

NOTES ON CLAUSES

Clause 2 read with the First Schedule to the Bill, seeks to specify the rates at which income-tax is to be levied on income chargeable to tax for the assessment year 2023-2024. Further, it lays down the rates at which tax is to be deducted at source during the financial year under the Income-tax Act; and the rates at which “advance tax” is to be paid, tax is to be deducted at source from, or paid on, income chargeable under the head “Salaries” or deducted under section 194P of the Income-tax Act and tax is to be calculated and charged in special cases for the financial year 2023-2024.

Clause 3 of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions.

It is proposed to amend clause (19B) of the said section to omit “Additional Commissioner of Income-tax (Appeals)” from the definition.

This amendment will take effect from 1st April, 2023.

Clause (24) of the said section provides definition of income for the purposes of the Act.

It is further proposed to insert a new sub-clause (xviic) in clause (24) of the said section to provide that any sum referred to in clause (xii) of sub-section (2) of section 56 shall also be included within the definition of income.

It is also proposed to insert sub-clause (xviid) in the said clause so as to provide that income shall include any sum referred to in clause (xiii) of sub-section (2) of section 56.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is also proposed to insert a new clause (28CA) to provide for definition of “Joint Commissioner (Appeals)” to mean a person appointed to be a Joint Commissioner of Income-tax (Appeals) or an Additional Commissioner of Income-tax (Appeals) under sub-section (1) of section 117.

This amendment will take effect from 1st April, 2023.

Clause (42A) of the said section defines “short-term capital asset” and the *Explanation* 1 of the said clause provides for determining the period for which any capital asset is held by the assessee.

It is proposed to insert a new sub-clause (hi) in clause (i) to the *Explanation* 1 of the said clause so as to provide that in the case of capital asset, being Electronic Gold Receipt or gold being capital asset, the holding period for the purpose of capital gain shall include the period for which the gold or Electronic Gold Receipt, was held by the assessee prior to conversion into Electronic Gold Receipt or gold, as the case may be.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 4 seeks to amend section 9 of the Income-tax Act relating to income deemed to accrue or arise in India.

Sub-section (1) of the said section provides for incomes which shall be deemed to accrue or arise in India.

It is proposed to substitute clause (viii) of the said sub-section so as to provide that income deemed to accrue or arise in India shall include income arising outside India, being any sum of money referred to in sub-clause (xviii) of clause (24) of section 2, paid by a person resident in India —

(a) on or after the 5th day of July, 2019 to a non-resident, not being a company, or to a foreign company; or

(b) on or after the 1st day of April, 2023 to a person not ordinarily resident in India within the meaning of clause (6) of section 6.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 5 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

It is proposed to amend the *Explanation* to clause (4D) of the said section to give reference of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 in the definition of “specified fund”.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause (4E) of the said section provides that any income accrued or arisen to, or received by a non-resident as a result of transfer of non-deliverable forward contracts or offshore derivative instruments or over-the-counter derivatives entered into with an offshore banking unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be prescribed, shall not be included in the total income.

It is further proposed to include distribution of income on offshore derivative instruments also within the ambit of the said clause.

It is also proposed to insert a proviso to provide that the amount of distributed income referred to in the said clause shall include only so much of the amount which is chargeable to tax in the hands of the offshore banking unit under section 115AD.

These amendments will take effect from 1st April, 2024 and, will, accordingly apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause (10D) of the said section, *inter alia*, provides exemption to any sum received under a life insurance policy, including the sum allocated by way of bonus on such policy.

It is also proposed to omit the reference of *Explanation* to sub-section (2A) of section 88 in the second proviso to clause (10D) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

It is also proposed to substitute the sixth proviso in the said clause to the effect that nothing contained in this clause shall apply with respect to any life insurance policy other than a unit linked insurance policy, issued on or after 1st April, 2023, if the amount of premium payable for any of the previous year during the term of such policy exceeds five lakh rupees.

The proposed seventh proviso of the said clause provides that if the premium is payable, by a person, for more than one life insurance policy other than unit linked insurance policy, issued on or after 1st April, 2023, the provisions of this clause shall apply only with respect to those life insurance policies other than unit linked insurance policies, where the aggregate amount of premium does not exceed the amount referred to in the sixth proviso in any of the previous years during the term of any of those policies.

The proposed eighth proviso of the said clause provides that the provisions of fourth, fifth, sixth and seventh provisos shall not apply to any sum received on the death of a person.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is also proposed to insert a new clause (12C) in the said section so as to provide that any payment from the *Agniveer* Corpus Fund under the *Agnipath* Scheme to a person enrolled under the said Scheme, or to his nominee, shall be exempted. It is further proposed to give reference of the definitions for the expressions “*Agniveer* Corpus Fund” and “*Agnipath* Scheme” as provided in section 80CCH.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause (22B) of said section, *inter alia*, provides that any income of a notified news agency set up in India solely for collection and distribution of news shall not be included in total income, provided that the news agency applies its income or accumulates it for application solely for collection and distribution of news and does not distribute its income in any manner to its members. It has also been provided that the provisions of this clause are applicable to a notified news agency for a specified period of time not exceeding three assessment years.

It is also proposed to insert fourth proviso to clause (22B) of said section so as to provide that nothing contained in this clause shall apply to any income of the news agency of the previous year relevant to the assessment year beginning on or after 1st April, 2024.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause (23BBF) of said section provides income tax exemption to any income of the North-Eastern Development Finance Corporation Limited. This exemption has been withdrawn for assessment year beginning on the 1st day of April, 2010 and any subsequent assessment year or years.

It is proposed to omit the said clause with effect from 1st April, 2023.

Clause (23C) of the said section provides exemption to the income of certain entities.

Sub-clauses (iv), (v), (vi) and (via) of clause (23C) of said section provide exemption to the income received by any person on behalf of any fund or trust or institution or university or other educational institutions or hospital or other institutions which may be approved or provisionally approved by the Principal Commissioner or Commissioner.

It is proposed to substitute clause (iv) of the first proviso to clause (23C) to provide that the fund or trust or institution or any university or other educational institution or any hospital or other institution, as is referred to in sub-clauses (iv), (v), (vi) and (via) of the said clause, which is not covered by clauses (i), (ii) or (iii) of the said proviso, can make an application for approval, where activities of the fund or trust or institution or university or other educational institution or hospital or other medical institution have,—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought;

(B) commenced and no income or part thereof of the said fund or trust or institution or university or other educational institution or hospital or other medical institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, or section 11 or 12, for any previous year ending on or before the date of such application, at any time after the commencement of such activities.

It is further proposed to amend clause (ii) of the second proviso to clause (23C) so as to provide that where the application is made under the proposed sub-clause (B) of clause (iv) of the first proviso, the Principal Commissioner or Commissioner shall follow the procedure provided under clause (ii) of the second proviso to clause (23C).

It is also proposed to substitute item (B) of sub-clause (b) of clause (ii) of the second proviso to clause (23C) so as to provide that if the Principal Commissioner or Commissioner is not so satisfied, about the objects and the genuineness of its activities under item (A), and compliance of the requirements under item (B), of sub-clause (a) of clause (ii) of the said proviso, pass an order in writing,—

(I) in a case referred to in clause (ii) or clause (iii) of the first proviso, rejecting such application and also cancelling its approval; or

(II) in a case referred to in the proposed sub-clause (B) of clause (iv) of the first proviso, rejecting such application,

after affording it a reasonable opportunity of being heard.

It is also proposed to substitute clause (iii) of the second proviso so as to provide that where the application is made under sub-clause (A) of clause (iv) of the first proviso or the application made under clause (iv) of the first proviso as it stood immediately before its amendment by the Finance Act, 2023, the Principal Commissioner or Commissioner shall pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the approval 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

These amendments will take effect from 1st October, 2023.

It is also proposed to insert a second proviso to clause (i) of *Explanation 2* to the third proviso of clause (23C) so as to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in the twelfth, thirteenth and twenty-first proviso, and those specified in *Explanation 2* and *Explanation 3*, of the said clause, at the time the application was made from the corpus.

It is also proposed to insert a third proviso to clause (i) of *Explanation 2* to the third proviso of clause (23C) of the said section so as to provide that the amount invested or deposited back shall not be treated as application for charitable or religious purposes under the first proviso unless such investment or deposit is made within a period of five years from the end of the previous year in which such application was made from corpus.

It is also proposed to insert a fourth proviso to clause (i) of *Explanation 2* to the third proviso of clause (23C) so as to provide that nothing contained in the first proviso, shall apply where application from corpus is made on or before 31st March, 2021.

It is also proposed to insert a second proviso to clause (ii) of *Explanation 2* to the third proviso of clause (23C) to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in the twelfth, thirteenth and twenty-first provisos and those specified in *Explanation 2* and *Explanation 3*, of the said clause, at the time the application was made from loan or borrowing.

It is also proposed to insert a third proviso to clause (ii) of *Explanation 2* to the third proviso of clause (23C) to provide that the amount repaid shall not be treated as application for charitable or religious purposes under the first proviso unless such repayment is made within a period of five years from the end of the previous year in which such application was made from loan or borrowing.

It is also proposed to insert a fourth proviso to clause (ii) of *Explanation 2* to the third proviso of clause (23C) to provide that nothing contained in the first proviso, shall apply where the application, from any loan or borrowing is made on or before 31st March, 2021.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to insert clause (iii) in *Explanation 2* to the third proviso of clause (23C) to provide that any amount credited or paid out of the income of 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), other than the amount referred to in the twelfth proviso, 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 12AB, as the case may be, shall be treated as application for charitable or religious purposes only to the extent of eighty-five per cent. of such amount credited or paid.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is also proposed to amend clause (c) of *Explanation 3* to third proviso of clause (23C) to provide that the statement of accumulation shall be furnished at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to insert clause (e) to *Explanation 2* to the fifteenth proviso of clause (23C) to provide that specified violation shall also include the case where the application referred to in the first proviso is not complete or it contains false or incorrect information.

This amendment will take effect from 1st April, 2023.

It is also proposed to consequentially amend the *Explanation* to the nineteenth proviso to clause (23C) of the said section so as to give the reference of newly inserted clause (46A) therein.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is also proposed to amend the twentieth proviso of clause (23C) to provide that the fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) shall furnish the return of income for the previous year in accordance with the provisions of sub-section (4C) of section 139, within the time allowed under sub-section (1) or sub-section (4) of that section.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause (23EB) of the said section provides income tax exemption to any income of the Credit Guarantee Fund Trust for Small Industries for five previous years relevant to the assessment years beginning on the 1st day of April, 2002 and ending on the 31st day of March, 2007.

Clause (26A) of the said section provides income tax exemption to any income accruing or arising to any person from any source in the district of Ladakh or outside India in any previous year relevant to any assessment year commencing before the 1st day of April, 1989, where such person is resident in the said district in that previous year.

Clause (41) of the said section provides income tax exemption to any income arising from transfer of a capital asset, being an asset of an undertaking engaged in the business of generation or transmission or distribution of power where such transfer is effected on or before the 31st day of March, 2006, to the Indian company notified under sub-clause (a) of clause (v) of sub-section (4) of section 80-IA.

It is also proposed to omit the said clauses (23EB), (26A) and (41) of the said section with effect from 1st April, 2023.

It is also proposed to insert a new clause (46A) after clause (46) so as to provide that any income arising to a body or authority or Board or Trust or Commission not being a company, which –

(a) has been established or constituted by or under a Central Act or State Act with one or more of the following purposes, namely:—

(i) dealing with and satisfying the need for housing accommodation;

(ii) planning, development or improvement of cities, towns and villages;

(iii) regulating, or regulating and developing, any activity for the benefit of the general public; or

(iv) regulating any matter, for the benefit of the general public, arising out of the object for which it has been created; and

(b) is notified by the Central Government in the Official Gazette for the purposes of this clause,

shall not be included in total income;

Consequentially, it is proposed to amend clause (46) of the said section so as to exclude any income arising to a body or authority or Board or Trust or Commission (by whatever name called) that are covered under clause (46A) of the said section from the provisions of the said clause.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause (49) of the said section provides income tax exemption to any income of the National Financial Holdings Company Limited of any previous year relevant to any assessment year commencing on or before the 1st day of April, 2014.

It is proposed to omit the said clause with effect from 1st April, 2023.

Clause 6 of the Bill seeks to amend section 10AA of the Income-tax Act relating to special provisions in respect of newly established Units in Special Economic Zones.

The said section, *inter alia*, provides fifteen years tax benefit to a Unit established in a Special Economic Zone which begins to manufacture or produce articles or things or provide any services on or after 1st April, 2005. The deduction is available for Units that begin operations before 1st April, 2020, which has been extended to 30th September, 2020 through the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and is allowed in the manner specified therein.

The claiming of deduction under the said section for Units established in Special Economic Zone is time bound as it is available to only those Units which begin to manufacture or produce articles or things or provide any services on or after 1st April, 2005 but before 1st April, 2020.

It is proposed to insert a proviso to sub-section (1) of the said section so as to provide that no such deduction under that sub-section shall be allowed to an assessee who does not furnish a return of his income on or before the due date specified under sub-section (1) of section 139.

It is further proposed to insert a new sub-section (4A) to provide that the deduction under section 10AA shall be available for such Unit, if the proceeds from sale of goods or provision of services is received in, or brought into, India by the assessee in convertible foreign exchange, within a period of six months from the end of the previous year or, within such further period as the competent authority may allow in this behalf.

