

THE FINANCE (No. 2) BILL, 2024

(AS PASSED BY THE HOUSES OF PARLIAMENT—

LOK SABHA ON 7TH AUGUST, 2024

RAJYA SABHA ON 8TH AUGUST, 2024)

ASSENTED TO
ON 16 AUGUST, 2024
ACT No. 15 OF 2024

THE FINANCE (NO. 2) BILL, 2024

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Bill No. 55-F of 2024

THE FINANCE (NO. 2) BILL, 2024
(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL

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

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

CHAPTER I

PRELIMINARY

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

Short title and
commencement.

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

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

(b) sections 114 to 157 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

RATES OF INCOME-TAX

Income-tax.

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2024, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in each case in the manner provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, or in the cases where income is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) and, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh fifty thousand rupees, then,—

43 of 1961.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) In cases in which tax has to be charged and paid under sub-section (24) of section 92CE or section 115QA or section 115TD of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of twelve per cent. of such tax.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act

mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India:

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

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

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

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

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

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

CHAPTER III

DIRECT TAXES

Income-tax

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

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

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

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

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

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

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

(ii) in the first proviso,—

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

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

(iii) in the second proviso, after the words “had been substituted”, the words, brackets, letters and figures “as it stood immediately prior to the commencement of the Finance (No.2) Act, 2024” shall be inserted and shall be deemed to have been inserted;

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

Amendment of
section 2.

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

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

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

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

50 of 2019.

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

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

Explanation.—For the purposes of this clause,—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“any income arising from any—

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

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

and chargeable to equalisation levy under that Chapter.”.

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

Amendment of section 11.

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

(b) in the first proviso,—

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

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

(c) in the second proviso,—

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

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

Amendment of
section 12A.

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

(a) in sub-clause (ii),—

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

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

(b) in sub-clause (iii),—

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

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

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

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

Amendment of
section 12AB.

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

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

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

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

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

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

Insertion of new section 12AC.

“12AC. Where any trust or institution registered under section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be, merges with another trust or institution, the provisions of Chapter XII-EB shall not apply if—

Merger of charitable trusts or institutions in certain cases.

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

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

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

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

Amendment of section 13.

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

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

Amendment of section 16.

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

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

Amendment of section 28.

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

12. In section 36 of the Income-tax Act, in sub-section (I), in clause (iva), for the words “ten per cent.”, the words “fourteen per cent.” shall be substituted with effect from the 1st day of April, 2025.

Amendment of section 36.

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

Amendment of section 37.

“outside India; or

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

Amendment of section 40.

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

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

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

Amendment of section 43D.

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

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

(ii) clause (b) shall be omitted;

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

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

Amendment of section 44B.

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

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

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

(b) in sub-section (1), after the words “business of operation of ships,”, the words, figures and letters “other than cruise ships referred to in section 44BBC,” shall be inserted.

Insertion of new section 44BBC.

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

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

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

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

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

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

Amendment of section 46A.

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

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

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

Amendment of section 47.

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

20. In section 48 of the Income-tax Act, in the second proviso, after the words “where long-term capital gain arises from the transfer”, the brackets, words, figures and letters “(which takes place before the 23rd day of July, 2024)” shall be inserted and shall be deemed to have been inserted with effect from the 23rd day of July, 2024.

Amendment of section 48.

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

Amendment of section 50AA.

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

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

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

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

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

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

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

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

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

“(ii) “Specified Mutual Fund” means,—

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

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

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

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

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

Amendment of section 55.

“(4A) not listed on a recognised stock exchange as on the 31st day of January, 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47, as the case may be, but listed on such exchange subsequent to the date of transfer (where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer);”.

Amendment of
section 56.

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

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

Amendment of
section 57.

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

(a) in clause (i), after the words “in the case of dividends,”, the words, brackets, letter and figures “other than that referred in sub-clause (f) of clause (22) of section 2” shall be inserted with effect from the 1st day of October, 2024;

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

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

(c) after the proviso, the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

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

Amendment of
section 80CCD.

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

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

Amendment of
section 80G.

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

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

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

(I) in the first proviso,—

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

(ii) in clause (iv),—

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

(b) in sub-clause (B), the portion beginning with the words “and where no income or part” and ending with the words “such application,” shall be omitted;

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

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

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

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

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

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

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

Amendment of section 92CA.

(a) in sub-section (2A),—

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

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

(b) in sub-section (2B),—

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

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

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

Amendment of section 94B.

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

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

‘(iv) “Finance Company” means a finance company as defined in clause (e) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021 made under the International Financial Services Centres Authority Act, 2019 and which satisfies such conditions and carries on such activities, as may be prescribed; 50 of 2019.

