of heading of Chapter VIIA.

**112.** After section 51A of the Customs Act, the following section shall be inserted, namely:—

Insertion of new section 51B.

“51B. (1) The Central Government may, by notification in the Official Gazette, specify the manner in which it shall issue duty credit,—

Ledger for duty credit.

(a) in lieu of remission of any duty or tax or levy, chargeable on any material used in the manufacture or processing of goods or for carrying out any operation on such goods in India that are exported; or

(b) in lieu of such other financial benefit subject to such conditions and restrictions as may be specified therein.

(2) The duty credit issued under sub-section (1) shall be maintained in the customs automated system in the form of an electronic duty credit ledger of the person who is the recipient of such duty credit, in such manner as may be prescribed.

(3) The duty credit available in the electronic duty credit ledger may be used by the person to whom it is issued or the person to whom it is transferred, towards making payment of duties payable under this Act or under the Customs Tariff Act, 1975 in such manner and subject to such conditions and restrictions and within such time as may be prescribed.”.

51 of 1975.

**113.** In section 111 of the Customs Act, after clause (p), the following clause shall be inserted, namely:—

Amendment of section 111.

“(q) any goods imported on a claim of preferential rate of duty which contravenes any provision of Chapter VAA or any rule made thereunder.”.

Amendment  
of section  
156.

**114.** In section 156 of the Customs Act, in sub-section (2), after clause (h), the following clause shall be inserted, namely:—

“(i) the form, time limit, manner, circumstances, conditions, restrictions and such other matters for carrying out the provisions of Chapter VAA.”

Amendment  
of section  
157.

**115.** In section 157 of the Customs Act, in sub-section (2), after clause (j), the following clause shall be inserted, namely:—

“(ja) the manner of maintaining electronic duty credit ledger, making payment from such ledger, transfer of duty credit from ledger of one person to the ledger of another and the conditions, restrictions and time limit relating thereto;”

*Customs Tariff*

Substitution  
of new section  
for section  
8B.

**116.** For section 8B of the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), the following section shall be substituted, namely:—

51 of 1975.

Power of  
Central  
Government  
to apply  
safeguard  
measures.

‘8B. (1) If the Central Government, after conducting such enquiry as it deems fit, is satisfied that any article is imported into India in such increased quantity and under such conditions so as to cause or threaten to cause serious injury to domestic industry, it may, by notification in the Official Gazette, apply such safeguard measures on that article, as it deems appropriate.

(2) The safeguard measures referred to in sub-section (1) shall include imposition of safeguard duty, application of tariff-rate quota or such other measure, as the Central Government may consider appropriate, to curb the increased quantity of imports of an article to prevent serious injury to domestic industry:

Provided that no such measure shall be applied on an article originating from a developing country so long as the share of imports of that article from that country does not exceed three per cent. or where the article is originating from more than one developing country, then, so long as the aggregate of the imports from each of such developing countries with less than three per cent. import share taken together, does not exceed nine per cent. of the total imports of that article into India:

Provided further that the Central Government may, by notification in the Official Gazette, exempt such quantity of any article as it may specify in the notification, when imported from any country or territory into India, from payment of the whole or part of the safeguard duty leviable thereon.

(3) Where tariff-rate quota is used as a safeguard measure, the Central Government shall not fix such quota lower than the average level of imports in the last three representative years for which statistics are available, unless a different level is deemed necessary to prevent or remedy serious injury.

(4) The Central Government may allocate such tariff-rate quota to supplying countries having a substantial interest in supplying the article concerned, in such manner as may be provided by rules.

(5) The Central Government may, pending the determination under sub-section (1), apply provisional safeguard measures under this sub-section on the basis of a preliminary determination that increased imports have caused or threatened to cause serious injury to a domestic industry:

Provided that where, on final determination, the Central Government is of the opinion that increased imports have not caused or threatened to cause serious injury to a domestic industry, it shall refund the safeguard duty so collected:

Provided further that any provisional safeguard measure shall not remain in force for more than two hundred days from the date on which it was applied.

(6) Notwithstanding anything contained in the foregoing sub-sections, a notification issued under sub-section (1) or any safeguard measures applied under sub-sections (2), (3), (4) and (5), shall not apply to articles imported by a hundred per cent. export-oriented undertaking or a unit in a special economic zone, unless—

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

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

*Explanation.*—For the purposes of this section, the expressions “hundred per cent. export-oriented undertaking”, and “special economic zone” shall have the same meaning as assigned to them in *Explanation 2* to sub-section (1) of section 3 of the Central Excise Act, 1944.

1 of 1944.

(7) The safeguard duty imposed under this section shall be in addition to any other duty imposed under this Act or under any other law for the time being in force.