It is also proposed to provide an *Explanation* to define the expression “Competent Authority” and to provide that the sale of goods or provision of services referred to in this sub-section shall be deemed to have been received in India where such export turnover is credited to a separate account maintained for the purpose by the assessee with any bank outside India with the approval of the Reserve Bank of India.

It is also proposed to substitute clause (i) of *Explanation 1* to define the term “convertible foreign exchange” and give reference to new sub-section (4A) in the definition of “Export Turnover”.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 7 seeks to amend section 11 of the Income-tax Act relating to income from property held for charitable or religious purposes.

It is proposed to amend clause (2) of *Explanation 1* of sub-section (1) of the said section to provide that option by the person under the said *Explanation* shall be exercised at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income.

It is further proposed to insert a second proviso to clause (i) of *Explanation 4* of sub-section (1) of the said section so as to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions, specified in

- (a) clause (c) and those specified in *Explanations 2, 3 and 5*, of the said sub-section; and
- (b) in the *Explanation* to the said section; and
- (c) in clause (c) of sub-section (1) of section 13,

at the time the application was made from the corpus.

It is also proposed to insert a third proviso to clause (i) of the said *Explanation 4* so as to provide that the amount invested or deposited back shall not be treated as application for charitable or religious purposes under the first proviso unless such investment or deposit is made within a period of five years from the end of the previous year in which such application was made from corpus.

It is also proposed to insert a fourth proviso to clause (i) of the said *Explanation 4* so as to provide that nothing contained in the first proviso shall apply where application from the corpus is made on or before 31st March, 2021.

It is also proposed to insert a second proviso to clause (ii) of the said *Explanation 4* so as to provide that the provisions of the first proviso shall apply only if there was no violation of the conditions specified in

- (a) clause (c) and those specified in *Explanations 2, 3 and 5*, of the said sub-section;
- (b) in the *Explanation* to the said section; and
- (c) in clause (c) of sub-section (1) of section 13,

at the time the application was made from loan or borrowing.

It is also proposed to insert a third proviso to clause (ii) of the said *Explanation 4* so as to provide that the amount repaid shall not be treated as application for charitable or religious purposes under the first proviso, unless such repayment is made within a period of five years from the end of the previous year in which such application was made from loan or borrowing.

It is also proposed to insert a fourth proviso to clause (ii) of the said *Explanation 4* so as to provide that nothing contained in the first proviso shall apply where application from any loan or borrowing is made on or before 31st March, 2021.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to insert clause (iii) in *Explanation 4* to sub-section (1) of the said section to provide that any amount credited or paid, other than the amount referred to in *Explanation 2* of the said sub-section, 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, as the case may be, or other trust or institution registered under section 12AB shall be

treated as application for charitable or religious purposes only to the extent of eighty-five per cent. of such amount credited or paid.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is also proposed to amend clause (c) of sub-section (2) of the said section so as to provide that the statement of accumulation shall be furnished at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Sub-section (7) of the said section, *inter alia*, provides that where a trust or an institution has been granted registration under section 12AA or section 12AB and the said registration is in force for any previous year, then, nothing contained in section 10 other than clause (1) or clause (23C) or clause (46) of section 10, shall operate to exclude any income derived from the property held under trust from the total income of the trust or institution for that previous year.

Consequential to insertion of clause (46A) in section 10, it is proposed to give reference of the said new clause in the said sub-section (7) and in the first and second provisos thereof.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 8 seeks to amend section 12A of the Income-tax Act relating to conditions for applicability of sections 11 and 12.

Sub-section (1) of section 12A provides the conditions for applicability of sections 11 and 12 in respect of income of any trust or institution under clauses (ac), (b) and (ba).

It is proposed to substitute sub-clause (vi) of clause (ac) of sub-section (1) of the said section so as to provide that the trust or institution, which is not covered under sub-clauses (i) to (v) of this clause, shall apply for registration where the activities of the said trust or institution have —

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought;

(B) commenced and no income or part thereof of the said trust or institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, or section 11, or section 12, for any previous year ending on or before the date of such application, at any time after the commencement of such activities.

This amendment will take effect from 1st October, 2023.

It is further proposed to amend clause (ba) of sub-section (1) of the said section to provide that the person in receipt of the income shall furnish the return of income for the previous year in accordance with the provisions of sub-section (4A) of section 139, within the time allowed under sub-section (1) or sub-section (4) of that section.

This amendment will take effect from the 1st day of April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to omit the second, third and fourth provisos to sub-section (2) of said section.

This amendment will take effect from 1st April, 2023.

Clause 9 seeks to amend section 12AB of the Income-tax Act relating to procedure for fresh registration.

It is proposed to amend clause (b) of sub-section (1) of the said section so as to provide that where the application is made under the item (B) of sub-clause (vi) of clause (ac) of sub-section (1) of section 12A, the Principal Commissioner or Commissioner shall follow the procedure provided under clause (b) of sub-section (1).

It is further proposed to substitute item (B) of sub-clause (ii) of clause (b) of sub-section (1) of the said section to provide that where the Principal Commissioner or Commissioner not so satisfied about the objects of the trust or institution and the genuineness of its activities and compliance of the requirements, he shall pass an order in writing,—

(I) in a case referred to in sub-clause (ii) or sub-clause (iii) or sub-clause (v) of clause (ac) of sub-section (1) of section 12A rejecting such application and also cancelling its registration;

(II) in a case referred to in sub-clause (iv) or in item (B) of sub-clause (vi) of sub-section (1) of section 12A, rejecting such application,

after affording a reasonable opportunity of being heard.

It is also proposed to substitute clause (c) of sub-section (1) of the said section to provide that where the application is made under item (A) of sub-clause (vi) of clause (ac) of sub-section (1) of section 12A or the application made under sub-clause (vi) of clause (ac) of sub-section (1) of section 12A, as it stood immediately before its amendment *vide* the Finance Act, 2023, 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.

These amendments will take effect from 1st October, 2023.

It is also proposed to insert a new clause (g) to the *Explanation* to sub-section (4) of the said section so as to provide that “specified violation” shall also include the case where the application referred to in clause (ac) of sub-section (1) of section 12A is not complete or it contains false or incorrect information.

This amendment will take effect from 1st April, 2023.

Clause 10 of the Bill seeks to amend section 17 of the Income-tax Act relating to “Salary”, “perquisite” and “profits in lieu of salary” defined.

It is proposed to insert a new sub-clause (ix) in clause (1) of the said section so as to provide that the contribution made by the Central Government in the previous year to the *Agniveer* Corpus Fund account of an individual enrolled in the *Agnipath* Scheme referred to in section 80CCH shall be considered as salary of that individual.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

As per clause (2) of the said section, “perquisite”, *inter alia*, includes value of rent-free accommodation or value of any accommodation provided to employees by the employer at a concessional rate.

It is further proposed to amend sub-clause (i) and substitute sub-clause (ii) of clause (2) of the said section so as to provide that the method of computation for the value of rent free accommodation provided to the assessee by his employer and the value of any accommodation provided to the assessee by his employer at a concessional rate shall be computed in such manner as may be provided by rules.

It is also proposed to clarify that accommodation shall be deemed to have been provided at a concessional rate if the value of accommodation computed in such manner as may be provided by rules exceeds the rent recoverable from, or payable by, the assessee.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 11 of the Bill seeks to amend section 28 of the Income-tax Act relating to profits and gains of business or profession.

Clause (iv) of the said section provides that the value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession shall be chargeable to income-tax under the head “Profits and gains of business or profession”.

It is proposed to amend the said clause so as to apply to cases where benefit or perquisite provided is in cash or in kind or partly in cash and partly in kind.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 12 of the Bill seeks to amend section 35D of the Income-tax Act relating to amortisation of certain preliminary expenses.

Clause (a) of sub-section (2) of the said section includes expenditure in connection with (i) preparation of feasibility report, (ii) preparation of project report, (iii) conducting marketing survey or any other survey necessary for the business of the assessee; and (iv)

engineering services related to the business of the assessee: within the scope of preliminary expenses which are allowed to be amortised under sub-section (1). Proviso to the said clause requires that the works regarding reports, surveys, etc., are to be carried out by the assessee himself or by a concern which is approved in this behalf by the Board.

It is proposed to substitute the said proviso so as to provide that the assessee shall furnish a statement containing the particulars of expenditure specified in this clause within such period, to such income-tax authority, in such form and manner, as may be provided by rules.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 13 of the Bill seeks to amend section 43B of the Income-tax Act relating to certain deductions to be only on actual payment.

It is proposed to amend clause (da) of the said section, to substitute the expression “a deposit taking non-banking financial company or systemically important non-deposit taking non-banking financial company” with “such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf”.

It is further proposed to insert a new clause (h) to the said section so as to provide that any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006 shall be allowed as deduction only on actual payment.

It is also proposed to amend the proviso to the said section so as to not allow the deduction on accrual basis, if the amount is paid by due date of furnishing the return of income in the case of micro or small enterprises.

It is also proposed to substitute clause (e) and clause (g) of *Explanation 4* to define the expressions “micro enterprise” and “small enterprise” for the purposes of the said section.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 14 of the Bill seeks to amend section 43D of the Income-tax Act relating to special provision in case of income of public financial institutions, public companies, etc.

It is proposed to amend the said section to substitute the expression “a deposit taking non-banking financial company or a systemically important non-deposit taking non-banking financial company” with “such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf”.

It is further proposed to substitute clause (h) of the *Explanation* to the said section to define the expression “non-banking financial company”.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 15 of the Bill seeks to amend section 44AB of the Income-tax Act relating to audit of accounts of certain persons carrying on business or profession.

It is proposed to substitute the first proviso to provide that the provisions of the said section shall not apply to a person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of section 44AD or sub-section (1) of section 44ADA, as the case may be.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 16 of the Bill seeks to amend section 44AD of the Income-tax Act relating to special provision for computing profits and gains of business on presumptive basis.

The provisions of the said section, *inter alia*, provide for a presumption income scheme for small businesses, under which a sum equal to eight per cent. or six per cent. of the total turn over or gross receipts is deemed to be the profits and gains from business, in case of certain assesseees, that is, an individual, Hindu undivided family or a partnership firm other than limited liability partnership, carrying on eligible business and having a turn over of two crore rupees or less. If such assessee has claimed to have earned higher sum than that eight per cent. or six per cent., then that higher sum is taxable.

Clause (b) of *Explanation* to the said section defines “eligible business” which can avail the benefit of the provisions of the said section to mean any business except the business of plying, hiring or leasing goods carriages referred to in section 44AE, whose total turnover or gross receipts in the previous year does not exceed an amount of two crore rupees.

It is proposed to insert two provisos to the said section to provide an increased threshold limit of three crore rupees where the amount or aggregate of the amounts received by the eligible assessee during the previous year, in cash, does not exceed five per cent. of the total turnover or gross receipts of such previous year and also that the receipt of amount or aggregate of the amounts by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be the receipt in cash.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to assessment year 2024-2025 and subsequent assessment years.

Clause 17 of the Bill seeks to amend section 44ADA of the Income-tax Act relating to special provision for computing profits and gains of profession on presumptive basis.

Sub-section (1) of the said section provides that notwithstanding anything contained in sections 28 to 43C, in case of an assessee, being an individual or a partnership firm other than a limited liability partnership, who is a resident in India, and is engaged in a profession referred to in sub-section (1) of section 44AA and whose total gross receipts do not exceed fifty lakh rupees in a previous year, a sum equal to fifty per cent. of the total gross receipts of the assessee in the previous year on account of such profession or, as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the assessee, shall be

deemed to be the profits and gains of such profession chargeable to tax under the head “Profits and gains of business or profession”.

It is proposed to insert two provisos to the said sub-section to provide an increased threshold limit of seventy-five lakh rupees where the amount or aggregate of the amounts received by the assessee during the previous year, in cash, does not exceed five per cent. of the total gross receipts of such previous year and also that the receipt of amount or aggregate of amount by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be receipt in cash.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 18 of the Bill seeks to amend section 44BB of the Income-tax Act relating to special provision for computing profits and gains in connection with the business of exploration, etc., of mineral oils.

Sub-section (1) of section 44BB of the Act provides that in the case of an assessee, being a non-resident, engaged in the business of providing services or facilities in connection with, or supplying plant and machinery on hire used, or to be used, in the prospecting for, or extraction or production of, mineral oils, a sum equal to ten per cent. of the aggregate of the amounts specified in sub-section (2) shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

It is proposed to insert a new sub-section (4) to provide that notwithstanding anything contained in sub-section (2) of section 32 and sub-section (1) of section 72, where an assessee declares profits and gains of business for any previous year in accordance with the provisions of sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 19 of the Bill seeks to amend section 44BBB of the Income-tax Act relating to special provision for computing profits and gains of foreign companies engaged in the business of civil construction, etc., in certain turnkey power projects.

Sub-section (1) of section 44BBB of the Act provides that in the case of an assessee, being a foreign company, engaged in the business of civil construction or the business of erection of plant or machinery or testing or commissioning thereof, in connection with a turnkey power project approved by the Central Government in this behalf, a sum equal to ten per cent. of the amount paid or payable (whether in or out of India) to the said assessee or to any person on his behalf on account of such civil construction, erection, testing or commissioning shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

It is proposed to insert a new sub-section (3) to provide that notwithstanding anything contained in sub-section (2) of section 32 and sub-section (1) of section 72, where an assessee declares profits and gains of business for any previous year in accordance with the

provisions of sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 20 of the Bill seeks to amend section 45 of the Income-tax Act relating to capital gains.