(v) “International Financial Services Centre” shall have the meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.’. 28 of 2005.

Amendment of
section 111A.

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

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

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

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

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

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

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

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

Amendment of
section 112.

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

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

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

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

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

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

Provided that where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate as applicable in sub-clause (ii):

Provided further that in the case of transfer of a long-term capital asset, being land or building or both, which is acquired before the 23rd day of July, 2024, where the income-tax computed under item (B) exceeds the income-tax computed in accordance with the provisions of this Act, as they stood immediately before their amendment by the Finance (No. 2) Act, 2024, such excess shall be ignored;

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

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

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

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

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

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

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

(ii) the amount of income-tax calculated on long-term capital gains [except where such gain arises from transfer of capital asset referred to in sub-clause (iii)],—

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

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

(iii) the amount of income-tax on long-term capital gains arising from the transfer of a capital asset, being unlisted securities or shares of a company not being a company in which the public are substantially interested, as computed without giving effect to the first and second provisos to section 48, calculated on such long-term capital gains,—

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

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

(d) in any other case of a resident,—

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

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

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

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

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

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

Amendment of
section 112A.

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

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

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

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

Amendment of
section 113.

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

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

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

Amendment of
section 115AB.

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

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

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

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

Amendment of
section 115AC.

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

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

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

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

Amendment of
section
115ACA.

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

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

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

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

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

Amendment of
section 115AD.

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

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

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

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

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

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

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

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

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

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

Amendment of
section 115BAC.

“(1A) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a co-operative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6),—

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

TABLE

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

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

TABLE

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

Amendment of
section 115E.

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

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

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

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

Amendment of
section 115QA.

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

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

Amendment of
section 132B.

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

45 of 1974.

22 of 2015.

Amendment of
section 139.

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

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

Amendment of
section 139AA.

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

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

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

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

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

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

Amendment of section 144C.

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

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

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

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

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

Substitution of new sections for sections 148 and 148A.

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

Issue of notice where income has escaped assessment.

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

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

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

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

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

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

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

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

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

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

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

Procedure before
issuance of
notice under
section 148.

148A. (1) Where the Assessing Officer has information which suggests that income chargeable to tax has escaped assessment in the case of an assessee for the relevant assessment year, he shall, before issuing any notice under section 148 provide an opportunity of being heard to such assessee by serving upon him a notice to show cause as to why a notice under section 148 should not be issued in his case and such notice to show cause shall be accompanied by the information which suggests that income chargeable to tax has escaped assessment in his case for the relevant assessment year.

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

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

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

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

Substitution of
new section for
section 149.

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

Time limit for
notices under
sections 148 and
148A.

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

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

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

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

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

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

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

Substitution of new section for section 151.

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

Sanction for issue of notice.

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

Amendment of section 152.

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

(4) Where, in a case other than that covered under sub-section (3), a notice under section 148 has been issued or an order under clause (d) of section 148A has been passed, prior to the 1st day of September, 2024, the assessment, reassessment or recomputation in such case shall be governed as per the provisions of sections 147 to 151, as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.”.

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

Amendment of section 153.

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

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

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

(III) in sub-section (8),—

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

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

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

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

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

Substitution of new Chapter for Chapter XIV-B.

‘CHAPTER XIV-B

SPECIAL PROCEDURE FOR ASSESSMENT OF SEARCH CASES

Definitions.

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

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

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

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

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

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

Assessment of total income as a result of search.

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

(2) The assessment or reassessment or recomputation under the provisions of this Act (other than this Chapter), if any, pertaining to any assessment year falling in the block period, pending on the date of initiation of the search under section 132, or making of requisition under section 132A, as the case may be, shall abate and shall be deemed to have abated on the date of initiation of search or making of requisition.

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

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

and thereafter, the assessment in respect of such subsequent search or requisition shall be made under the provisions of this Chapter:

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

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

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

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

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

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

Computation of total income of block period.

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

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

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

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

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

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

(3) Where any evidence found as a result of search or requisition of books of account or other documents and any other material or information as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter, or determined on the basis of entries relating to such income or transactions as recorded in books of account

and other documents maintained in the normal course on or before the date of the search or requisition, relates to any international transaction or specified domestic transaction referred to in section 92CA, pertaining to the period beginning from the 1st day of April of the previous year in which last of the authorisations was executed and ending with the date on which last of the authorisations was executed, such evidence shall not be considered for the purposes of determining the total income of the block period and such income shall be considered in the assessment made under the other provisions of this Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Undisclosed income of any other person.