(8) The safeguard measures applied under this section shall, unless revoked earlier, cease to have effect on the expiry of four years from the date of such application:

Provided that if the Central Government is of the opinion that the domestic industry has taken measures to adjust to such injury or threat thereof and it is necessary that the safeguard measures should continue to be applied, it may extend the period of such application:

Provided further that in no case the safeguard measures shall continue to be applied beyond a period of ten years from the date on which such measures were first applied.

52 of 1962.

(9) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, interest, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act.

(10) The Central Government may, by notification in the Official Gazette, make rules for the purposes of this section, and without prejudice to the generality of the foregoing power, such rules may provide for—

(i) the manner in which articles liable for safeguard measures may be identified;

(ii) the manner in which the causes of serious injury or causes of threat of serious injury in relation to identified article may be determined;

(iii) the manner of assessment and collection of safeguard duty;

(iv) the manner in which tariff-rate quota on identified article may be allocated among supplying countries;

(v) the manner of implementing tariff-rate quota as a safeguard measure;

(vi) any other safeguard measure and the manner of its application.

(11) For the purposes of this section,—

(a) “developing country” means a country notified by the Central Government in the Official Gazette;

(b) “domestic industry” means the producers—

(i) as a whole of the like article or a directly competitive article in India; or

(ii) whose collective output of the like article or a directly competitive article in India constitutes a major share of the total production of the said article in India;

(c) “serious injury” means an injury causing significant overall impairment in the position of a domestic industry;

(d) “threat of serious injury” means a clear and imminent danger of serious injury.

(12) Every notification issued under this section shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be issued, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.’

Amendment  
of First  
Schedule.

**117.** In the Customs Tariff Act, the First Schedule shall—

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

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

*Central Goods and Services Tax*

Amendment  
of section 2.

**118.** In section 2 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in clause (114), for sub-clauses (c) and (d), the following sub-clauses shall be substituted, namely:—

12 of 2017.

“(c) Dadra and Nagar Haveli and Daman and Diu;

(d) Ladakh;”.

Amendment  
of section 10.

**119.** In section 10 of the Central Goods and Services Tax Act, in sub-section (2), in clauses (b), (c) and (d), after the words “of goods”, the words “or services” shall be inserted.

Amendment  
of section 16.

**120.** In section 16 of the Central Goods and Services Tax Act, in sub-section (4), the words “invoice relating to such” shall be omitted.

Amendment  
of section 29.

**121.** In section 29 of the Central Goods and Services Tax Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely:—

“(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25:”.

Amendment  
of section 30.

**122.** In section 30 of the Central Goods and Services Tax Act, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:—

“Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a).”.

- 123.** In section 31 of the Central Goods and Services Tax Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:— Amendment of section 31.
- “Provided that the Government may, on the recommendations of the Council, by notification,—
- (a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;
- (b) subject to the condition mentioned therein, specify the categories of services in respect of which—
- (i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
- (ii) tax invoice may not be issued.”
- 124.** In section 51 of the Central Goods and Services Tax Act,— Amendment of section 51.
- (a) for sub-section (3), the following sub-section shall be substituted, namely:—
- “(3) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.”;
- (b) sub-section (4) shall be omitted.
- 125.** In section 109 of the Central Goods and Services Tax Act, in sub-section (6),— Amendment of section 109.
- (a) the words “except for the State of Jammu and Kashmir” shall be omitted;
- (b) the first proviso shall be omitted.
- 126.** In section 122 of the Central Goods and Services Tax Act, after sub-section (I), the following sub-section shall be inserted, namely:— Amendment of section 122.
- “(IA) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (I) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.”
- 127.** In section 132 of the Central Goods and Services Tax Act, in sub-section (I),— Amendment of section 132.
- (i) for the words “Whoever commits any of the following offences”, the words “Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences” shall be substituted;
- (ii) for clause (c), the following clause shall be substituted, namely:—
- “(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;”;
- (iii) in clause (e), the words “, fraudulently avails input tax credit” shall be omitted.
- 128.** In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017,— Amendment of section 140.
- (a) in sub-section (I), after the words “existing law”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;
- (b) in sub-section (2), after the words “appointed day”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;
- (c) in sub-section (3), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time



and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

(d) in sub-section (5), for the words “existing law”, the words “existing law, within such time and in such manner as may be prescribed” shall be substituted and shall be deemed to have been substituted;

(e) in sub-section (6), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

(f) in sub-section (7), for the words “credit under this Act even if”, the words “credit under this Act, within such time and in such manner as may be prescribed, even if” shall be substituted and shall be deemed to have been substituted;

(g) in sub-section (8), for the words “in such manner”, the words “within such time and in such manner” shall be substituted and shall be deemed to have been substituted;

(h) in sub-section (9), for the words “credit can be reclaimed subject to”, the words “credit can be reclaimed within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted.