Sub-section (5A) of the said section, *inter alia*, provides that on the capital gain arising to an assessee, from the transfer of a capital asset, being land or building or both, under a specified agreement, the capital gains shall be chargeable to income-tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the competent authority. Further, for computing the capital gains amount on this transaction, the full value of consideration shall be taken as the stamp duty value of his share, as increased by the consideration received in cash.

It is proposed to include consideration received by cash or by a cheque or draft or by any other mode shall be deemed to be full value of consideration of the capital asset as a result of the transfer of the capital asset.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 21 of the Bill seeks to amend section 47 of the Income-tax Act relating to transactions not regarded as transfers.

Clause (b) of the *Explanation* to clause (viid) of the said section defines the term "relocation" as transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund on or before the 31st day of March, 2023, where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund in the manner specified therein.

It is proposed to extend the said date for transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund in case of relocation from 31st March, 2023 to 31st March, 2025.

It is further proposed to amend sub-clause (i) of clause (b) of the said *Explanation* to clause (viid) to give reference of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 in the definition of "resultant fund" of section 47 of the Act.

These amendments will take effect from 1st April, 2023 and, will, accordingly apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is proposed to insert a new clause (viid) in the said section so as to include conversion of gold into Electronic Gold Receipt or Electronic Gold Receipt into gold which shall not be regarded as transfer for the purposes of the said section.

It is further proposed to define the expressions “Electronic Gold Receipt” and “Vault Manager” to mean Electronic Gold Receipt and Vault Manager defined respectively in clauses (h) and (l) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Vault Managers) Regulations, 2021.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 22 of the Bill seeks to amend section 48 of the Income-tax Act relating to mode of computation.

The said section, *inter alia*, provides that the income chargeable under the head “Capital gains” shall be computed by deducting the cost of acquisition of the asset and the cost of any improvement thereto from the full value of the consideration received or accruing as a result of the transfer of such capital asset.

It is proposed to insert a proviso in clause (ii) of the said section so as to provide that the cost of acquisition of the asset or the cost of improvement thereto shall not include the deductions claimed on the amount of interest under clause (b) of section 24 or under the provisions of Chapter VIA of the Act.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 23 of the Bill seeks to amend section 49 of the Income-tax Act relating to cost with reference to certain modes of acquisition.

It is proposed to insert a new sub-section (10) so as to provide that the cost of acquisition of Electronic Gold Receipt for the purpose of computing capital gain shall be deemed to be the cost of gold in the hands of the person in whose name Electronic Gold Receipt is issued.

It is further proposed that the cost of acquisition of gold for the purpose of computing capital gain shall be deemed to be the cost of Electronic Gold Receipt in the hands of such person.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 24 of the Bill seeks to insert a new section 50AA in the Income-tax Act relating to special provision for taxation of Market Linked Debentures.

It is proposed to insert a new section 50AA in the Income-tax Act to treat the full value of the consideration received or accruing as a result of the transfer or redemption or maturity of the “Market Linked Debentures” as reduced by the cost of acquisition of the debenture and the expenditure incurred wholly or exclusively in connection with transfer or redemption of such debenture, as capital gains arising from the transfer of a short term capital asset.

It is further proposed to define the expression ‘Market linked Debenture’ to mean a security by whatever name called, which has an underlying principal component in the form

of a debt security and where the returns are linked to market returns on other underlying securities or indices and includes any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 25 of the Bill seeks to amend section 54 of the Income-tax Act relating to profit on sale of property used for residence.

Sub-section (1) of the said section, *inter alia*, allows deduction on the capital gains arising from the transfer of long-term capital asset, being buildings or lands appurtenant thereto, and being a residential house, if an assessee, within a period of one year before or two years after the date on which the transfer took place, purchased one residential property in India, or within a period of three years after that date, constructed one residential property in India.

It is proposed to insert a third proviso to the said sub-section so as to provide that where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for the purposes of that sub-section.

It is further proposed to insert a proviso to provide that the amount of capital gain in excess of rupees ten crores will not be taken into account for the purposes of sub-section (2).

These amendments will take effect from 1st April, 2024 and shall accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 26 of the Bill seeks to amend section 54EA of the Income-tax Act relating to capital gain on transfer of long-term capital assets not to be charged in the case of investment in specified securities.

It is proposed to omit sub-section (3) of said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 27 of the Bill seeks to amend section 54EB of the Income-tax Act relating to capital gain on transfer of long-term capital assets not to be charged in certain cases.

It is proposed to omit sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 28 of the Bill seeks to amend section 54EC of the Income-tax Act relating to capital gain not to be charged on investment in certain bonds.

It is proposed to omit clause (a) of sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 29 of the Bill seeks to amend section 54ED of the Income-tax Act relating to capital gain on transfer of certain listed securities or unit not to be charged in certain cases.

It is proposed to omit clause (a) of sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 30 of the Bill seeks to amend section 54F of the Income-tax Act relating to capital gain on transfer of certain capital assets not to be charged in case of investment in residential house.

Sub-section (1) of the said section, *inter alia*, allows deduction on the capital gains arising from the transfer of long-term capital asset, not being a residential house, if an assessee, within a period of one year before or two years after the date on which the transfer took place purchased one residential property in India, or within a period of three years after that date constructed one residential property in India.

It is proposed to insert a second proviso to the said sub-section so as to provide that where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for the purposes of that sub-section.

It is further proposed to insert a proviso to provide that the amount of net consideration in excess of rupees ten crores will not be taken into account for the purposes of sub-section (4).

These amendments will take effect from 1st April, 2024 and shall accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 31 of the Bill seeks to amend section 55 of the Income-tax Act relating to meaning of “adjusted”, “cost of improvement” and “cost of acquisition”.

The provisions of the said section, *inter alia*, defines the expressions ‘cost of any improvement’ and ‘cost of acquisition’ for the purposes of computing capital gains. However, there are certain assets like intangible assets or any other right for which no consideration has been paid for acquisition, and the transfer of which may result in generation of any income or could be converted into any profit or gain, but the cost of acquisition for such assets is not clearly defined as ‘nil’ in the present provision.

It is proposed to amend the said section to insert expression “or intangible asset or any other right” in the definitions of “cost of any improvement” and “cost of acquisition”.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 32 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Sub-section (2) of the said section provides for incomes that are chargeable to income-tax under the head “Income from other sources”.

The provisions of clause (viib) of sub-section (2) of the said section, *inter alia*, provides that where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to income-tax under the head “Income from other sources”.

It is proposed to omit the words “being a resident” from the said clause (viib) so as to cover all the investors within the ambit of the said clause of sub-section (2) of section 56, irrespective of their residency.

It is further proposed to insert a new clause (xii) in the said sub-section (2) to provide that income chargeable to income-tax under the head “income from other sources” shall also include any sum received by a unit holder from a business trust which—

(a) is not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and

(b) is not chargeable to tax under sub-section (2) of section 115UA.

It is also proposed to insert a proviso to the said clause (xii) of the said sub-section (2) to provide that where the sum received by a unit holder from a business trust is for redemption of unit or units held by him, the sum so received shall be reduced by the cost of acquisition of the unit or units to the extent such cost does not exceed the sum received.

It is also proposed to insert clause (xiii) in the said sub-section (2) so as to provide that where any sum is received, including the amount allocated by way of bonus, at any time during a previous year, under a life insurance policy, other than the sum,—

(a) received under a unit linked insurance policy;

(b) being the income referred to in clause (iv),

which is not to be excluded from the total income of the previous year in accordance with the provisions of clause (10D) of section 10, the sum so received as exceeds the aggregate of the premium paid, during the term of such life insurance policy, and not claimed as deduction in any other provision of the Act, computed in the manner as may be provided by rules shall be chargeable to income-tax under the head “Income from other sources”.

It is also proposed to define the expression “unit linked insurance policy” for the purposes of the said clause.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 33 of the Bill seeks to amend section 72A relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc.

It is proposed to substitute clause (iii) of the *Explanation* to clause (d) of sub-section (1) of the said section to provide that strategic disinvestment shall mean sale of shareholding by the Central Government or any State Government or a public sector company in a public sector company or in a company, which results in—

- (a) reduction of its shareholding to below fifty-one per cent.; and
- (b) transfer of control to the buyer.

It is further proposed to provide that the condition of reduction of its shareholding to below fifty-one per cent. shall apply only in a case where shareholding of the Central Government or the State Government or the public sector company was above fifty-one per cent. before such sale of shareholding.

It is also proposed to provide that the requirement of transfer of control in relation to such strategic disinvestment may be carried out by either the Central Government, or the State Government or the public sector company or any two of them or all of them.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 34 of the Bill seeks to amend section 72AA of the Income-tax Act relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in scheme of amalgamation in certain cases.

It is proposed to amend clause (i) of the said section to also allow carry forward of accumulated losses and unabsorbed depreciation allowance in the case of amalgamation of one or more banking company with any other banking institution or a company subsequent to a strategic disinvestment, if such amalgamation takes place within five years of strategic disinvestment.

It is further proposed to insert a new clause (via) in the *Explanation* to the said section to define “strategic disinvestment” by giving reference to the meaning assigned to it in clause (iii) of the *Explanation* to clause (d) of sub-section (1) of section 72A.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 35 of the Bill seeks to amend section 79 of the Income-tax Act relating to carry forward and set off of losses in case of certain companies.

Sub-section (1) of the said section provides that where a change in shareholding has taken place during the previous year in the case of a company, not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per

cent. of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent. of the voting power on the last day of year or years in which the loss was incurred.

Proviso to sub-section (1) provides that even if the said condition is not satisfied in case of an eligible start-up as referred to in section 80-IAC, the loss incurred in any year prior to the previous year shall be allowed to be carried forward and set off against the income of the previous year if all the shareholders of such company who held shares carrying voting power on the last day of the year or years in which the loss was incurred, continue to hold those shares on the last day of such previous year and such loss has been incurred during the period of seven years beginning from the year in which such company is incorporated.

It is proposed to amend the said proviso so as to increase the period from seven years to ten years.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 36 of the Bill seeks to amend section 80C of the Income-tax Act relating to deduction in respect of life insurance premia, deferred annuity, contributions to provident fund, subscription to certain equity shares or debentures, etc.

It is proposed to omit sub-section (7) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 37 of the Bill seeks to amend section 80CCC of the Income-tax Act relating to deduction in respect of contribution to certain pension funds.

It is proposed to omit clause (a) of sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 38 of the Bill seeks to amend section 80CCD of the Income-tax Act relating to deduction in respect of contribution to pension scheme of Central Government.

It is proposed to omit clause (a) of sub-section (4) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 39 of the Bill seeks to insert a new section 80CCH in the Income-tax Act relating to deductions in respect of contribution to *Agnipath* Scheme.

It is proposed to insert a new section 80CCH to provide that where an assessee, being an individual enrolled in the *Agnipath* Scheme and subscribing to the *Agniveer* Corpus Fund on or after 1st November, 2022, has in the previous year, paid or deposited any amount in his account in the said Fund, he shall be allowed a deduction in the computation of his total

income, of the whole of the amount so paid or deposited in accordance with the said Scheme; and where the Central Government makes any contribution to the account in the *Agniveer* Corpus Fund, the assessee shall be allowed a deduction in the computation of his total income of the whole of the amount so contributed. It is further proposed to define the expressions “*Agnipath* Scheme” and “*Agniveer* Corpus Fund” for the purposes of the said section.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 40 seeks to amend section 80G in the Income-tax Act relating to deduction in respect of donations to certain funds, charitable institutions, etc.

Sub-section (2) of the said section, *inter alia*, provides the names of the funds to which any sum paid by the assessee in the previous year as donation is allowed as a deduction to an extent of fifty per cent. of the amount so donated.

It is proposed to omit sub-clauses (ii), (iiic) and (iiid) of clause (a) of the said sub-section.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

First proviso to sub-section (5) of the said section, *inter alia*, provides for the time within which institution or fund referred to in clause (vi) of the said sub-section is required to make an application to the Principal Commissioner or Commissioner for approval.

It is proposed to substitute clause (iv) of the first proviso to sub-section (5) to provide that the institution or fund, referred to in clause (vi) of the said sub-section, which is not covered by clause (i), (ii) or (iii) of the said proviso, may make an application for approval, where activities of the institution or fund have—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought;

(B) commenced and no income or part thereof of the said institution or fund has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 or section 11 or section 12 for any previous year ending on or before the date of such application, at any time after the commencement of such activities.

Clause (ii) of the second proviso to sub-section (5) of the said section provides for the procedure of granting approval by the Principal Commissioner or Commissioner where the application has been made under clause (ii) or clause (iii) of the first proviso.

It is proposed to amend clause (ii) of the second proviso to sub-section (5) of the said section so as to provide that where the application is made under the proposed sub-clause (B) of clause (iv) of the first proviso, the Principal Commissioner or Commissioner shall follow the procedure provided under clause (ii) of the second proviso.

It is further proposed to substitute item (B) of sub-clause (b) of clause (ii) of the second proviso to sub-section (5) of the said section so as to provide that if the Principal Commissioner or Commissioner is not so satisfied, about the objects and the genuineness of its activities under item (A) of sub-clause (a) of the said clause, and compliance of the requirements under item (B) of sub-clause (a) of the said clause, pass an order in writing,—

(I) in a case referred to in clause (ii) or clause (iii) of the first proviso, rejecting such application and also cancelling its approval; or

(II) in a case referred to in the proposed sub-clause (B) of clause (iv) of the first proviso, rejecting such application.

after affording it a reasonable opportunity of being heard.