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

Time-limit for completion of block assessment.

Provided that in a case where search under section 132 was initiated, or requisition under section 132A was made, and during the course of the proceedings for the assessment or reassessment of the total income of the relevant block period, any reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment or reassessment in respect of the block period shall be extended by twelve months.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(viii) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the Assessing Officer; or

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

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

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

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

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

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

Certain interests and penalties not to be levied or imposed.

Levy of interest and penalty in certain cases.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided further that where after exclusion of the period referred to in the first proviso, the period of limitation for making of an order for imposition of penalty expires before the end of a month, such period shall be extended to the end of such month.

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

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

Authority competent to make assessment of block period.

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

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

Application of other provisions of this Act.

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

Chapter not to apply in certain circumstances.

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

Amendment of section 192.

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

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

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

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

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

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

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

(a) such other income;

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

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

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

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

Amendment of section 193.

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

“Provided that nothing in this clause shall apply to the interest exceeding ten thousand rupees payable during the financial year on 8% Savings (Taxable) Bonds, 2003 or 7.75% Savings (Taxable) Bonds, 2018 or Floating Rate Savings Bonds, 2020 (Taxable) or any other security of the Central Government or State Government as the Central Government may, by notification in the Official Gazette, specify in this behalf;”.

Amendment of section 194.

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

Amendment of section 194C.

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

“but does not include—

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

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

Amendment of section 194DA.

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

Omission of section 194F.

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

Amendment of section 194G.

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

Amendment of section 194H.

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

58. In section 194-IA of the Income-tax Act, in sub-section (2), the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—	Amendment of section 194-IA.
“Provided that where there is more than one transferor or transferee in respect of any immovable property, then the consideration shall be the aggregate of the amounts paid or payable by all the transferees to the transferor or all the transferors for transfer of such immovable property.”.	
59. In section 194-IB of the Income-tax Act, in sub-section (I), for the words “five per cent.”, the words “two per cent.” shall be substituted with effect from the 1st day of October, 2024.	Amendment of section 194-IB.
60. In section 194M of the Income-tax Act, in sub-section (I), for the words “five per cent.”, the words “two per cent.” shall be substituted with effect from the 1st day of October, 2024.	Amendment of section 194M.
61. In section 194-O of the Income-tax Act, in sub-section (I), for the words “one per cent.”, the figures and word “0.1 per cent.” shall be substituted with effect from the 1st day of October, 2024.	Amendment of section 194-O.
62. After section 194S of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2025, namely:—	Insertion of new section 194T.
“194T. (I) Any person, being a firm, responsible for paying any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm, shall, at the time of credit of such sum to the account of the partner (including the capital account) or at the time of payment thereof, whichever is earlier shall, deduct income-tax thereon at the rate of ten per cent.	Payments to partners of firms.
(2) No deduction shall be made under sub-section (I) where such sum or the aggregate of such sums credited or paid or likely to be credited or paid to the partner of the firm does not exceed twenty thousand rupees during the financial year.”.	
63. In section 196B of the Income-tax Act, for the words “at the rate of ten per cent.”, the following shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—	Amendment of section 196B.
“at the rate of—	
(a) ten per cent. in respect of income from units referred to in clause (i) of sub-section (I) of section 115AB;	
(b) ten per cent. in respect of long-term capital gains arising from transfer of units referred to in section 115AB, which takes place before the 23rd day of July, 2024;	
(c) twelve and one-half per cent. in respect of long-term capital gains arising from transfer of units referred to in section 115AB, which takes place on or after the 23rd day of July, 2024.”.	
64. In section 196C of the Income-tax Act, for the words “at the rate of ten per cent.”, the following shall be substituted and shall be deemed to have been substituted with effect from the 23rd day of July, 2024, namely:—	Amendment of section 196C.
“at the rate of—	
(a) ten per cent. in respect of income by way of interest or dividends in respect of bonds or Global Depository Receipts referred to in section 115AC;	
(b) ten per cent. in respect of long-term capital gains arising from transfer of such bond or Global Depository Receipts referred to in section 115AC which takes place before the 23rd day of July, 2024;	
(c) twelve and one-half per cent. in respect of long-term capital gains arising from transfer of such bond or Global Depository Receipts referred to in section 115AC which takes place on or after the 23rd day of July, 2024.”.	