Amendment  
of section  
168.

**129.** In section 168 of the Central Goods and Services Tax Act, in sub-section (2), for the words, brackets and figures “sub-section (5) of section 66, sub-section (1) of section 143”, the words, brackets and figures “sub-section (1) of section 143, except the second proviso thereof” shall be substituted.

Amendment  
of section  
172.

**130.** In section 172 of the Central Goods and Services Tax Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

Amendment  
to Schedule II.

**131.** In Schedule II to the Central Goods and Services Tax Act, in paragraph 4, the words “whether or not for a consideration,” at both the places where they occur, shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

Retrospective  
exemption  
from, or levy  
or collection  
of, central tax  
in certain  
cases.

**132.** (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,—

(i) no central tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) central tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(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.

12 of 2017.  
15 of 2017.

**133.** The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 708(E), dated the 30th September, 2019, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017, read with sub-section (2) of section 9 of the Goods and Services Tax (Compensation to States) 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.

Retrospective effect to notification issued under clause (ii) of proviso to sub-section (3) of section 54 of Central Goods and Services Tax Act.

*Integrated Goods and Services Tax*

13 of 2017.

**134.** In section 25 of the Integrated Goods and Services Tax Act, 2017, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

Amendment of section 25.

13 of 2017.

**135.** (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 power under sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017,—

Retrospective exemption from, or levy or collection of, integrated tax in certain cases.

(i) no integrated tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) integrated tax at the rate of twelve per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(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.

*Union Territory Goods and Services Tax*

14 of 2017.

**136.** In section 1 of the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in sub-section (2), for the words “Dadra and Nagar Haveli, Daman and Diu”, the words “Dadra and Nagar Haveli and Daman and Diu, Ladakh” shall be substituted.

Amendment of section 1.

**137.** In section 2 of the Union Territory Goods and Services Tax Act, in clause (8), for sub-clauses (iii) and (iv), the following sub-clauses shall be substituted, namely:—

Amendment of section 2.

“(iii) Dadra and Nagar Haveli and Daman and Diu;

(iv) Ladakh;”.

14 of 2017.

**138.** In section 26 of the Union Territory Goods and Services Tax Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

Amendment of section 26.

14 of 2017.

**139.** (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 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,—

Retrospective exemption from, or levy or collection of, Union territory tax in certain cases.

(i) no Union territory tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) Union territory tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(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.

*Goods and Services Tax (Compensation to States)*

Amendment  
of section 14.

**140.** In section 14 of the Goods and Services Tax (Compensation to States) Act, 2017, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

15 of 2017.

CHAPTER V

HEALTH CESS

Health Cess  
on imported  
medical  
devices.

**141.** (1) In the case of goods specified in the Fourth Schedule being goods imported into India, there shall be levied and collected for the purposes of the Union, a duty of customs, to be called the Health Cess, at the rates specified in the said Schedule, for the purposes of financing the health infrastructure and services.

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

(3) For the purposes of calculating the Health Cess under this Chapter on the goods specified in the Fourth Schedule, where such duty is leviable at any percentage of its value, the value of such goods shall be calculated in the same manner as the value of goods is calculated for the purpose of customs duty under the provisions of section 14 of the Customs Act, 1962 (hereafter in this Chapter referred to as the Customs Act).

52 of 1962

(4) The Health Cess leviable under sub-section (1), chargeable on the goods specified in the Fourth Schedule, shall be in addition to any other duties of customs chargeable on such goods under the Customs Act or any other law for the time being in force.

(5) The provisions of the Customs Act and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, offences and imposition of penalty, shall, as far as may be, apply in relation to the levy and collection of the Health Cess leviable under this Chapter in respect of the goods specified in the Fourth Schedule as they apply in relation to the levy and collection of duties of customs on such goods under the said Act or the rules or the regulations made thereunder, as the case may be.

CHAPTER VI

MISCELLANEOUS

PART I

AMENDMENTS TO THE INDIAN STAMP ACT, 1899

Commencement  
of this Part.

**142.** The provisions of this Part shall come into force on the 1st day of April, 2020.

Amendment  
of section 9A.

**143.** In section 9A of the Indian Stamp Act, 1899 (hereafter in this Part referred to as the Stamp Act), in sub-section (2), the following proviso shall be inserted, namely:—

2 of 1899.

“Provided that no such duty shall be chargeable in respect of the instruments of transaction in stock exchanges and depositories established in any International Financial Services Centre set up under section 18 of the Special Economic Zones Act, 2005.”.

28 of 2005.

**144.** In the Stamp Act, after section 73A, the following section shall be inserted, namely:—

Insertion of new section 73B.

“73B. The Central Government may,—

Power to issue directions and to authorise certain authorities to issue instructions, etc.