It is also proposed to amend clause (iii) of the second proviso of the said sub-section to provide that where the application is made under sub-clause (A) of clause (iv) of the first proviso or the application made under clause (iv) of the first proviso as it stood immediately before its amendment *vide* the Finance Act, 2023, the Principal Commissioner or Commissioner shall pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the approval is sought, and send a copy of such order to institution or fund.

These amendments will take effect from 1st October, 2023.

Third proviso to sub-section (5) of the said section, *inter alia*, provides that time line during which the order under the first proviso is required to be passed by the Principal Commissioner or Commissioner.

It is proposed to amend the third proviso to sub-section (5) of the said section so as substitute the reference of “first proviso” with “second proviso”.

This amendment will take effect from 1st April, 2023.

Clause 41 of the Bill seeks to amend section 80-IAC of the Income-tax Act relating to special provision in respect of specified business.

The said section, *inter alia*, provides for a deduction of an amount equal to one hundred per cent. of the profits and gains derived from an eligible business by an eligible start-up for any three consecutive assessment years out of ten years, beginning from the year of incorporation, at the option of the assessee subject to the conditions specified therein.

It is proposed to amend sub-clause (a) of clause (ii) of the *Explanation* to the said section so as to extend the period of eligible start-ups before which they are to be incorporated from “1st April, 2023” to “1st April, 2024”.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 42 of the Bill seeks to amend section 87 of the Income-tax Act relating to rebate to be allowed in computing income-tax.

It is proposed to omit reference of sections 88, 88A, 88B, 88C and 88D in sub-sections (1) and (2) of the said section which is consequential in nature.

These amendments will take effect from 1st April, 2023.

Clause 43 of the Bill seeks to amend section 87A of the Income-tax Act relating to rebate of income-tax in case of certain individuals.

The said section provides that an assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees, shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred per cent. of such income-tax or an amount of twelve thousand and five hundred rupees, whichever is less.

It is proposed to insert a proviso to the said section to provide that where the income-tax payable on the total income of the assessee is computed under sub-section (1A) of section 115BAC, the said section shall have the effect as if,—

(i) for the words “five hundred thousand rupees”, the words “seven hundred thousand rupees”;

(ii) for the words “twelve thousand and five hundred rupees”, the words “twenty-five thousand rupees”,

had been substituted.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 44 of the Bill seeks to omit section 88 of the Income-tax Act relating to rebate on life insurance premia, contribution to provident fund, etc.

It is proposed to omit the said section as it was sunset by Finance Act, 2005 and section 80C was introduced for allowing deduction on various instruments listed therein.

This amendment will take effect from 1st April, 2023.

Clause 45 of the Bill seeks to amend section 92BA of the Income-tax Act relating to meaning of ‘specified domestic transaction’.

It is proposed to insert a new clause (vb) to the said section to include the transaction between the cooperative society and the other person with close connection within the meaning of ‘specified domestic transaction’. This is consequential to the insertion of new section 115BAE.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 46 seeks to amend section 92D of the Income-tax Act relating to maintenance, keeping and furnishing of information and document by certain persons.

Clause (i) of sub-section (1) of the said section provides that every person who has entered into an international transaction or specified domestic transaction shall keep and maintain such information and document in respect thereof as may be prescribed.

Sub-section (3) of said section provides that the Assessing Officer or the Commissioner (Appeals) may, in the course of any proceeding under this Act, require any person referred to in clause (i) of sub-section (1), to furnish any information or document referred therein, within a period of thirty days from the date of receipt of a notice issued in this regard. Proviso to sub-section (3) provides that the Assessing Officer or the Commissioner (Appeals) may, on an application made by such person, extend the period of thirty days by a further period not exceeding thirty days.

It is proposed to amend the said sub-section (3) and the proviso to reduce the said period from thirty days to ten days for furnishing any information or document, extendable by a further period of not exceeding thirty days.

This amendment will take effect from the 1st April, 2023.

Clause 47 of the Bill seeks to amend section 94B of the Income-tax Act relating to limitation on interest deduction in certain cases.

The said section, *inter alia*, provides that notwithstanding anything contained in the Act, where an Indian company, or a permanent establishment of a foreign company in India, being the borrower, incurs any expenditure by way of interest or of similar nature exceeding one crore rupees which is deductible in computing income chargeable under the head "Profits and gains of business or profession" in respect of any debt issued by a non-resident, being an associated enterprise of such borrower, the interest deductible in computation of income under the said head shall be restricted only to the extent of thirty per cent., of its earnings before interest, taxes, depreciation and amortisation or interest paid or payable to associated enterprise, whichever is less.

It is proposed to amend sub-section (3) of the said section so as to provide that the provision of said section shall not apply to such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf.

It is further proposed to define the expression "non-banking financial company".

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 48 of the Bill seeks to amend section 111A of the Income-tax Act relating to tax on short-term capital gains in certain cases.

It is proposed to omit sub-section (3) of the said section which is consequential due to the omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 49 of the Bill seeks to amend section 112 of the Income-tax Act relating to tax on long-term capital gains.

It is proposed to omit sub-section (3) of the said section which is consequential due to omission of section 88.

This amendment will take effect from 1st April, 2023.

Clause 50 of the Bill seeks to amend section 115BAC of the Income-tax Act relating to tax on income of individuals and Hindu undivided family.

The provisions of the said section, *inter alia*, provides that 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 1st April, 2021, shall, at the option of such person, be computed at the rate of tax given in the Table therein, if the conditions contained in sub-section (2) are satisfied.

It is proposed to amend the marginal heading of the said section so as to provide that the said section applies to tax on income of individuals, Hindu undivided family and others.

It is further proposed to insert a new sub-section (1A) in the said section so as to provide that notwithstanding anything contained in this Act but subject to the provisions of Chapter XII, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a cooperative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6), for any previous year relevant to the assessment year beginning on or after 1st April, 2024, shall be computed at the rate of tax given in the Table therein.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is also proposed to amend clause (i) of sub-section (2) of the said section to give reference of sub-section (2) of section 80CCH therein to provide the benefit of concessional tax regime to an individual enrolled in the *Agnipath* Scheme and subscribing to the *Agniveer* Corpus Fund on or after 1st November, 2022.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

It is also proposed to amend sub-section (2) of the said section, *inter alia*, to provide that for the purposes of sub-section (1A), the total income of the person referred to therein shall be computed 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 clause (ii) or clause (iii) of 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

under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or sub-section (2) of section 80CCH or section 80JJAA.

It is also proposed to insert a second proviso in sub-section (3) of the said section so as to provide that in a case where,—

(i) the assessee has not exercised the option under sub-section (5) for any previous year relevant to the assessment year beginning on or before the 1st day of April, 2023;

(ii) the income-tax on the total income of the assessee is computed under sub-section (1A); and

(iii) there is a depreciation allowance in respect of a block of assets which has not been given full effect prior to the assessment year beginning on the 1st day of April, 2024,

corresponding adjustment shall be made to the written down value of such block of assets as on 1st April, 2023 in the manner as may be prescribed.

It is also proposed to substitute sub-section (4) of the said section so as to provide that in case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA,—

(i) who has exercised option under sub-section (5) for any previous year relevant to the assessment year beginning on or after 1st April, 2021 but before 1st April, 2024;

(ii) whose total income is computed under sub-section (1A),

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.

It is also proposed to insert a proviso in sub-section (5) of the said section so as to provide that the provisions of the sub-section shall not apply for any previous year relevant to the assessment year beginning on or after 1st April, 2024, that is, a person, being an individual or Hindu Undivided Family, shall not exercise the option for concessional rate of taxation under sub-section (1) for any previous year relevant to the assessment year beginning on or after 1st April, 2024.

It is also proposed to insert sub-section (6) in the said section so as to provide that nothing contained in sub-section (1A) shall apply to a person where an option is exercised by such person, in the manner as may be prescribed, for any assessment year, and where such option is exercised—

(i) on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for such assessment year, in case of a person having income from business or profession, and such option once exercised shall apply to subsequent assessment years; or

(ii) along with the return of income to be furnished under sub-section (1) of section 139 for such assessment year, in case of a person not having income referred to in clause (i).

However, the option under clause (i) of the said sub-section (6), 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 the option under that sub-section, except where such person ceases to have any income from business or profession in which case, option under clause (ii) of that sub-section shall be available.

These amendments will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 51 of the Bill seeks to amend section 115BAD of the Income-tax Act relating to tax on income of certain resident co-operative societies.

The existing provisions of the section 115BAD of the Act, *inter alia*, provides a concessional taxation regime for co-operative societies, wherein they can opt to pay tax at the reduced rate of twenty-two per cent. if they do not avail of any specified incentives or deductions.

It is proposed to make consequential amendments since new section 115BAE relating to tax on income of new manufacturing co-operative societies is being inserted.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 52 of the Bill seeks to insert a new section 115BAE of the Income-tax Act relating to tax on income of certain new manufacturing co-operative societies

The Taxation Laws (Amendment) Act, 2019, *inter-alia*, inserted section 115BAB to Act which provides that new manufacturing domestic companies set up on or after 1st October, 2019, which commence manufacturing or production by 31st March, 2023 and do not avail of any specified incentive or deductions, may opt to pay tax at a concessional rate of fifteen per cent. The time for commencing manufacturing or production has been extended to 31st March, 2024 by the Finance Act, 2022. The same provision has not been provided to new manufacturing co-operative societies.

It is proposed to insert a new section 115BAE so as to provide that new manufacturing co-operative society set up on or after 1st April, 2023, which commence manufacturing or production by 31st March, 2025 and do not avail of any specified incentive or deduction, may opt to pay tax at a concessional rate of fifteen per cent.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 53 of the Bill seeks to amend section 115BB of the Income-tax Act relating to tax on winnings from lotteries, crossword puzzles, races including horse races, card games and other games of any sort or gambling or betting of any form or nature whatsoever.

It is proposed to amend the said section to insert a proviso to provide that nothing contained in said section shall apply to income by way of winnings from any online game for the assessment year beginning on or after 1st April, 2024.

It is further proposed to substitute the *Explanation* to define the expression “horse race” and “online game”.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 54 seeks to insert a new section 115BBJ in the Income-tax Act relating to tax on winnings from online games.

The proposed section seeks to provide that notwithstanding anything contained in any other provisions of this Act, where the total income of an assessee includes any income by way of winnings from any online game, the income-tax payable shall be the aggregate of—

- (i) the amount of income-tax calculated on net winnings from such online games during the previous year, computed in the manner as may be provided by rules, at the rate of thirty per cent.; and
- (ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the net winnings referred to in clause (i).

It is further proposed to define the expressions “computer resource”, “internet” and “online game”.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 55 of the Bill seeks to amend section 115JC of the Income-tax Act relating to special provisions for payment of tax by certain persons other than a company.

It is proposed to amend sub-section (5) of the said section to provide that the provisions of the said section shall not apply to a person, where—

- (i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or
- (ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 56 of the Bill seeks to amend section 115JD of the Income-tax Act relating to tax credit for alternate minimum tax.

It is proposed to amend sub-section (7) of the said section to provide that the provisions of the said section shall not apply to a person, where—

(i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or

(ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 57 seeks to amend section 115TD of the Income-tax Act relating to Tax on accreted income.

It is proposed to insert a new clause (iii) in sub-section (3) of said section to provide that a trust or institution registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 shall be deemed to have been converted into any form not eligible for registration or approval in a previous year, if the specified person fails to make an application in accordance with the provisions of clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A, within the period specified in the said clauses or sub-clauses, as the case may be, which expires in the said previous year.

It is further proposed to amend clause (ii) of sub-section (5) of the said section to provide that the principal officer or the trustee of the specified person or the specified person, as the case may be, shall also be liable to pay the tax on accreted income to the credit of the Central Government within fourteen days from the end of the previous year in a case referred to in sub-clause (a) of clause (ii), or clause (iii) of sub-section (3) of the said section.

Clause (i) of *Explanation* to the section provides the definition of “date of conversion” for the purposes of the said section.

It is also proposed to amend clause (i) of the said *Explanation*, which defines the expression “date of conversion”, by inserting a new sub-clause (c) to the said clause to provide that date of conversion shall also mean the last date for making an application for registration under sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or for making an application for approval under clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10, as the case may be, in a case referred to in clause (iii) of sub-section (3).

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 58 seeks to amend section 115UA of the Income-tax Act relating to tax on income of unit holder and business trust.

It is proposed to insert sub-section (3A) in the said section to provide that the provisions of sub-sections (1), (2) and (3) of the said section shall not apply in respect of

any sum, referred to in clause (xii) of sub-section (2) of section 56, received by a unit holder from a business trust.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

Clause 59 of the Bill seeks to amend section 115UB of the Income-tax Act relating to tax on income of investment fund and its unit holders

It is proposed to amend clause (a) of *Explanation 1* to the said section to give reference of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 in the definition of “investment fund”.

This amendment will take effect from 1st April, 2023 and, will, accordingly apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 60 of the Bill seeks to amend section 116 of the Income-tax Act relating to income-tax authorities.

It is proposed to consequentially amend clause (cca) of the said section to include Joint Commissioners of Income-tax (Appeals) for the purposes of the said section.

This amendment will take effect from 1st April, 2023.

Clause 61 of the Bill seeks to amend section 119 of the Income-tax Act relating to instructions to subordinate authorities.

It is proposed to consequentially amend the said section to substitute the expression “Commissioner (Appeals)” with “Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 62 of the Bill seeks to amend section 131 of the Income-tax Act relating to power regarding discovery, production of evidence, etc.