Amendment of section 197.	65. In section 197 of the Income-tax Act, in sub-section (1), for the figures and letter “194-O”, the figures and letters “194-O, 194Q” shall be substituted with effect from the 1st day of October, 2024.
Amendment of section 198.	66. In section 198 of the Income-tax Act, after the words “this Chapter”, the words “and income-tax paid outside India, by way of deduction, in respect of which an assessee is allowed a credit against the tax payable under this Act,” shall be inserted with effect from the 1st day of April, 2025.
Amendment of section 200.	67. In section 200 of the Income-tax Act, in sub-section (3), after the proviso, the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:— “Provided further that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in sub-section (3) is required to be delivered.”.
Amendment of section 200A.	68. In section 200A of the Income-tax Act, with effect from the 1st day of April, 2025,— (a) in the marginal heading, for the word “source”, the words “source and other statements” shall be substituted; (b) after sub-section (2), the following sub-section shall be inserted, namely:— “(3) The Board may make a scheme for processing of statements made by any other person, not being a deductor.”.
Amendment of section 201.	69. In section 201 of the Income-tax Act, in sub-section (3), with effect from the 1st day of April, 2025,— (i) for the words “a person resident in India, at any time after the expiry of seven years”, the words “any person, at any time after the expiry of six years” shall be substituted; (ii) for the words “under the proviso”, the words “under the first proviso” shall be substituted.
Amendment of section 206C.	70. In section 206C of the Income-tax Act,— (a) for sub-section (1F), the following sub-section shall be substituted with effect from the 1st day of January, 2025, namely:— “(1F) Every person, being a seller, who receives any amount as consideration for sale of— (i) a motor vehicle; or (ii) any other goods, as may be specified by the Central Government by notification in the Official Gazette, of the value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one per cent. of the sale consideration as income-tax.”; (b) in sub-section (3B), the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:— “Provided that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in the proviso to sub-section (3) is required to be delivered.”; (c) in sub-section (4), after the words “such person”, the words “or any other person eligible for credit” shall be inserted with effect from the 1st day of January, 2025;

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

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

“interest—

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

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

and such interest shall be paid”;

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

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

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

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

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

“(12) Notwithstanding anything contained in this section, no collection of tax shall be made or collection of tax shall be made at such lower rate in respect of specified transaction, from such person or class of persons, including institution, association or body or class of institutions, associations or bodies, as the Central Government may, by notification in the Official Gazette specify in this behalf.”.

71. In section 230 of the Income-tax Act, in sub-section (IA), in the proviso, in the long line, after the words and figures “the Expenditure-tax Act, 1987,”, the words, brackets and figures “or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015,” shall be inserted with effect from the 1st day of October, 2024.

Amendment of section 230.

72. In section 244A of the Income-tax Act, in sub-section (IA), in the proviso, for the words “with the date on which such assessment or reassessment is made”, the words “with the date up to which such refund is withheld” shall be substituted with effect from the 1st day of October, 2024.

Amendment of section 244A.

Amendment of
section 245.

73. In section 245 of the Income-tax Act, in sub-section (2), with effect from the 1st day of October, 2024,—

(a) the words “is of the opinion that the grant of refund is likely to adversely affect the revenue,” shall be omitted;

(b) after the words “withhold the refund up to”, the words “sixty days from” shall be inserted.

Amendment of
section 245Q.

74. In section 245Q of the Income-tax Act, in sub-section (4), the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

“Provided that the applicant may, on or before the 31st day of October, 2024, request the Board for Advance Rulings in writing that the application so transferred may not be proceeded with, if up to the date of such request, the Board for Advance Rulings has not passed an order under sub-section (2) of section 245R.”.

Amendment of
section 245R.

75. In section 245R of the Income-tax Act, in sub-section (2), after the third proviso, the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:—

“Provided also that on receipt of an application under the proviso to sub-section (4) of section 245Q, the Board for Advance Rulings may, by an order, reject the application referred to in sub-section (1) thereof as withdrawn on or before the 31st day of December, 2024.”.

Amendment of
section 246A.

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

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

Amendment of
section 251.

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

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

Amendment of
section 253.

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

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

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

Amendment of
section 271FAA.