(a) issue directions relating to such matters and subject to such conditions, as it deems necessary;

(b) in writing, authorise the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 or the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934 to issue instructions, circulars or guidelines,

for carrying out the provisions of Part AA of Chapter II and the rules made thereunder.”

15 of 1992.  
2 of 1934.

#### PART II

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

**145.** In the Prohibition of *Benami* Property Transactions Act, 1988, in section 9, in sub-section (1), for clause (b), the following clause shall be substituted with effect from the 1st day of April, 2020, namely:—

Amendment of Act 45 of 1988.

“(b) (i) has been a member of the Indian Legal Service and has held the post of Joint Secretary or equivalent post in that Service; or

(ii) is qualified for appointment as District Judge.”

#### PART III

##### AMENDMENT TO THE FINANCE ACT, 2001

**146.** For the Seventh Schedule to the Finance Act, 2001, the Schedule specified in the Fifth Schedule shall be substituted.

Substitution of new Schedule for Seventh Schedule to Act 14 of 2001.

#### PART IV

##### AMENDMENT TO THE FINANCE ACT, 2002

**147.** In the Finance Act, 2002, in the Eighth Schedule,—

Amendment of Eighth Schedule to Act 20 of 2002.

(a) against Item No. 1, for the entry in column (3), the entry "Rs. 18 per litre" shall be substituted;

(b) against Item No. 2, for the entry in column (3), the entry "Rs. 12 per litre" shall be substituted.

#### PART V

##### AMENDMENTS TO THE FINANCE ACT, 2013

**148.** In the Finance Act, 2013 (hereafter in this Part referred to as the principal Act), in section 116, with effect from the 1st day of April, 2020,—

Amendment of section 116.

(a) in clause (7), for the words “sale of commodity derivatives or option on commodity derivatives in respect of commodities, other than agricultural commodities, traded in recognised associations”, the words “sale of commodity derivatives or sale of commodity derivatives based on prices or indices of prices of commodity derivatives or option on commodity derivatives or option in goods in respect of commodities, other than agricultural commodities, traded in recognised stock exchange” shall be substituted;

17 of 2013.

(b) in clause (8),—

(A) for the words, brackets and figures “Forward Contracts (Regulation) Act, 1952”, the words, brackets and figures “Securities Contracts (Regulation) Act, 1956” shall be substituted;

74 of 1952.  
42 of 1956.

(B) after the words “or the rules made”, the words “or the notifications issued” shall be inserted.

Amendment  
of section  
117.

**149.** In section 117 of the principal Act, for the Table, the following Table shall be substituted with effect from the 1st day of April, 2020, namely:—

“TABLE

Sl.No.	Taxable commodities transaction	Rate	Payable by
(1)	(2)	(3)	(4)
1.	Sale of commodity derivative	0.01 per cent.	seller
2.	Sale of commodity derivatives based on prices or indices of prices of commodity derivatives	0.01 per cent.	seller
3.	Sale of option on commodity derivative	0.05 per cent.	seller
4.	Sale of option in goods	0.05 per cent.	seller
5.	Sale of option on commodity derivative, where option is exercised	0.0001 per cent.	purchaser
6.	Sale of option in goods, where option is exercised resulting in actual delivery of goods	0.0001 per cent.	purchaser
7.	Sale of option in goods, where option is exercised resulting in a settlement otherwise than by the actual delivery of goods	0.125 per cent.	purchaser.”.

Amendment  
of section  
118.

**150.** In section 118 of the principal Act, with effect from the 1st day of April, 2020,—

(i) in clause (a), for the words “commodity derivative” at both the places where they occur, the words “commodity derivative or commodity derivative based on prices or indices of prices of commodity derivatives” shall be substituted;

(ii) in clause (b),—

(A) after the words “an option on commodity derivative”, the words “or option in goods” shall be inserted;

(B) in sub-clause (i), for the words and figure “serial number 2”, the words and figures “serial numbers 3 and 4” shall be substituted;

(C) in sub-clause (ii), for the words and figure “serial number 3”, the words and figures “serial numbers 5 and 6” shall be substituted;

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

“(iii) the difference between the settlement price and the strike price, in respect of transaction at serial number 7 of the Table in section 117.”.

**151.** In sections 119, 120 and 132A of the principal Act, for the words “recognised association” wherever they occur, the words “recognised stock exchange” shall be substituted with effect from the 1st day of April, 2020.

Amendment of sections 119, 120 and 132A.

#### PART VI

#### AMENDMENTS TO THE FINANCE ACT, 2016

**152.** The provisions of this Part shall come into force on the 1st day of April, 2020.

Commencement of this Part.

**153.** In the Finance Act, 2016,—

Amendment of Act 28 of 2016.