It is proposed to consequentially amend the said section to substitute the expression “Commissioner (Appeals)” with “Joint Commissioner (Appeals), Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 63 of the Bill seeks to amend section 132 of the Income-tax Act relating to search and seizure.

Sub-section (2) of said section provides that during the course of search, the authorised officer may requisition the services of any police officer or any officer of the Central Government to assist him for any of the action required to be performed during the course of such search and it shall be duty of such officer to comply.

It is proposed to substitute sub-section (2) of the said section so as to provide that the authorised officer, during the course of search, may requisition the services of any police officer or of any officer of the Central Government, or of both, or other person or entity, as approved by the Principal Chief Commissioner or the Chief Commissioner, the Principal Director General or the Director General, in accordance with the procedure as may be provided by rules by the Board in this regard, to assist him for the purposes of the search and it shall be the duty of such officer or person or entity to comply with such requisition.

Sub-section (9D) of said section provides that the authorised officer may take a reference to a valuation officer for estimating the fair market value of the property and such reference can be made during the search or within sixty days from the date of executing the last authorisation for search.

It is further proposed to substitute sub-section (9D) of the said section to provide that, the authorised officer, during the course of a search or within sixty days from the date of the last authorisation, may make a reference to a Valuation Officer referred to in section 142A or any other person or entity or any valuer registered by or under any law for the time being in force, as may be approved by the Principal Chief Commissioner, the Chief Commissioner, the Principal Director General or the Director General, in accordance with the procedure laid down by the Board in this regard, who shall estimate the fair market value of the property in the manner as may be provided by rules, and submit a report of the estimate to the authorised officer or the Assessing Officer, as the case may be, within sixty days from the receipt of such reference.

These amendments will come into effect from 1st April, 2023.

It is also proposed to substitute *Explanation 1* to the said section, so as to provide that for the purposes of sub-sections (9A), (9B) and (9D), execution of an authorisation for search shall be deemed to have been executed, in the case of search, on the conclusion of search as recorded in the last panchnama drawn in relation to any person in whose case the warrant of authorisation has been issued; and in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the authorised officer.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 64 of the Bill seeks to amend section 133 of the Income-tax Act relating to power to call for information.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 65 of the Bill seeks to amend section 134 of the Income-tax Act relating to power to inspect registers of companies.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the

Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 66 of the Bill seeks to amend the section 135A of the Income-tax Act, 1961 relating to faceless collection of information.

It is proposed to insert a second proviso in the said sub-section (2) of the said section so as to provide that the Central Government may amend any direction issued under the said sub-section on or before 31st March, 2022, by notification in the Official Gazette.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 67 of the Bill seeks to amend the section 140B of the Income-tax Act relating to tax on updated return.

Sub-section (4) of the said section provides that interest payable under section 234B shall be computed on an amount equal to the assessed tax or the amount by which the advance tax paid falls short of the assessed tax. Further, sub-clause (i) of clause (a) of the said sub-section provides for reduction of advance tax which has been claimed in earlier return of income.

It is proposed to amend the said sub-section to provide that interest payable under section 234B shall be computed on an amount equal to the assessed tax as reduced by the amount of advance tax, the credit for which has been claimed in the earlier return, if any.

These amendments will take effect retrospectively from 1st April, 2022.

Clause 68 of the Bill seeks to amend section 142 of the Income-tax Act relating to inquiry before assessment.

Sub-section (2A) of the said section provides that if, at any stage of the proceedings before him the Assessing Officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and in the interests of revenue, is of the opinion that it is necessary, he may with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct the assessee to get his accounts audited by an accountant, and to furnish report as per rules.

It is proposed to amend the said sub-section (2A) so as to enable the Assessing Officer to get the inventory of the assessee also valued by a cost accountant.

It is also proposed to insert an *Explanation* in the said section to define “cost accountant” to mean a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who holds a valid certificate of practice under sub-section (1) of section 6 of the said Act.

These amendments will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 69 of the Bill seeks to amend section 148 of the Income-tax Act relating to issue of notice where income has escaped assessment.

The said section, *inter alia*, provides that before making the assessment, reassessment or recomputation under section 147 of the Act, the Assessing Officer shall serve on the assessee a notice requiring him to furnish within such period, as may be specified in such notice, a return of his income or the income of any other person in respect of which he is assessable.

It is proposed to amend the said section to provide that such return shall be furnished in a period of three months from the end of the month in which such notice is issued, or such further period as may be allowed by the Assessing Officer on the basis of an application made in this regard by the assessee.

It is further proposed to insert a third proviso in the said section to provide that any return of income, required to be furnished by an assessee under this section and furnished beyond the period allowed shall not be deemed to be a return under section 139.

These amendments will take effect from 1st April, 2023.

Clause 70 of the Bill seeks to amend section 149 of the Income-tax Act relating to time limit for notice.

It is proposed to amend sub-section (1) of the said section to insert the provisos after the second proviso to provide that for cases referred to in clause (i), (iii) and (iv) of the *Explanation 2* to section 148 where a search is initiated under section 132 or a search under section 132 for which the last of the authorisations is executed or requisition is made under section 132A, after the 15th March of any financial year and the period for issue of notice under section 148 expires on 31st March of such financial year, a period of fifteen days shall be excluded for the purpose of computing the period of limitation as per this section and the notice issued under section 148 in such case shall be deemed to have been issued on the 31st March of such financial year.

The proposed fourth proviso provides that where the information as referred to in *Explanation 1* to section 148 emanates from a statement recorded or documents impounded under section 131 or section 133A, as the case may be, on or before the 31st March of a financial year, in consequence of, a search under section 132 which is initiated or a search under section 132 for which the last of the authorisations is executed or a requisition is made under section 132A, after the 15th March of such financial year, a period of fifteen days shall be excluded for the purpose of computing the period of limitation as per this section and the notice issued under clause (b) of section 148A in such case shall be deemed to have been issued on the 31st March of such financial year.

It is also proposed to amend the sixth proviso in the said sub-section to provide that where immediately after the exclusion of the period referred to in the fifth proviso, the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A does not exceed seven days, such remaining period shall be extended

to seven days and the period of limitation under this sub-section shall be deemed to be extended accordingly.

These amendments will take effect from 1st April, 2023.

Clause 71 of the Bill seeks to amend the section 151 of the Income-tax Act relating to sanction for issue of notice.

It is proposed to amend clause (ii) of the said section to provide that the specified authority for the purposes of section 148 and section 148A shall be the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.

It is further proposed to insert a proviso in the said section so as to provide that the period of three years for the purposes of clause (i) shall be computed after taking into account the period of limitation as excluded by the third or fourth or fifth provisos or extended by the sixth proviso to sub-section (1) of section 149.

These amendments will take effect from 1st April, 2023.

Clause 72 of the Bill seeks to amend the section 153 of the Income-tax Act relating to time limit for completion of assessment, reassessment and recomputation.

It is proposed to amend the third proviso to sub-section (1) to provide that the period of nine months specified therein to pass an order of assessment shall be applicable only to the assessment year commencing on 1st April, 2021.

It is further proposed to insert a new proviso, so that an order of assessment relating to the assessment year commencing on or after 1st April, 2022 shall be passed within twelve months from the end of the assessment year in which the income was first assessable.

It is also proposed to increase the said time limit to pass an order of assessment from nine months to twelve months from the end of the financial year in which return under sub-section (8A) of section 139 was furnished.

It is also proposed to amend sub-section (3) of the said section to provide that the provisions of the said sub-section shall also be applicable to order under section 263 or section 264, passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be.

It is also proposed to insert a new sub-section (3A) in the said section to provide that notwithstanding anything contained in sub-sections (1), (1A), (2) and (3) of the said section, where an assessment or reassessment is pending on the date of initiation of search under section 132 or making of requisition under section 132A, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections (1), (1A), (2) and (3) of the said section shall be extended by twelve months in a case where such search is initiated under section 132 or such requisition is made under section 132A or in the case of an assessee to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to or in the case of an assessee to whom any books of account

or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to.

It is also proposed to amend sub-section (4) of the said section to provide that the provisions thereof shall also be applicable to cases covered by sub-sections (1A) and (3A) of section 153 of the Act.

It is also proposed to amend sub-section (5) of the said section to provide that the provision of the said sub-section shall also be applicable to an order under section 263 or section 264 passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be.

It is also proposed to amend sub-section (6) of the said section to provide that nothing contained in sub-section (1A) shall also apply to the classes of assessments, reassessments and recomputation mentioned therein.

Clause (i) of the sub-section (6) of the said section provides that where the assessment, reassessment or recomputation is made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 250, section 254, section 260, section 262, section 263, or section 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act, such assessment, reassessment or recomputation shall be completed on or before the expiry of twelve months from the end of the month in which such order is received or passed by the Principal Commissioner or Commissioner, as the case may be.

It is also proposed to amend the said sub-section to provide that provisions of the said sub-section shall also be applicable to an order under section 263 passed by the Principal Chief Commissioner or Chief Commissioner.

It is also proposed to amend the first proviso to *Explanation 1* of the said section so as to also make it available to the period of limitation mentioned in sub-section (1A) of the said section.

These amendments will take effect from 1st April, 2023.

It is also proposed to amend clause (iv) of *Explanation 1* to the said section, so as to exclude the period for inventory valuation through the cost accountant for the purposes of computation of time limit.

This amendment will take effect from 1st April, 2023 and will, accordingly, apply in relation to the assessment year 2023-2024 and subsequent assessment years.

Clause 73 of the Bill seeks to amend section 154 of the Income-tax Act relating to rectification of mistake.

It is proposed to consequentially amend clause (b) of sub-section (2) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 74 of the Bill seeks to amend section 155 of the Income-tax Act relating to other amendments.

Sub-section (11A) of the said section provides that where in the assessment for any year, the deduction under section 10A or section 10B or section 10BA has not been allowed on the ground that such income has not been or partly received in convertible foreign exchange in India and subsequently such income or part thereof has been received in, or brought into India, the Assessing Officer shall amend the order of assessment so as to allow such deduction later.

It is proposed to amend the said sub-section to give reference of section 10AA to allow the Assessing Officer to amend his assessment order later to provide deduction in respect of any income or part thereof not received in, or brought into India, within prescribed time limit, but has been subsequently realised.

This amendment will take effect from 1st April, 2024 and will, accordingly, apply in relation to the assessment year 2024-2025 and subsequent assessment years.

It is proposed to insert a new sub-section (19) in the said section so as to provide that where any deduction in respect of any expenditure incurred for the purchase of sugarcane has been claimed by an assessee, being a co-operative society engaged in the business of manufacture of sugar, and such deduction has been disallowed wholly or partly in any previous year commencing on or before 1st April, 2014, the Assessing Officer shall, on the basis of an application made by such assessee in this regard, recompute the total income of such assessee for such previous year after allowing such deduction to the extent such expenditure is incurred at a price which is equal to or less than the price fixed or approved by the Government for that previous year, and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years specified in sub-section (7) of section 154 shall be reckoned from the end of previous year commencing on the 1st April, 2022.

This amendment will take effect from 1st April, 2023.

It is proposed to insert a new sub-section (20) in the said section so as to provide that where any income has been included in the return of income furnished by an assessee under section 139 for any assessment year (herein referred to as the relevant assessment year) and tax on such income has been deducted at source and paid to the credit of the Central Government in accordance with the provisions of Chapter XVII-B in a subsequent financial year, the Assessing Officer shall, on an application made by the assessee in the prescribed form within a period of two years from the end of the financial year in which such tax was deducted at source, amend the order of assessment or any intimation allowing credit of such tax deducted at source in the relevant assessment year, and the provisions of section 154 shall, so far as may be, apply thereto and the period of four years specified in sub-section (7) of that section shall be reckoned from the end of the financial year in which such tax has been deducted. However, the credit of such tax deducted at source shall not be allowed in any other assessment year.

This amendment will take effect from 1st October, 2023.

Clause 75 of the Bill seeks to amend section 158A of the Income-tax Act relating to

procedure when assessee claims identical question of law is pending before High Court or Supreme Court.

It is proposed to consequentially amend *Explanation* to the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 76 of the Bill seeks to amend section 158AB of the Income-tax Act relating to procedure where an identical question of law is pending before High Courts or Supreme Court.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 77 of the Bill seeks to substitute section 170A of the Income-tax Act relating to effect of order of tribunal or court in respect of business reorganisation.

The existing section provides that in case of business reorganisation where a return of income has been filed by the successor under section 139 of the Act, such successor shall furnish a modified return within six months from the end of the month in which such order of business reorganisation was issued in accordance with limited to the said order.

The proposed sub-section (1) seeks to provide that notwithstanding anything contained in section 139, in a case of business reorganisation, where prior to the date of order of a High Court or tribunal or Adjudicating Authority, any return of income has been furnished under the provisions of section 139 for any assessment year relevant to a previous year, by an entity to which such order applies, the successor shall furnish, within a period of six months from the end of the month in which the said order was issued, a modified return in the form and manner, as may be provided by rules, in accordance with and limited to the said order.

The proposed sub-section (2) seeks to provide that if proceedings of assessment or reassessment for the relevant assessment year have been completed on the date of furnishing of modified return under sub-section (1), the Assessing Officer shall pass an order modifying the total income of the relevant assessment year in accordance with the order of the business reorganisation and taking into account the modified return so furnished and it is also proposed that if proceedings of assessment or reassessment for the relevant assessment year are pending on the date of furnishing of modified return under sub-section (1), the Assessing Officer shall pass an order assessing or reassessing the total income of the relevant assessment year in accordance with the order of the business reorganisation and taking into account the modified return so furnished.