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

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

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

(b) fails to comply with the due diligence requirement prescribed under sub-section (7) of the said section, then, the prescribed income-tax authority referred to in sub-section (1) thereof may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.”.	
80. After section 271GB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2025, namely:— “271GC. If any person who is required to furnish statement under section 285, fails to do so within the period prescribed under that section, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of— (a) one thousand rupees for every day for which the failure continues, if the period of failure does not exceed three months; or (b) one lakh rupees in any other case.”.	Insertion of new section 271GC. Penalty for failure to submit statement under section 285.
81. In section 271H of the Income-tax Act, in sub-section (3), for the words “one year”, the words “one month” shall be substituted with effect from the 1st day of April, 2025.	Amendment of section 271H.
82. In section 273B of the Income-tax Act,— (a) after the word, figures and letters “section 271FA,”, the word, figures and letters “section 271FAA,” shall be inserted with effect from the 1st day of October, 2024; (b) after the word, figures and letters “section 271GB,”, the words, figures and letters “section 271GC,” shall be inserted with effect from the 1st day of April, 2025.	Amendment of section 273B.
83. In section 275 of the Income-tax Act, with effect from the 1st day of October, 2024,— (a) in sub-section (1), in clause (a), the words “Principal Chief Commissioner or Chief Commissioner or” at both the places where they occur shall be omitted; (b) in sub-section (1A), the words “Principal Chief Commissioner or Chief Commissioner or the” at both the places where they occur shall be omitted.	Amendment of section 275.
84. In section 276B of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of October, 2024, namely:— “Provided that the provisions of this section shall not apply if the payment referred to in clause (a) has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement for such payment under sub-section (3) of section 200.”.	Amendment of section 276B.
85. In section 276CCC of the Income-tax Act, after the words, brackets and letter “clause (a) of”, the words, brackets and figure “sub-section (1) of” shall be inserted with effect from the 1st day of September, 2024.	Amendment of section 276CCC.
86. In section 285 of the Income-tax Act, for the words “sixty days from the end of such financial year, a statement”, the words “such period, a statement” shall be substituted with effect from the 1st day of April, 2025.	Amendment of section 285.
87. In the First Schedule to the Income-tax Act, in rule 2, the following proviso shall be inserted with effect from the 1st day of April, 2025, namely:— “Provided that any expenditure which is not admissible under section 37 in computing the profits and gains of a business, shall be included to the profits and gains of life insurance business.”.	Amendment of First Schedule.

CHAPTER IV

THE DIRECT TAX *VIVAD SE VISHWAS* SCHEME, 2024

Short title and
commencement.

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

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

Definitions.

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

(a) “appellant” means—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) “tax arrear” means—

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

(ii) disputed interest; or

(iii) disputed penalty; or

(iv) disputed fee.

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

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

Amount payable
by declarant.

TABLE

Sl. No.	Nature of tax arrear.	Amount payable under this Scheme on or before the 31st day of December, 2024.	Amount payable under this Scheme on or after the 1st day of January, 2025 but on or before the last date.
(1)	(2)	(3)	(4)
(a)	Where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax in a case where the declarant is an appellant after the 31st day of January, 2020 but on or before the specified date.	Amount of the disputed tax.	The aggregate of the amount of disputed tax and ten per cent. of disputed tax.
(b)	Where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax in a case where the declarant is an appellant on or before the 31st day of January, 2020 at the same appellate forum in respect of the such tax arrear.	The aggregate of the amount of disputed tax and ten per cent. of disputed tax.	The aggregate of the amount of disputed tax and twenty per cent. of disputed tax.
(c)	Where the tax arrear relates to disputed interest or disputed penalty or disputed fee where the declarant is an appellant after the 31st day of January, 2020 but on or before the specified date.	Twenty-five per cent. of disputed interest or disputed penalty or disputed fee.	Thirty per cent. of disputed interest or disputed penalty or disputed fee.
(d)	Where the tax arrear relates to disputed interest or disputed penalty or disputed fee where the declarant is an appellant on or before the 31st day of January, 2020 at the same appellate forum in respect of the such tax arrear.	Thirty per cent. of disputed interest or disputed penalty or disputed fee.	Thirty-five per cent. of disputed interest or disputed penalty or disputed fee:

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

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

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

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

Filing of declaration and particulars to be furnished.

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

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

(4) Without prejudice to the provisions of sub-section (2) and sub-section (3), the declarant shall furnish an undertaking waiving his right, whether direct or indirect, to seek or pursue any remedy or any claim in relation to the tax arrear which may otherwise be available to him under any law for the time being in force and the undertaking shall be made in such form and manner, as may be prescribed.

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

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

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

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

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

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

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

Time and manner of payment.

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

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

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

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

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

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

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

96. The provisions of this Scheme shall not apply—

(a) in respect of tax arrear,—

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

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

(iii) relating to any undisclosed income from a source located outside India or undisclosed asset located outside India;

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

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

Provided that—

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

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

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

Immunity from initiation of proceedings in respect of offence and imposition of penalty in certain cases.
No refund of amount paid.

No benefit, concession or immunity to declarant.

Scheme not to apply in certain cases.