(i) in section 163, in sub-section (3), for the word "Chapter", the words, letters and figures "Chapter, and to consideration received or receivable for e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020" shall be substituted;

(ii) in section 164,—

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

'(ca) "e-commerce operator" means a non-resident who owns, operates or manages digital or electronic facility or platform for online sale of goods or online provision of services or both;

(cb) "e-commerce supply or services" means—

(i) online sale of goods owned by the e-commerce operator;

or

(ii) online provision of services provided by the e-commerce operator; or

(iii) online sale of goods or provision of services or both, facilitated by the e-commerce operator; or

(iv) any combination of activities listed in clause (i), (ii) or clause (iii);'

(B) in clause (d), after the words "specified service", the words "or e-commerce supply or services" shall be inserted;

(iii) in section 165, for the marginal heading, the following marginal heading shall be substituted, namely:—

"Charge of equalisation levy on specified services.";

(iv) after section 165, the following section shall be inserted, namely:—

'165A. (1) On and from the 1st day of April, 2020, there shall be charged an equalisation levy at the rate of two per cent. of the amount of consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated by it—

Charge of equalisation levy on e-commerce supply of services.

(i) to a person resident in India; or

(ii) to a non-resident in the specified circumstances as referred to in sub-section (3); or

(iii) to a person who buys such goods or services or both using internet protocol address located in India.

(2) The equalisation levy under sub-section (1) shall not be charged—

(i) where the e-commerce operator making or providing or facilitating e-commerce supply or services has a permanent establishment in India and such e-commerce supply or services is effectively connected with such permanent establishment;

(ii) where the equalisation levy is leviable under section 165; or

(iii) sales, turnover or gross receipts, as the case may be, of the e-commerce operator from the e-commerce supply or services made or provided or facilitated as referred to in sub-section (1) is less than two crore rupees during the previous year.

(3) For the purposes of this section, "specified circumstances" mean—

(i) sale of advertisement, which targets a customer, who is resident in India or a customer who accesses the advertisement through internet protocol address located in India; and

(ii) sale of data, collected from a person who is resident in India or from a person who uses internet protocol address located in India.;

(v) in section 166, in sub-section (1), for the words "equalisation levy", the words, brackets and figures "equalisation levy referred to in sub-section (1) of section 165" shall be substituted;

(vi) in section 166, for the marginal heading, the following marginal heading shall be substituted, namely:—

"Collection and recovery of equalisation levy on specified services.";

(vii) after section 166, the following section shall be inserted, namely:—

"166A. The equalisation levy referred to in sub-section (1) of section 165A, shall be paid by every e-commerce operator to the credit of the Central Government for the quarter of the financial year ending with the date specified in column (2) of the Table below by the due date specified in the corresponding entry in column (3) of the said Table:

TABLE

Serial number	Date of ending of the quarter of financial year	Due date of the financial year
(1)	(2)	(3)
1.	30th June	7th July
2.	30th September	7th October
3.	31st December	7th January
4.	31st March	31st March.";

(viii) in section 167,—

(A) in sub-section (1),—

(a) for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(b) for the words "specified services", the words "specified services or e-commerce supply or services, as the case may be," shall be substituted;

Collection and recovery of equalisation levy on e-commerce supply or services.



(B) in sub-section (2),—

(a) for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(b) for the words "specified services was provided", the words "specified services was provided or e-commerce supply or services was made or provided or facilitated" shall be substituted;

(C) in sub-section (3), for the word "assessee" at both the places where it occurs, the words "assessee or e-commerce operator" shall be substituted;

(ix) in section 168,—

(i) in sub-section (1),—

(A) for the word "assessee" wherever it occurs, the words "assessee or e-commerce operator" shall be substituted;

(B) in clause (b), for the words "sum deductible", the words "sum deductible or payable, as the case may be," shall be substituted;

(C) in clause (c), for the word and figures "section 166", the words, figures and letter "section 166 or section 166A" shall be substituted;

(D) in the proviso, for the word "statement", the words "statement or revised statement" shall be substituted;

(ii) in sub-section (2), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(x) in section 169,—

(i) in sub-section (2), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(ii) in sub-section (3), for the word "assessee", wherever it occurs, the words "assessee or e-commerce operator" shall be substituted;

(iii) in sub-section (4), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(xi) in section 170,—

(A) for the word "assessee" the words "assessee or e-commerce operator" shall be substituted;

(B) for the word and figures "section 166", the words, figures and letter "section 166 or section 166A" shall be substituted;

(xii) in section 171,—

(i) for the word "assessee" the words "assessee or e-commerce operator" shall be substituted;

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

"(aa) fails to pay the whole or any part of the equalisation levy as required under section 166A; or";

(iii) in clause (b),—

(a) for the words "equalisation levy", the words, brackets and figures "equalisation levy referred to in sub-section (1) of section 165" shall be substituted;