The proposed sub-section (3) seeks to provide that unless otherwise provided, all other provisions of the Income-tax Act shall apply to the assessment or reassessment made under this section and in such cases, the tax shall be chargeable at the rate applicable to such

assessment year.

The proposed *Explanation* seeks to define the expressions “business reorganisation” and “successor” for the purposes of this section.

This amendment will take effect from 1st April, 2023.

Clause 78 of the Bill seeks to amend section 177 of the Income-tax Act relating to association dissolved or business discontinued.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 79 of the Bill seeks to amend section 189 of the Income-tax Act relating to firm dissolved or business discontinued.

It is proposed to consequentially amend sub-section (2) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 80 of the Bill seeks to amend section 192A of the Income-tax Act relating to payment of accumulated balance due to an employee.

The provisions of the said section provide for deduction of tax at the rate of ten per cent. on payment of taxable component of accumulated balance due to an employee under the Employees' Provident Fund Scheme, 1952. The second proviso to the said section provides that any person entitled to receive any amount on which tax is deductible under the said section shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the maximum marginal rate.

It is proposed to omit the second proviso to the said section.

This amendment will take effect from 1st April, 2023.

Clause 81 of the Bill seeks to amend section 193 of the Income-tax Act relating to interest on securities.

Clause (ix) of the proviso to the said section provides that no tax shall be deducted on interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

It is proposed to omit the said clause.

This amendment will take effect from 1st April, 2023.

Clause 82 of the Bill seeks to amend section 194B of the Income-tax Act relating to winnings from lottery or crossword puzzle.

It is proposed to amend the said section so as to include winnings from gambling or betting of any form or nature whatsoever within the ambit of section 194B and accordingly proposed to amend the marginal heading.

It is further proposed to provide that deduction of tax under the said section shall be on the amount or aggregate of the amounts exceeding ten thousand rupees during the financial year.

These amendments will take effect from 1st April, 2023.

It is also proposed to insert a new proviso to provide that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after 1st July, 2023 and also an *Explanation* to provide that “online game” shall have the meaning assigned to it in clause (iii) of *Explanation* to the proposed section 115BBJ.

This amendment will take effect from 1st July, 2023.

Clause 83 of the Bill seeks to insert a new section 194BA in the Income-tax Act relating to winnings from online game.

Sub-section (1) of the proposed section provides that notwithstanding anything contained in any other provisions of this Act, any person responsible for paying to any person any income by way of winnings from any online game during the financial year shall, deduct income-tax on the net winnings in his user account, computed in the manner as may be provided by rules, at the end of the financial year at the rates in force.

The proviso to the said sub-section provides that in a case where there is a withdrawal from user account during the financial year, the income-tax shall be deducted at the time of such withdrawal on net winnings comprised in such withdrawal, as well as on the remaining amount of net winnings in the user account, computed in the manner as may be provided by rules, at the end of the financial year.

Sub-section (2) of the proposed section provides that in a case where the net winnings are wholly in kind or partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the net winnings, the person responsible for paying shall, before releasing the winnings, ensure that tax has been paid in respect of the net winnings.

Sub-section (3) of the proposed section provides that if any difficulty arises in giving effect to the provisions of section 194BA, the Board may, with the prior approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

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

It is also proposed to define the expressions “computer resource”, “internet”, “online game”, “online gaming intermediary”, “user” and “user account”.

This amendment will take effect from 1st July, 2023.

Clause 84 of the Bill seeks to amend section 194BB of the Income-tax Act, 1961 relating to winning from horse race.

It is proposed to amend the said section so as to provide that deduction of tax under section 194BB shall be on the amount or aggregate of the amounts exceeding ten thousand rupees during the financial year.

This amendment will take effect from 1st April, 2023.

Clause 85 of the Bill seeks to amend section 194N of the Income-tax Act relating to payment of certain amounts in cash.

The provisions of the said section provide that a banking company or a co-operative society engaged in carrying on the business of banking or a post office, which is responsible for paying any sum, being the amount or the aggregate of amounts, in excess of one crore rupees in cash during the previous year to any person (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.

It is proposed to insert a third proviso in the said section so as to provide that where the recipient is a co-operative society, the provisions of this section shall have effect, as if for the words “one crore rupees” the words “three crore rupees” had been substituted.

This amendment will take effect from 1st April, 2023.

Clause 86 of the Bill seeks to amend section 194R of the Income-tax Act relating to deduction of tax on benefit or perquisite in respect of business or profession.

Sub-section (1) of the said section provides that any person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession, by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent. of the value or aggregate of value of such benefit or perquisite.

It is proposed to insert a new *Explanation 2* to the said section so as to clarify that the provisions of sub-section (1) shall also apply to any benefit or perquisite, whether in cash or in kind or partly in cash and partly in kind.

This amendment will take effect from 1st April, 2023.

Clause 87 of the Bill seeks to amend section 196A of the Income-tax Act relating to income in respect of units of non-residents.

Sub-section (1) of the said section provides for deduction of tax on payment of any income to a non-resident, not being a company, or to a foreign company in respect of units of a Mutual Fund specified under clause (23D) of the section 10 or from the specified company referred to in the *Explanation* to clause (35) of the said section at the rate of twenty per cent.

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

This amendment will take effect from 1st April, 2023.

Clause 88 of the Bill seeks to amend section 197 of the Income-tax Act relating to certificate for deduction at lower rate.

It is proposed to amend sub-section (1) of the said section to provide that the sums on which tax is required to be deducted under section 194LBA shall also be eligible for certificate for deduction at lower rate.

This amendment will take effect from 1st April, 2023.

Clause 89 of the Bill seeks to amend section 206AB of the Income-tax Act relating to special provision for deduction of tax at source for non-filers of income-tax return.

Sub-section (3) of the said section defines “specified person” for the purpose of this section to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted. The proviso to the said sub-section excludes a non-resident from the definition of specified person, if the non-resident does not have a permanent establishment in India.

It is proposed to amend the said proviso to also exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

This amendment will take effect from 1st April, 2023.

Clause 90 of the Bill seeks to amend section 206C of the Income-tax Act relating to tax collected at source from profits and gains from the business of trading in alcoholic liquor, forest produce, scrap etc.

Sub-section (1G) of the said section, *inter-alia*, provides that every person being an authorised dealer, who receives any amount, or an aggregate of amounts, of seven lakh rupees or more in a financial year for remittance out of India under the Liberalised Remittance Scheme of the Reserve Bank of India from a buyer, being a person remitting such amount out of India; or being a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package, shall, at

the time of debiting of the amount payable by the buyer to the account of 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.

It is proposed to amend the said sub-section (1G) so as to increase the rate of collection of tax at source from “five per cent.” to “twenty per cent. if it is for a purpose other than for education or medical treatment”.

It is further proposed to amend the first proviso to the said section to provide that collection of tax at source is not applicable where amount or aggregate of amount is less than seven lakh rupees is remitted for the purpose of education or medical treatment.

It is also proposed to amend the second proviso to provide that collection of tax at source is applicable where amount or aggregate of amount in excess of seven lakh rupees is remitted for the purpose of education or medical treatment.

These amendments will take effect from 1st July, 2023.

Clause 91 of the Bill seeks to amend section 206CCA of the Income-tax Act relating to special provision for collection of tax at source for non-filers of income-tax return.

Sub-section (3) of the said section defines “specified person” to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected. The proviso to said sub-section excludes a non-resident from the definition of specified person, if the non-resident does not have a permanent establishment in India.

It is proposed to amend the said proviso to exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

This amendment will take effect from the 1st April, 2023.

Clause 92 of the Bill seeks to amend section 241A of the Income-tax Act relating to withholding of refund in certain cases.

It is proposed to insert a new proviso in the said section to provide that the provisions thereof shall not apply from 1st April, 2023.

This amendment will take effect from 1st April, 2023.

Clause 93 of the Bill seeks to amend section 244A of the Income-tax Act relating to interest on refunds.

It is proposed to amend clause (a) of sub-section (1) of the said section to insert a proviso to provide that where refund arises as a result of an order passed by the Assessing Officer in consequence of an application made by the assessee under sub-section (20) of section 155, such interest shall be calculated at the rate of one-half per cent. for every month or part of a month comprised in the period from the date of such application to the date on which the refund is granted.

This amendment will take effect from 1st October, 2023.

It is further proposed to insert a proviso to sub-section (1A) of the said section to provide that where proceedings for assessment or reassessment are pending in respect of an assessee, in computing the period for determining the additional interest payable to such assessee under this sub-section, the period beginning from the date on which such refund is withheld by the Assessing Officer in accordance with and subject to provisions of sub-section (2) of section 245 and ending with the date on which such assessment or reassessment is made shall be excluded.

This amendment will take effect from 1st April, 2023.

Clause 94 of the Bill seeks to substitute section 245 of the Income-tax Act with a new section relating to set off and withholding of refunds in certain cases.

Sub-section (1) of the proposed section seeks to provide that where under any of the provisions of this Act, a refund becomes due or is found to be due to any person, the Assessing Officer or Commissioner or Principal Commissioner or Chief Commissioner or Principal Chief Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded or any part of that amount, against the sum, if any, remaining payable under this Act by the person to whom the refund is due, after giving an intimation in writing to such person of the action proposed to be taken under this sub-section.

Sub-section (2) of the proposed section seeks to provide that where a part of the refund has been set off as per sub-section (1) or where no amount is set off, and refund becomes due to a person, then, the Assessing Officer, having regard to the fact that proceedings of assessment or reassessment are pending in such case and grant of refund is likely to adversely affect the revenue, and for reasons to be recorded in writing and with the previous approval of the Principal Commissioner or Commissioner, may withhold the refund till the date of such assessment or reassessment.

This amendment will take effect from 1st April, 2023.

Clause 95 of the Bill seeks to amend the section 245D of the Income-tax Act relating to procedure on receipt of an application under section 245C.

It is proposed to substitute clause (iv) of sub-section (9) of the said section so as to provide that where the time-limit for amending any order or filing of rectification application under sub-section (6B) of the said section expires on or after the 1st February, 2021, but before the 1st February, 2022, such time-limit shall be extended to 30th September, 2023.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 96 of the Bill seeks to amend the section 245MA of the Income-tax Act, relating to Dispute Resolution Committee.

It is proposed to insert a second proviso in sub-section (4) of the said section so as

to provide that the Central Government may amend any direction issued under sub-section (4) of that section on or before 31st March, 2023, by notification in the Official Gazette.

This amendment will take effect from 1st April, 2023.

Clause 97 of the Bill seeks to amend the section 245R of the Income-tax Act relating to procedure on receipt of application.

It is proposed to insert a new proviso in sub-section (10) of the said section so as to provide that the Central Government may amend any direction issued under sub-section (10) of that section on or before 31st March, 2023, by notification in the Official Gazette.

This amendment will take effect from 1st April, 2023.

Clause 98 of the Bill seeks to amend Chapter XX of the Income-tax Act relating to appeals and revision.

It is proposed to amend the sub-heading of Chapter XX relating to appeals to enable creation and functioning of Joint Commissioner (Appeals).

It is further proposed to substitute section 246 with a new section so as to provide for appealable orders before Joint Commissioner (Appeals).

Sub-section (1) of the proposed section seeks to provide that any assessee aggrieved by any of the following orders of an Assessing Officer (below the rank of Joint Commissioner) may appeal to the Joint Commissioner (Appeals) against—

(i) (a) an order being an intimation under sub-section (1) of section 143, where the assessee objects to the making of adjustments, or any order of assessment under sub-section (3) of section 143 or section 144, where the assessee objects to the amount of income assessed, or to the amount of tax determined, or to the amount of loss computed, or to the status under which he is assessed;

(b) an order of assessment, reassessment or recomputation under section 147;

(c) an order being an intimation under sub-section (1) of section 200A;

(d) an order under section 201;

(e) an order being an intimation under sub-section (6A) of section 206C;

(f) an order under sub-section (1) of section of section 206CB;

(g) an order imposing a penalty under Chapter XXI; and

(h) an order under section 154 or section 155 amending any of the orders mentioned in clauses (a) to (g).

The proviso to the said sub-section provides that where an order referred to under this sub-section is passed by or with the approval of an income-tax authority above the rank of

Deputy Commissioner, an appeal cannot be filed against such order under this section.

Sub-section (2) provides that where any appeal filed against an order referred to in sub-section (1) is pending before the Commissioner (Appeals), the Board or an income-tax authority so authorised by the Board in this regard, may transfer such appeal and any matter arising out of or connected with such appeal and which is so pending, to the Joint Commissioner (Appeals) who may proceed with such appeal or matter, from the stage at which it was before it was so transferred.

Sub-section (3) provides that notwithstanding anything contained in sub-section (1) or sub-section (2), the Board or an income-tax authority so authorised by the Board in this regard, may transfer any appeal which is pending before a Joint Commissioner (Appeals) and any matter arising out of or connected with such appeal and which is so pending, to the Commissioner (Appeals) who may proceed with such appeal or matter, from the stage at which it was before it was so transferred.

Sub-section (4) provides that where an appeal is transferred under the provisions of sub-section (2) and sub-section (3), the appellant shall be provided an opportunity of being reheard.

Sub-section (5) provides that for the purposes of disposal of appeal by the Joint Commissioner (Appeals), the Central Government may make a scheme, by notification in the Official Gazette, so as to dispose of appeals in an expedient manner with transparency and accountability by eliminating the interface between the Joint Commissioner (Appeals) and the appellant in the course of appellate proceedings to the extent technologically feasible and direct that any of the provisions of this Act relating to jurisdiction and procedure for disposal of appeals by Joint Commissioner (Appeals) shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification.