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

37 of 1967.
61 of 1985.
45 of 1988.
49 of 1988.
15 of 2003.

(c) to any person in respect of whom prosecution for any offence punishable under the provisions of the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prohibition of *Benami* Property Transactions Act, 1988, the Prevention of Corruption Act, 1988, the Prevention of Money-laundering Act, 2002, has been instituted on or before the filing of the declaration or such person has been convicted of any such offence punishable under any of those Acts;

45 of 2023.

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

27 of 1992.

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

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

Power of Board to issue directions, etc.

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

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

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

Power to remove difficulties.

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

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

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

Power to make rules.

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

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

(b) the manner of calculating one-half of the amount in the Table under the first, second and third provisos to section 90;

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

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

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

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

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

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

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

CHAPTER V

INDIRECT TAXES

Customs

Amendment of
section 28DA.

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

52 of 1962.

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

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

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

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

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

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

Amendment of
section 65.

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

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

Amendment of
section
143AA.

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

Amendment of
section 157.

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

52 of 1962. 51 of 1975.	104. The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 394(E), dated the 12th July, 2024 issued by the Central Government, in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 read with sub-section (12) of section 3 of the Customs Tariff Act, 1975, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017.	Retrospective effect to notification issued under sub-section (1) of section 25 of Customs Act, read with sub-section (12) of section 3 of Customs Tariff Act.
13 of 2021.	105. (1) Subject to the provisions of sub-section (2), the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 356(E), dated the 10th May, 2023, issued by the Central Government, on being satisfied that it is necessary in the public interest so to do, under sub-section (1) of section 25 of the Customs Act read with section 124 of the Finance Act, 2021 (hereinafter referred to as the Finance Act), shall be deemed to have, and always to have, for all purposes, come into force with effect from the 1st day of April, 2023, and remain in force during the period from the 1st day of April, 2023 and ending with the 30th day of June, 2023 (both days inclusive). (2) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 356(E), dated the 10th May, 2023, issued by the Central Government, on being satisfied that it is necessary in the public interest so to do, under sub-section (1) of section 25 of the Customs Act read with section 124 of the Finance Act shall stand amended in the manner specified in column (2) of the Second Schedule and shall be deemed to have been amended retrospectively on and from and up to the corresponding date specified in column (3) of that Schedule against the notification number to be amended as specified in column (1) of that Schedule. (3) For the purposes of sub-section (2), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 25 of the Customs Act read with section 124 of the Finance Act at all material times. (4) Refund shall be made of the whole of duty and cess, which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force in the manner and to the extent specified in sub-sections (1) and (2), in accordance with the provisions of sub-section (2) of section 27 of the Customs Act: Provided that the person claiming the refund of such duty and cess makes an application in this behalf to the jurisdictional Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, on or before the 31st day of March, 2025.	Retrospective amendment of notification issued under sub-section (1) of section 25 of Customs Act read with section 124 of Finance Act.
51 of 1975.	<i>Customs Tariff</i> 106. In section 3 of the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act, for sub-section (12), the following sub-section shall be substituted, namely:—	Amendment of section 3.
52 of 1962.	“(12) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply to the duty or tax or cess, as the case may be, chargeable under this section as they apply in relation to duties leviable under that Act or all rules or regulations made thereunder, as the case may be.”.	

Omission of
section 6.

107. In the Customs Tariff Act, section 6 shall be omitted.

Amendment of
section 8B.

108. In section 8B of the Customs Tariff Act, for sub-section (9), the following sub-section shall be substituted, namely:—

“(9) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act or all rules or regulations made thereunder, as the case may be.”.

52 of 1962.

Amendment of
section 9.

109. In section 9 of the Customs Tariff Act, for sub-section (7A), the following sub-section shall be substituted, namely:—

“(7A) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act or all rules or regulations made thereunder, as the case maybe.”.

52 of 1962.

Amendment of
section 9A.

110. In section 9A of the Customs Tariff Act, for sub-section (8), the following sub-section shall be substituted, namely:—

“(8) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act or all rules or regulations made thereunder, as the case may be.”.

52 of 1962.

Amendment of
First Schedule.

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

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

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

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

Excise

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

1 of 1944.

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

1 of 1944.

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

1 of 1944. **113.** (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R.794(E), dated the 30th June, 2017 issued under sub-section (1) of section 5A of the Central Excise Act, 1944 shall stand amended in the manner specified in column (3) of the Sixth Schedule and shall be deemed to have been amended retrospectively on and from the corresponding date specified in column (4) of that Schedule against the notification number to be amended as specified in column (2) of that Schedule. Amendment of notification issued under section 5A of Central Excise Act, retrospectively.