(b) in the long line, in sub-clause (i), for the words "deduct; and", the following shall be substituted, namely:—

"deduct;

(ia) in the case referred to in clause (aa), in addition to the levy in accordance with the provisions of that section, or interest, if any, in accordance with the provisions of section 170, a penalty equal to the amount of equalisation levy that he failed to pay; and";

(xiii) in section 172, for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(xiv) in section 173,—

(i) in sub-section (1), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(ii) in sub-section (2), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(xv) in section 174, in sub-section (1), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(xvi) in section 175,—

(i) in sub-section (1), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(ii) in sub-section (3), for the word "assessee", the words "assessee or e-commerce operator" shall be substituted;

(xvii) in section 178, for the word and figures "sections 120" the word and figures "sections 119, 120" shall be substituted;

(xviii) in section 180, in sub-section (1), for the words "expiry of a period of two years from the date on which the provisions of this Chapter come into force", the figures, letters and words "31st day of March, 2022" shall be substituted.

## PART VII

### AMENDMENT TO THE FINANCE ACT, 2018

Amendment  
of Sixth  
Schedule to  
Act 13 of  
2018.

**154.** In the Finance Act, 2018, in the Sixth Schedule, against Item Nos. 1 and 2, for the entry in column (3), the entry "Rs. 18 per litre" shall be substituted.

## THE FIRST SCHEDULE

(See section 2)

## PART I

## INCOME-TAX

*Paragraph A*

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

*Rates of income-tax*

(1) where the total income does not exceed Rs. 2,50,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 12,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,12,500 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

*Rates of income-tax*

(1) where the total income does not exceed Rs. 3,00,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 10,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000.
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,10,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

*Rates of income-tax*

(1) where the total income does not exceed Rs. 5,00,000	<i>Nil</i> ;
(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 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

(a) having a total income (including the income 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 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 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 under the provisions of section 111A and section 112A of the Income-tax Act) exceeding five crore rupees, at the rate of thirty-seven per cent. of such income-tax; and

(e) having a total income (including 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 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 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,00,000.

#### *Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, 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 2017-2018 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 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, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;

(iv) on income by way of insurance commission	5 per cent.;
(v) on income by way of interest payable on—	10 per cent.;
(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made 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 (I) 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 capital gains referred to in clauses (33) and (36) of section 10] referred to in section 112A exceeding one lakh rupees	20 per cent.;
(E) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(F) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(G) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (IA) 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 (IA) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(H) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(G)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy,	10 per cent.;



for the time being in force, of the Government of India, the agreement is in accordance with that policy

(I) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 10 per cent.;

(J) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort 30 per cent.;

(K) on income by way of winnings from horse races 30 per cent.;

(L) on 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 (IA) 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 (IA) 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 Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 10 per cent.;

(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort 30 per cent.;

(F) on income by way of winnings from horse races 30 per cent.;

(G) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(H) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(I) on income by way of long-term capital gains referred to in section 112A exceeding one lakh rupees	10 per cent.;
(J) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10]	20 per cent.;
(K) on income by way of dividend	20 per cent.;
(L) on the whole of the other income	30 per cent..

2. In the case of a company—

(a) where the company is a domestic company—

(i) on income by way of interest other than “Interest on securities”	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on 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 the Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vii) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(viii) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(ix) on income by way of long-term capital gains referred to in section 112A 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 respective meanings assigned to them in Chapter XII-A of the Income-tax Act.

*Surcharge on income-tax*

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for the purposes of the Union,—

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

I. at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

II. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed two crore rupees;

III. at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees but does not exceed five crore rupees; and

IV. at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds five crore rupees;

V. at the rate of fifteen per cent. of such tax, where the income or aggregate of such incomes (including income by way of dividend or income under the provisions of section 111A and section 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees, but is not covered under sub-clauses III and IV:

Provided that in case where the total income includes any income by way of dividend or income chargeable under section 111A and section 112A of the Income-tax Act, the rate of surcharge on the amount of Income-tax deducted in respect of that part of income shall not exceed fifteen per cent.;

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

(ii) Item 2 of this Part shall be increased by a surcharge, for the purposes of the Union, in the case of every company other than a domestic company, calculated,—

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

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

### PART III

#### *RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"*

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head "Salaries" under section 192 of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BAA or section 115BAB or section 115BAD or section 115BB or section 115BBA or section 115BBC or section 115BBD or section 115BBDA or section 115BBE or section 115BBF or section 115BBG or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

#### *Paragraph A*

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

#### *Rates of income-tax*

(1) where the total income does not exceed Rs. 2,50,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 12,500 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.
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(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 and section 112A of the Income-tax Act) exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax;