Sub-section (6) provides that for the purposes of sub-section (1), the Board may specify that the provisions of that sub-section shall not apply to any case or any class of cases.

It is also proposed to insert an *Explanation* to the proposed section defines “status” to mean the category under which the assessee is assessed as “individual”, “Hindu undivided family” and so on.

These amendments will take effect from 1st April, 2023.

Clause 99 of the Bill seeks to amend section 249 of the Income-tax Act relating to form of appeal and limitation.

It is proposed to amend sub-section (1) of said section to insert Joint Commissioner (Appeals) within the ambit of the said section.

It is further proposed to amend sub-section (3) and proviso to sub-section (4) of said section to insert Joint Commissioner (Appeals) in the said sub-sections.

These amendments will take effect from 1st April, 2023.

Clause 100 of the Bill seeks to amend section 250 of the Income-tax Act relating to procedure in appeal.

It is proposed to amend the said section to make the provisions therein applicable to the Joint Commissioner (Appeals) by inserting a reference to the Joint Commissioner (Appeals) wherever the term the Commissioner (Appeals) occurs.

It is further proposed to substitute sub-section (6A) of the said section so as to provide that in every appeal, the Joint Commissioner (Appeals) or the Commissioner (Appeals), as the case may be, where it is possible, may hear and decide such appeal within a period of one year from the end of the financial year in which such appeal is filed before him under sub-section (1) or transferred to him under sub-section (2) or sub-section (3) of section 246 or filed before him under sub-section (1) of section 246A, as the case may be.

These amendments will take effect from 1st April, 2023.

It is also proposed to insert a second proviso in sub-section (6C) of the said section so as to provide that the Central Government may amend any direction issued under sub-section (6C) of that section on or before 31st March, 2022, by notification in the Official Gazette.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 101 of the Bill seeks to amend section 251 of the Income-tax Act relating to powers of the Commissioner (Appeals).

It is proposed to substitute the marginal heading of the said section to include the Joint Commissioner (Appeals) also in the said heading.

It is further proposed to insert a new sub-section (1A) of the said section so as to provide that in disposing of an appeal, the Joint Commissioner (Appeals) shall have powers to confirm, reduce, enhance or annul the assessment in an appeal against an order of assessment, confirm or cancel or vary an order so as either to enhance or to reduce the penalty in an appeal against an order imposing a penalty, and in any other case, to pass such orders in the appeal as he thinks fit.

It is also proposed to amend sub-section (2) and the *Explanation* to that section to make the provisions therein applicable to the Joint Commissioner (Appeals) by inserting a reference to the Joint Commissioner (Appeals) wherever the term “Commissioner (Appeals)” occurs.

These amendments will take effect from 1st April, 2023.

Clause 102 of the Bill seeks to amend section 253 of the Income-tax Act relating to appeals to the Appellate Tribunal.

Sub-section (1) of the said section details the types of orders passed under various sections of the Income-tax Act against which an aggrieved assessee may appeal to the Appellate Tribunal. It is proposed to amend clause (a) of the said sub-section to provide that penalty orders passed by Commissioner (Appeals) under the sections 271AAB,

271AAC and 271AAD shall also be appealable to the Appellate Tribunal.

It is proposed to amend sub-section (1) of the said section by inserting a new sub-clause (aa) so as to provide that an order passed by a Joint Commissioner (Appeals) under section 154, section 250, section 270A, section 271, section 271A, section 271AAC, section 271AAD or section 271J shall be appealable before the Appellate Tribunal.

It is further proposed to amend clause (c) of the said sub-section to provide that an order passed under section 263 by a Principal Chief Commissioner or Chief Commissioner or an order passed under section 154 amending any such order shall also be appealable to the Appellate Tribunal.

It is also proposed to amend sub-section (2) of the said section to make the provisions therein applicable to the Joint Commissioner (Appeals) by substituting “Commissioner (Appeals)” with “Joint Commissioner (Appeals) or Commissioner (Appeals)”.

It is also proposed to amend sub-section (4) of the said section to enable filing of memorandum of cross-objections in all classes of cases against which appeal can be made to the Appellate Tribunal.

These amendments will take effect from 1st April, 2023.

Clause 103 of the Bill seeks to amend section 264 of the Income-tax Act relating to revision of other orders.

It is proposed to consequentially amend sub-section (4) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 104 of the Bill seeks to amend section 267 of the Income-tax Act relating to amendment of assessment on appeal.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 105 of the Bill seeks to amend the section 269SS of the Income-tax Act relating to mode of taking or accepting certain loans, deposits and specified sum.

It is proposed to insert a third proviso in the said section so as to provide that in case where a deposit is accepted by a primary agricultural credit society or a primary cooperative agricultural and rural development bank from its member or a loan is taken from a primary agricultural credit society or a primary cooperative agricultural and rural development bank by its member, the limit of twenty thousand rupees shall be increased to two lakh rupees.

It is further proposed to substitute the clause (ii) of *Explanation* to the said section so as to provide that "co-operative bank", "primary agricultural credit society" and "primary co-operative agricultural and rural development bank" shall have the meanings respectively assigned to them in *Explanation* to sub-section (4) of section 80P.

This amendment will take effect from 1st April, 2023.

Clause 106 of the Bill seeks to amend the section 269T of the Income-tax Act relating to mode of repayment of certain loans or deposits.

It is proposed to insert a third proviso in the said section so as to provide that in case where a deposit is paid by a primary agricultural credit society or a primary cooperative agricultural and rural development bank to its member or a loan is repaid to a primary agricultural credit society or a primary cooperative agricultural and rural development bank by its member, the limit of twenty thousand rupees shall be increased to two lakh rupees.

It is further proposed to substitute clause (ii) to *Explanation* to the said section so as to provide that "co-operative bank", "primary agricultural credit society" and "primary co-operative agricultural and rural development bank" shall have the meanings respectively assigned to them in *Explanation* to sub-section (4) of section 80P.

This amendment will take effect from 1st April, 2023.

Clause 107 of the Bill seeks to amend section 270A of the Income-tax Act relating to penalty for under-reporting and misreporting of income.

It is proposed to consequentially amend the said section to substitute the expression "the Commissioner (Appeals)" with "the Joint Commissioner (Appeals) or the Commissioner (Appeals)".

This amendment will take effect from 1st April, 2023.

Clause 108 of the Bill seeks to amend section 270AA of the Income-tax Act relating to immunity from imposition of penalty, etc.

It is proposed to consequentially amend sub-section (6) of the said section by giving reference to the appeal filed under section 246 before the Joint Commissioner (Appeals) to make it applicable under the provisions of the said sub-section.

This amendment will take effect from 1st April, 2023.

Clause 109 of the Bill seeks to amend section 271 of the Income-tax Act relating to failure to furnish returns, comply with notices, concealment of income, etc.

It is proposed to consequentially amend the said section to substitute the expression "the Commissioner (Appeals)" with "the Joint Commissioner (Appeals) or the Commissioner (Appeals)".

This amendment will take effect from 1st April, 2023.

Clause 110 of the Bill seeks to amend section 271A of the Income-tax Act relating to failure to keep, maintain or retain books of account, documents, etc.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 111 of the Bill seeks to amend section 271AAC of the Income-tax Act relating to penalty in respect of certain income.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 112 of the Bill seeks to amend section 271AAD of the Income-tax Act relating to penalty for false entry, etc., in books of account.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 113 of the Bill seeks to amend the section 271C of the Income-tax Act relating to penalty for failure to deduct tax at source.

It is proposed to amend clause (b) of sub-section (1) of said section so as to provide that a person shall be liable to pay penalty under that section for failure to ensure payment, in addition to failure of payment, of whole or any part of tax as required under the provisions.

It is further proposed to amend the said clause to provide that a person shall be liable to pay, as penalty, a sum equal to the amount of tax which such person failed to ensure payment of.

These amendments will take effect from 1st April, 2023.

It is also proposed to amend the said clause to give reference of sub-section (2) of section 194BA.

This amendment will take effect from 1st July, 2023.

It is also proposed to amend the said clause to give reference of the first proviso to sub-section (1) of section 194R and the proviso to sub-section (1) of section 194S therein.

This amendment will take effect from 1st April, 2023.

Clause 114 of the Bill seeks to amend the section 271FAA of the Income-tax Act relating to penalty for furnishing inaccurate statement of financial transaction or reportable account.

The said section provides for imposition of penalty of fifty thousand rupees on a person for furnishing inaccurate information in the statement of financial transaction or reportable account.

It is proposed to amend the said section to provide that the income-tax authority imposing penalty under the said section shall be the same as the income tax authority prescribed under sub-section (1) of section 285BA.

It is further proposed to insert a new sub-section (2) in the said section to provide that where in the case of a person, referred to in clause (k) of sub-section (1) of section 285BA, who is required to furnish a statement under that section (herein referred to as reporting financial institution) provides inaccurate information in the statement and the inaccuracy in such statement is due to false or inaccurate information furnished by the holder or holders of the relevant reportable account or accounts, the income-tax authority prescribed under sub-section (1) of section 285BA, shall direct that the reporting financial institution shall, in addition to the penalty under sub-section (1), if any, pay a sum of five thousand rupees for every inaccurate reportable account and the reporting financial institution shall be entitled to recover the sum so paid on behalf of such reportable account holder, or to retain out of any moneys that may be in its possession, or may come to it from every such reportable account holder, an amount equal to the sum so paid.

This amendment will take effect from 1st April, 2023.

Clause 115 of the Bill seeks to amend section 271J of the Income-tax Act relating to penalty for furnishing incorrect information in reports or certificates.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 116 of the Bill seeks to amend the section 274 of the Income-tax Act relating to procedure.

It is proposed to insert a second proviso in sub-section (2B) of the said section so as to provide that the Central Government may amend any direction issued under sub-section (2B) of that section on or before 31st March, 2022, by notification in the Official Gazette.

This amendment will take effect retrospectively from 1st April, 2022.

Clause 117 of the Bill seeks to amend section 275 of the Income-tax Act relating to bar of limitation for imposing penalties.

It is proposed to consequentially amend the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 118 of the Bill seeks to amend section 276A of the Income-tax Act relating to failure to comply with the provisions of sub-sections (1) and (3) of section 178.

The said section provides for punishment for non-compliance of the provisions of sub-sections (1) and (3) of section 178.

It is proposed to insert a second proviso to the said section so as to provide that no proceeding shall be initiated under this section on or after 1st April, 2023.

This amendment will take effect from 1st April, 2023.

Clause 119 of the Bill seeks to amend the section 276B of the Income-tax Act relating to failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B.

It is proposed to amend clause (a) of the said section so as to make it applicable if a person fails to pay to the credit of the Central Government the tax deducted at source by him as required by or under the provisions of Chapter XVII-B.

It is further proposed to substitute clause (b) of the said section to provide that failure to pay tax or ensure payment of tax, to the credit of the Central Government as required by or under sub-section (2) of section 115-O, the proviso to section 194B, the first proviso to sub-section (1) of section 194R or the proviso to sub-section (1) of section 194S shall be eligible for initiating proceedings under the section.

These amendments will take effect from 1st April, 2023.

It is also proposed to provide in the said clause that failure to pay tax or ensure payment of tax, to the credit of Central Government as required under sub-section (2) of section 194BA shall be eligible for initiating proceedings under that section.

This amendment will take effect from 1st July, 2023.

Clause 120 of the Bill seeks to amend section 279 of the Income-tax Act relating to prosecution to be at instance of Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner.

It is proposed to consequentially amend sub-section (1) of the said section to substitute the expression “Commissioner (Appeals)” with “Joint Commissioner (Appeals) or Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 121 of the Bill seeks to amend section 287 of the Income-tax Act relating to publication of information respecting assesses in certain cases.

It is proposed to consequentially amend sub-section (2) of the said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Clause 122 of the Bill seeks to amend section 295 of the Income-tax Act relating to power to make rules.

It is proposed to amend clause (eec) of sub-section (2) of the said section so as to include the words “or inventory valuation” after the word “audit”.

It is further proposed to consequentially amend the clause (mm) of sub-section (2) of said section to substitute the expression “the Commissioner (Appeals)” with “the Joint Commissioner (Appeals) or the Commissioner (Appeals)”.

This amendment will take effect from 1st April, 2023.

Customs

Clause 123 seeks to amend section 25 of the Customs Act by inserting a new proviso in sub-section (4A), so as to exclude certain categories of conditional exemption specified therein from the purview of the said sub-section.

Clause 124 of the Bill seeks to amend section 127C of the Customs Act by inserting a new sub-section (8A) therein to provide that an order under sub-section (5) shall be passed within nine months from the date of making application under section 127B, and if no order is passed within the said period, the settlement proceeding shall abate and the case shall be reverted back to the adjudicating authority.

Customs Tariff

Clause 125 of the Bill seeks to amend sections 9, 9A and 9C of the Customs Tariff Act so as to omit certain words therein and to clarify that the determination or review of safeguard duty or of countervailing duty or of anti-dumping duty are to be done by an authority in such manner as may be specified in the rules made under sections 8B, 9, 9A and 9B of the said Act.

Clause 126 seeks to amend the First Schedule to the Customs Tariff Act, in the manner specified in—

(a) the Second Schedule so as to revise the rates in respect of certain tariff items with effect from the 2nd day of February, 2023;

(b) the Third Schedule with a view to revise the rates in respect of certain tariff items, with effect from the date on which the Finance Bill, 2023 receives the assent of the President.