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

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

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

Central Goods and Services Tax

12 of 2017. **114.** In the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in section 9, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted. Amendment of section 9.

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

116. After section 11 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:— Insertion of new section 11A.

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

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

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

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

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

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

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

Amendment of
section 13.

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

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

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

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

(iii) in the first proviso, after the words, brackets and letter “or clause (b)”, the words, brackets and letter “or clause (c)” shall be inserted.

Amendment of
section 16.

118. In section 16 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed up to the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

(i) filed up to thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration,

whichever is later.”.

Amendment of
section 17.

119. In section 17 of the Central Goods and Services Tax Act, in sub-section (5), in clause (i), for the words and figures “sections 74, 129 and 130”, the words and figures “section 74 in respect of any period up to Financial Year 2023-24” shall be substituted.

- 120.** In section 21 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted. Amendment of section 21.
- 121.** In section 30 of the Central Goods and Services Tax Act, in sub-section (2), after the proviso, the following proviso shall be inserted, namely:— Amendment of section 30.
- “Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.”.
- 122.** In section 31 of the Central Goods and Services Tax Act,— Amendment of section 31.
- (a) in sub-section (3), in clause (f), after the words and figure “of section 9 shall”, the words “, within the period as may be prescribed,” shall be inserted;
- (b) after clause (g), the following *Explanation* shall be inserted, namely:—
- ‘*Explanation.*—For the purposes of clause (f), the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.’.
- 123.** In section 35 of the Central Goods and Services Tax Act, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted. Amendment of section 35.
- 124.** In section 39 of the Central Goods and Services Tax Act, for sub-section (3), the following sub-section shall be substituted, namely:— Amendment of section 39.
- “(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:
- Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”.
- 125.** In section 49 of the Central Goods and Services Tax Act, in sub-section (8), in clause (c), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted. Amendment of section 49.
- 126.** In section 50 of the Central Goods and Services Tax Act, in sub-section (1), in the proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted. Amendment of section 50.
- 127.** In section 51 of the Central Goods and Services Tax Act, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted. Amendment of section 51.
- 128.** In section 54 of the Central Goods and Services Tax Act,— Amendment of section 54.
- (a) in sub-section (3), the second proviso shall be omitted;
- (b) after sub-section (14) and before the *Explanation*, the following sub-section shall be inserted, namely:—
- “(15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.”.

Amendment of
section 61.

129. In section 61 of the Central Goods and Services Tax Act, in sub-section (3), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of
section 62.

130. In section 62 of the Central Goods and Services Tax Act, in sub-section (1), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of
section 63.

131. In section 63 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of
section 64.

132. In section 64 of the Central Goods and Services Tax Act, in sub-section (2), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of
section 65.

133. In section 65 of the Central Goods and Services Tax Act, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of
section 66.

134. In section 66 of the Central Goods and Services Tax Act, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of
section 70.

135. In section 70 of the Central Goods and Services Tax Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.”.

Amendment of
section 73.

136. In section 73 of the Central Goods and Services Tax Act,—

(i) in the marginal heading, after the words “Determination of tax”, the words and figures “, pertaining to the period up to Financial Year 2023-24,” shall be inserted;

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

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24.”.

Amendment of
section 74.

137. In section 74 of the Central Goods and Services Tax Act,—

(i) in the marginal heading, after the words “Determination of tax”, the words and figures “, pertaining to the period up to Financial Year 2023-24,” shall be inserted;

(ii) after sub-section (11) and before *Explanation 1*, the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24.”;

(iii) the *Explanation 2* shall be omitted.

Insertion of new
section 74A.

138. After section 74 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:—

Determination of
tax not paid or
short paid or
erroneously
refunded or input
tax credit wrongly
availed or utilised
for any reason
pertaining to
Financial Year
2024-25 onward.

“74A. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not

serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

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

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

Explanation 2.—For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.

139. In section 75 of the Central Goods and Services Tax Act,—

Amendment of
section 75.

(a) in sub-section (1), after the word and figures “section 74”, the words, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted;

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

“(2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A.”;

(c) for sub-section (10), the following sub-section shall be substituted, namely:—

“(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.”;

(d) in sub-section (11), after the word and figures “section 74”, the words, brackets, figures and letter “or sub-section (7) of section 74A” shall be inserted;

(e) in sub-section (12), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted;

(f) in sub-section (13), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

140. In section 104 of the Central Goods and Services Tax Act, in sub-section (1), in the *Explanation*, after the word and figures “section 74”, the words, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted.