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

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

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

(e) having a total income (including the income by way of dividend or income under the provisions of section 111A and section 112A) 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 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, 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.
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*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph D*

In the case of every local authority,—

*Rate of income-tax*

On the whole of the total income 30 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph E*

In the case of a company,—

*Rates of income-tax*

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2018-2019 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 the Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government; 50 per cent.;

(ii) on the balance, if any, of the total income 40 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated,—

(i) in the case of every domestic company,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;



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

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

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

#### PARTIV

[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, 2020, 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, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019, 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, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(iii) 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,

(iv) 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,

(v) 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,

(vi) 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,

(vii) 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,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019,

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, 2020.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2021, 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, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020, is a loss, then, for the purposes of sub-section (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, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2021.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2012 (23 of 2012) or the First Schedule to the Finance Act, 2013 (17 of 2013) or the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) or the First Schedule to the Finance Act, 2015 (20 of 2015) or the First Schedule to the Finance Act, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) 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) 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 117 (a)]

In the Customs Tariff Act, in the First Schedule,—

(1) in Chapter 8, for the entry in column (4) occurring against tariff item 0802 32 00, the entry “100%” shall be substituted;

(2) in Chapter 38, for the entry in column (4) occurring against tariff item 3824 99 00, the entry “17.5%” shall be substituted;

(3) in Chapter 64,—

(i) for the entry in column (4) occurring against all the tariff items of headings 6401, 6402, 6403, 6404 and 6405, the entry “35%” shall be substituted;

(ii) for the entry in column (4) occurring against all the tariff items of heading 6406, the entry “20%” shall be substituted;

(4) in Chapter 67, for the entry in column (4) occurring against all the tariff items of heading 6702, the entry “20%” shall be substituted;

(5) in Chapter 69, for the entry in column (4) occurring against tariff items 6911 10 11, 6911 10 19, 6911 10 21, 6911 10 29, 6911 90 20, 6911 90 90, 6912 00 10, 6912 00 20, 6912 00 40 and 6912 00 90, the entry “20%” shall be substituted;

(6) in Chapter 70,—

(i) for the entry in column (4) occurring against all the tariff items of heading 7013, the entry “20%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 7018 10 20, the entry “20%” shall be substituted;

(7) in Chapter 71, for the entry in column (4) occurring against all the tariff items of heading 7118, the entry “12.5%” shall be substituted;

(8) in Chapter 73, for the entry in column (4) occurring against all the tariff items of heading 7323, the entry “20%” shall be substituted;

(9) in Chapter 74, for the entry in column (4) occurring against all the tariff items of sub-heading 7418 10, the entry “20%” shall be substituted;

(10) in Chapter 76, for the entry in column (4) occurring against all the tariff items of sub-heading 7615 10, the entry “20%” shall be substituted;

(11) in Chapter 83,—

(i) for the entry in column (4) occurring against tariff items 8301 10 00, 8301 30 00, 8301 40 10, 8301 40 90, 8301 50 00, 8301 60 00 and 8301 70 00, the entry “20%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 8304 00 00, the entry “20%” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of headings 8305, 8306 and 8310, the entry “20%” shall be substituted;

(12) in Chapter 84,—

(i) for the entry in column (4) occurring against tariff item 8414 30 00, the entry “12.5%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 8414 51 10, 8414 51 20 and 8414 51 30, the entry “20%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 8414 51 40, the entry “10%” shall be substituted;

(iv) for the entry in column (4) occurring against tariff item 8414 51 90, the entry “20%” shall be substituted;

(v) for the entry in column (4) occurring against tariff items 8414 59 10, 8414 59 30 and 8414 59 90, the entry “10%” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 8414 59 20, the entry “20%” shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 8414 80 11, the entry “12.5%” shall be substituted;

(viii) for the entry in column (4) occurring against tariff items 8418 10 10, 8418 30 10, 8418 30 90, 8418 40 10, 8418 40 90, 8418 50 00, 8418 61 00, 8418 69 10, 8418 69 20, 8418 69 30, 8418 69 40, 8418 69 50 and 8418 69 90, the entry “15%” shall be substituted;

(ix) for the entry in column (4) occurring against tariff item 8419 89 10, the entry “10%” shall be substituted;

(x) for the entry in column (4) occurring against tariff items 8421 39 20 and 8421 39 90, the entry “15%” shall be substituted;

(13) in Chapter 85,—

(i) for the entry in column (4) occurring against tariff items 8504 40 10, 8504 40 21, 8504 40 29, 8504 40 30, 8504 40 40 and 8504 40 90, the entry “20%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 8509 40 10, 8509 40 90 and 8509 80 00, the entry “20%” shall be substituted;