(c) the Fourth Schedule so as to revise the entries in respect of certain tariff items

with effect from 1st May,2023.

Clause 127 seeks to amend the Second Schedule to the Customs Tariff Act so as to revise the entries in respect of certain tariff items in the manner specified in the Fifth Schedule with effect from 1st May, 2023.

Central Goods and Services Tax

Clause 128 of the Bill seeks to amend clause (d) of sub-section (2) and clause (c) of sub-section (2A) in section 10 of the Central Goods and Services Tax Act so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the composition levy.

Clause 129 of the Bill seeks to amend second and third provisos to sub-section (2) of section 16 of the Central Goods and Services Tax Act to align the said sub-section with the return filing system provided in the said Act.

Clause 130 of the Bill seeks to amend *Explanation* to sub-section (3) of section 17 of the Central Goods and Services Tax Act so as to restrict availment of input tax credit in respect of certain transactions specified in clause (a) of paragraph 8 of Schedule III of the said Act, as may be provided by rules, by including the value of such transactions in the value of exempt supply.

It also seeks to amend sub-section (5) so as to provide that input tax credit shall not be available in respect of goods or services or both received by a taxable person which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013.

Clause 131 of the Bill seeks to substitute, with effect from the 1st day of July, 2017, section 23 of the Central Goods and Services Tax Act relating to persons not liable for registration so as to provide overriding effect to the said section over sub-section (1) of section 22 and section 24 of the said Act.

Clause 132 of the Bill seeks to insert a new sub-section (5) in section 37 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the details of outward supplies under sub-section (1) of the said section for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 133 of the Bill seeks to insert a new sub-section (11) in section 39 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the return for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 134 of the Bill seeks to insert a new sub-section (2) in section 44 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the annual return under sub-section (1) of the said section for a financial year can be furnished

by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 135 of the Bill seeks to insert a new sub-section (15) in section 52 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the statement under sub-section (4) of the said section for a month can be furnished by an electronic commerce operator. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for an operator or a class of operators, subject to certain conditions and restrictions.

Clause 136 of the Bill seeks to amend sub-section (6) of section 54 of the Central Goods and Services Tax Act by removing reference to the provisionally accepted input tax credit so as to align the same with the present scheme of availment of self-assessed input tax credit as per sub-section (1) of section 41 of the said Act.

Clause 137 of the Bill seeks to amend section 56 of the Central Goods and Services Tax Act so as to provide by rules the manner of computation of period of delay for calculation of interest on delayed refunds.

Clause 138 of the Bill seeks to insert a new sub-section (1B) in section 122 of the Central Goods and Services Tax Act so as to provide for penal provisions applicable to electronic commerce operators in case of contravention of provisions relating to supplies of goods or services made through them by unregistered persons or composition taxpayers.

Clause 139 of the Bill seeks to amend sub-section (1) of section 132 of the Central Goods and Services Tax Act so as to decriminalise offences specified in clauses (g), (j) and (k) of the said sub-section and to increase the monetary threshold from one hundred lakh rupees to two hundred lakh rupees for launching prosecution for the offences under the said Act, except for the offences related to issuance of invoices without supply of goods or services or both.

Clause 140 of the Bill seeks to amend first proviso to sub-section (1) of section 138 of the Central Goods and Services Tax Act so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act.

It further seeks to amend sub-section (2) so as to rationalise the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.

Clause 141 of the Bill seeks to insert a new section 158A in the Central Goods and Services Tax Act so as to provide for the manner and conditions for sharing of the information furnished by the registered person in his application for registration or in his return filed or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be provided by rules, on the common portal with such other systems, as may be notified.

Clause 142 of the Bill seeks to amend Schedule III of the Central Goods and Services Tax Act to give retrospective applicability to paragraphs 7 and 8 and the *Explanation 2* to

the said Schedule with effect from the 1st day of July, 2017.

Integrated Goods and Services Tax

Clause 143 of the Bill seeks to amend clause (16) of section 2 of the Integrated Goods and Services Tax Act, by omitting certain words therein, so as to restrict the meaning of the term “non-taxable online recipient” to mean any unregistered person receiving online information and database access or retrieval services located in the taxable territory. It further seeks to clarify that the persons registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act shall be treated as unregistered person for the purpose of the said clause.

It also proposes to amend clause (17) of the said section by removing certain words therein so as to remove the condition of “essentially automated” and “involving minimal human intervention” from the said definition.

Clause 144 of the Bill seeks to omit the proviso to sub-section (8) of section 12 of the Integrated Goods and Services Tax Act so as to remove the confusion regarding availment of input tax credit and other matters.

Miscellaneous

Clauses 145 and 146 seek to amend the Government Savings Promotion Act, 1873.

It is proposed to substitute sub-section (4) of section 4A of the said Act to make a provision for payment of eligible balance to the legal heir in case of death of the depositor without nomination. It is, *inter alia*, proposed to include legal heir certificate also to be a valid proof for payment of eligible balance to the person legally entitled. This is to simplify and facilitate the process of payment of claim where no nomination had been made by the depositor in the account exceeding such balance as may be provided in the rules.

It is further proposed to consequentially substitute clause (i) of sub-section (2) of section 15 of the said Act.

It is also proposed to amend the Schedule to incorporate new Savings Schemes notified on or after 12th December, 2019.

Clauses 147 seek to amend the Indian Stamp Act, 1899.

It is proposed to amend the division D of article 47 of Schedule I of the said Act so as to also exempt policies of life insurance issued under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) from the application of stamp duty.

Clause 148 of the Bill seeks to amend section 18A of the Securities Contracts (Regulation) Act, 1956 relating to contracts in derivatives.

It is proposed to insert a new clause (ba) in the said section so as to provide that the contract in derivatives issued by a Foreign Portfolio Investor in a International Financial Service Centre regulated by the International Financial Service Centres Authority shall also be legal and valid contracts and to define the expression “Foreign Portfolio Investor”.

Clause 149 of the Bill seeks to substitute a new section for section 19 of the Central Sales Tax Act so as to declare the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act as the Appellate Authority for settlement of inter-State disputes falling under sections 6A and 9.

Clause 150 of the Bill seeks to omit section 24 of the Central Sales Tax Act in view of the abolition of Authority for Advance Rulings.

Clause 151 of the Bill seeks to amend section 25 of the Central Sales Tax Act so as to insert a new sub-section (3) therein to provide for transfer of pending proceedings before the erstwhile Authority for Advance Rulings to the Authority referred to in section 19.

Clause 152 of the Bill seeks to amend sections 2 and 46 of the Prohibition of *Benami* Property Transactions Act, 1988.

Clause (18) of section 2 provides the definition of High Court.

It is proposed to amend the said clause to provide that where the aggrieved party does not ordinarily reside or carry on business or personally work for gain within the jurisdiction of any High Court; and where the Government being the aggrieved party, any of the respondents do not ordinarily reside or carry on business or personally work for gain within the jurisdiction of any High Court, the High Court shall be the High Court within the jurisdiction of which, the office of the Initiating Officer is located.

It is further proposed to amend sub-sections (1) and (1A) of section 46 to provide that the aggrieved persons including the Initiating Officer shall file appeal against the order of the Adjudicating Authority within a period of forty-five days from the date on which the order was received by the Initiating Officer or by such person, instead of forty-five days from the date of the order.

These amendments will take effect from 1st April, 2023.

Clause 153 seeks to amend the Seventh Schedule to the Finance Act, 2001, in the manner specified in the Sixth Schedule so as to revise the rates in respect of certain tariff items with effect from the 2nd February, 2023.

Clause 154 seeks to amend the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

Section 8 of the said provides for Administrator to vacate office.

Sub-section (1) of the said section, *inter alia*, provides that the Administrator shall, immediately on redemption of all the schemes of the specified undertaking and the payment of entire amount to investors shall vacate his office.

It is proposed to amend the said sub-section so as to provide that the Administrator shall, immediately on redemption of all the schemes of the specified undertaking and the payment of entire amount to investors or from such date as may be notified by the Central Government in the Official Gazette, whichever is earlier, vacate his office.

Section 13 of the Act pertains to tax exemption or benefit to continue to have effect.

Sub-section (1) of the said section provides that notwithstanding anything contained in the Income-tax Act or any other enactment for the time being in force relating to tax or income, profits or gains, no income-tax or any other tax shall be payable by the Administrator in relation to the specified undertaking for the period beginning on the appointed day and ending on 31st March, 2023, in respect of any income, profits or gains derived, or any amount received in relation to the specified undertaking.

It is proposed to amend the said sub-section (1) so as to extend tax exemption to specified undertaking from 31st March, 2023 to 30th September, 2023.

These amendments will take effect from the 1st April, 2023.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The provisions of the Bill, *inter alia*, empower the Central Government to issue notifications and the Board to make rules for various purposes as specified therein.

Clause 10 of the Bill seeks to amend section 17 of the Income-tax Act relating to “salary”, “perquisite” and “profits in lieu of salary” defined. Clause (2) of the said section empowers the Board to make rules to provide for the manner of computation of the value of accommodation provided by the employer to the employee.

Clause 12 of the Bill seeks to amend section 35D of the Income-tax Act relating to amortisation of certain preliminary expenses.

Clause (a) of sub-section (2) empowers the Board to make rules to provide for the form and manner and the period within which the assessee shall furnish statement of expenditure to the income-tax authority.

Clause 32 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Clause (xiii) of sub-section (2) of the said section empowers the Board to make rules for the manner of computation of the sum received which exceeds the aggregate of the premium paid in a life insurance policy which shall be chargeable to income-tax under the head ‘Income from other sources’.

Clause 50 of the Bill seeks to amend section 115BAC of the Income-tax Act relating to tax on income of individuals and Hindu undivided family.

Second proviso to sub-section (3) of the said section empowers the Board to make rules to provide for the manner of corresponding adjustment to the written down value of block of assets.

Sub-section (6) of the said section, empowers the Board to make rules for opting out of sub-section (1A) for the purpose of computation of tax on total income. It further empowers the Board to make rules to provide for the manner of exercise of the option.

Clause 52 of the Bill seeks to insert a new section 115BAE of the Income-tax Act relating to tax on income of certain new manufacturing co-operative societies.

(1) Sub-clause (iii) of clause (c) of sub-section (2) of the said section empowers the Board to make rules to prescribe the manner of claiming depreciation under clause (iia) of sub-section (1) of section 32.

(2) Sub-section (5) of the said section empowers the Board to make rules for the manner of exercising the option to file return.

Clause 54 seeks to insert a new section 115BBJ in the Income-tax Act relating to tax on winnings from online games.

The proposed amendment seeks to empower the Board to make rules to provide the manner of computation of the net winnings from online game during the previous year.

Clause 63 of the Bill seeks to amend section 132 of the Income-tax Act relating to search and seizure.

Sub-section (2) of the said section empowers the Board to make rules to provide the procedure for approval of any person or entity, for providing assistance to the authorised officer for all or any action under sub-section (1) or (1A) of section 132.

Clause (iii) of sub-section (9D) empowers the Board to make rules to provide procedure for approval for making reference to any other person or entity or any valuer registered by or under any law for the time being in force, for the purposes of search or seizure. It is further empowers the Board to make rules to provide for the manner of estimation of the fair market value of the property, for the purposes of search or seizure.

Clause 74 of the Bill empowers the Board to make rules to provide the form of application to be made by the assessee under sub-section (20) of section 155.

Clause 83 of the Bill seeks to insert a new section 194BA in the Income-tax Act relating to winnings from online game.

Sub-section (1) of the proposed section seeks to empower the Board to provide for the manner of computation of deduction of income-tax on the net winnings from online games while paying income to any person. It further empowers the Board to make rules to provide for the manner of computation to deduct the income-tax at the time of withdrawal of the net winnings.

Indirect-tax

Clause 130 of the Bill seeks to amend the *Explanation* in sub-section (3) of section 17 of the Central Goods and Services Tax Act which clarifies that the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III except certain activities or transactions specified therein. Clause (ii) of the said *Explanation* empowers the Government to specify by rules the value of such activities or transactions in respect of clause (a) of paragraph 8 of Schedule III which are so excepted.

Clause 137 of the Bill seeks to amend section 56 of the Central Goods and Services Tax Act by substituting certain words therein which empowers the Government to provide by rules the manner of computing the interest in respect of refund payable for the period of delay beyond sixty days from the date of receipt of application till the date of refund, subject to the conditions and restrictions specified therein.

Clause 141 of the Bill seeks to insert a new section 158A in the Central Goods and Services Tax Act relating to consent based sharing of information furnished by taxable person. Sub-section (1) of the said section empowers the Government to provide by rules the details to be shared and the manner in which and the conditions subject to which the

details may be shared by the common portal with such other systems notified by the Government.

Sub-section (2) of the said section empowers the Government to provide by rules the form and manner in which the consent of the supplier and the recipient specified therein shall be obtained.

Miscellaneous

Clauses 145 to 146 seek to amend the Government Savings Promotion Act, 1873.

Sub-section (4) of section 4A empowers the Central Government to make rules to provide for payment of the exceeding balance where no nomination had been made by the depositor.

2. The matters in respect of which rules may be made or notifications or order may be issued in accordance with the provisions of the Bill are matters of procedure and detail and it is not practicable to provide for them in the Bill itself.
3. The delegation of legislative power is, therefore, of a normal character.

LOK SABHA

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to give effect to the financial proposals of the Central Government
for the financial year 2023-2024.

*(Smt. Nirmala Sitharaman,
Minister of Finance.)*