(iii) for the entry in column (4) occurring against tariff items 8510 10 00, 8510 20 00 and 8510 30 00, the entry “20%” shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 8515 11 00, 8515 19 00, 8515 21 10, 8515 21 20, 8515 21 90, 8515 29 00, 8515 31 00, 8515 39 10, 8515 39 20, 8515 39 90, 8515 80 10 and 8515 80 90, the entry “10%” shall be substituted;

(v) for the entry in column (4) occurring against tariff items 8516 10 00, 8516 21 00, 8516 29 00, 8516 31 00, 8516 32 00, 8516 33 00, 8516 40 00, 8516 60 00, 8516 71 00, 8516 72 00, 8516 79 10, 8516 79 20, 8516 79 90 and 8516 80 00, the entry “20%” shall be substituted;

(vi) for the entry in column (4) occurring against tariff item 8517 70 10, the entry “20%” shall be substituted;

(14) in Chapter 94, for the entry in column (4) occurring against all the tariff items of headings 9401, 9403, 9404 and 9405, the entry “25%” shall be substituted;

(15) in Chapter 95, for the entry in column (4) occurring against all the tariff items of heading 9503, the entry “60%” shall be substituted;

(16) in Chapter 96,—

(i) for the entry in column (4) occurring against all the tariff items of heading 9603, the entry “20%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff item 9604 00 00, the entry “20%” shall be substituted;

(iii) for the entry in column (4) occurring against all the tariff items of headings 9615 and 9617, the entry “20%” shall be substituted.

## THE THIRD SCHEDULE

[See section 117(b)]

In the Customs Tariff Act, in the First Schedule,—

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
(1) in Chapter 84, for tariff item 8414 51 90 and the entries relating thereto, the following shall be substituted, namely:—				
“8414 51 50	--- Wall fans	u	20%	-
8414 51 90	--- Other	u	20%	-”;
(2) in Chapter 85,—				
(i) in heading 8529, after tariff item 8529 90 20 and the entries relating thereto, the following shall be inserted, namely:—				
“8529 90 30	--- Open cell for television set	u	15%	-”;
(ii) in heading 8541, for tariff item 8541 40 11 and the entries relating thereto, the following shall be substituted, namely:—				
“8541 40 11	---- Solar cells, not assembled	u	20%	-
8541 40 12	---- Solar cells, assembled in modules or made up into panels	u	20%	-”.



## THE FOURTH SCHEDULE

[See section 141]

The rules for interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the Section Notes, Chapter Notes and the General Explanatory Notes of the said First Schedule shall apply to the interpretation of this Schedule.

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
1.	All goods falling under headings 9018, 9019, 9020, 9021 and 9022 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)	5%

## THE FIFTH SCHEDULE

[See section 146]

## THE SEVENTH SCHEDULE

(See section 138)

## NOTES

1. In this Schedule, "tariff item", "heading", "sub-heading" and "Chapter" mean respectively a tariff item, heading, sub-heading and Chapter in the Fourth Schedule to the Central Excise Act, 1944 (1 of 1944).

2. The rules for the interpretation of the Fourth Schedule to the Central Excise Act, 1944 (1 of 1944), the Section and Chapter Notes and the General Explanatory Notes of the Fourth Schedule shall apply to the interpretation of this Schedule.

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
2402 20 10 ---	Other than filter cigarettes, of length not exceeding 65 millimetres	Tu	Rs. 200 per thousand
2402 20 20 ---	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 250 per thousand
2402 20 30 ---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	Tu	Rs. 440 per thousand
2402 20 40 ---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 440 per thousand
2402 20 50 ---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	Rs. 545 per thousand
2402 20 90 ---	Other	Tu	Rs. 735 per thousand
2402 90 10 ---	Cigarettes of tobacco substitutes	Tu	Rs. 600 per thousand
2403 11 10 ---	Hookah or gudaku tobacco	kg.	25%
2403 19 10 ---	Smoking mixtures for pipes and cigarettes	kg.	60%
2403 19 21 ---	Other than paper rolled biris, manufactured without the aid of machine	Tu	Rs. 1.00 per thousand
2403 19 29 ---	Other	Tu	Rs. 2.00 per thousand
2403 19 90 ---	Other	kg.	25%
2403 91 00 --	"Homogenised" or "reconstituted" tobacco	kg.	25%
2403 99 10 ---	Chewing tobacco	kg.	25%
2403 99 20 ---	Preparations containing chewing tobacco	kg.	25%
2403 99 30 ---	Jarda scented tobacco	kg.	25%
2403 99 40 ---	Snuff	kg.	25%
2403 99 50 ---	Preparations containing snuff	kg.	25%
2403 99 60 ---	Tobacco extracts and essence	kg.	25%
2403 99 90 ---	Other	kg.	25%
2709 20 00	Petroleum crude	kg.	Rs. 50 per tonne.'. .

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