Amendment of
section 104.

141. In section 107 of the Central Goods and Services Tax Act,—

Amendment of
section 107.

(a) in sub-section (6), in clause (b), for the word “twenty-five”, the word “twenty” shall be substituted;

(b) in sub-section (11), in the second proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

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

Amendment of
section 109.

(a) in sub-section (1), after the words “Revisional Authority”, the words “, or for conducting an examination or adjudicating the cases referred to in sub-section (2) of section 171, if so notified under the said section” shall be inserted;

(b) in sub-section (5), after the proviso, the following provisos shall be inserted, namely:—

“Provided further that the matters referred to in sub-section (2) of section 171 shall be examined or adjudicated only by the Principal Bench:

Provided also that the Government may, on the recommendations of the Council, notify other cases or class of cases which shall be heard only by the Principal Bench.”;

(c) in sub-section (6), for the words “The President”, the words, brackets and figure “Subject to the provisions of sub-section (5), the President” shall be substituted.

Amendment of section 112.

143. In section 112 of the Central Goods and Services Tax Act,—

(a) with effect from the 1st day of August, 2024, in sub-section (1), after the words “from the date on which the order sought to be appealed against is communicated to the person preferring the appeal”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.” shall be inserted;

(b) with effect from the 1st day of August, 2024, in sub-section (3), after the words “from the date on which the said order has been passed”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later,” shall be inserted;

(c) in sub-section (6), after the words, brackets and figure “after the expiry of the period referred to in sub-section (1)”, the words, brackets and figure “or permit the filing of an application within three months after the expiry of the period referred to in sub-section (3)” shall be inserted;

(d) in sub-section (8), in clause (b),—

(i) for the words “twenty per cent.”, the words “ten per cent.” shall be substituted;

(ii) for the words “fifty crore rupees”, the words “twenty crore rupees” shall be substituted.

Amendment of section 122.

144. In section 122 of the Central Goods and Services Tax Act, with effect from the 1st day of October, 2023, in sub-section (1B), for the words “Any electronic commerce operator who”, the words and figures “Any electronic commerce operator, who is liable to collect tax at source under section 52,” shall be substituted.

Amendment of section 127.

145. In section 127 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Insertion of new section 128A.

146. After section 128 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:—

Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods.

“128A. (1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,—

(a) a notice issued under sub-section (1) of section 73 or a statement issued under sub-section (3) of section 73, and where no order under sub-section (9) of section 73 has been issued; or

(b) an order passed under sub-section (9) of section 73, and where no order under sub-section (11) of section 107 or sub-section (1) of section 108 has been passed; or

(c) an order passed under sub-section (11) of section 107 or sub-section (1) of section 108, and where no order under sub-section (1) of section 113 has been passed,

pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:

Provided that where a notice has been issued under sub-section (1) of section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the provisions of sub-section (2) of section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause (a) or clause (b) of this sub-section:

Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of section 107 or under sub-section (3) of section 112 or an appeal is filed by an officer of central tax under sub-section (1) of section 117 or under sub-section (1) of section 118 or where any proceedings are initiated under sub-section (1) of section 108, against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, within three months from the date of the said order:

Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.

(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).

(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.”.

147. In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, in sub-section (7), for the words “even if the invoices relating to such services are received on or after the appointed day”, the words “whether the invoices relating to such services are received prior to, on or after, the appointed day” shall be substituted.

Amendment of
section 140.

Amendment of
section 171.

148. In section 171 of the Central Goods and Services Tax Act,—

(a) in sub-section (2), the following proviso and *Explanation* shall be inserted, namely:—

‘Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

Explanation.—For the purposes of this sub-section, “request for examination” shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.’;

(b) the *Explanation* shall be renumbered as *Explanation 1* thereof, and after *Explanation 1* as so renumbered, the *Explanation* shall be inserted, namely:—

‘*Explanation 2.*—For the purposes of this section, the expression “Authority” shall include the “Appellate Tribunal”.’.

Amendment of
Schedule III.

149. In Schedule III to the Central Goods and Services Tax Act, after paragraph 8 and before *Explanation 1*, the following paragraphs shall be inserted, namely:—

“9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.”.

No refund of tax
paid or input tax
credit reversed.

150. No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had section 118 been in force at all material times.

Integrated Goods and Services Tax

Amendment of
section 5.

151. In the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the Integrated Goods and Services Tax Act), in section 5, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

13 of 2017.

Insertion of new
section 6A.

152. After section 6 of the Integrated Goods and Services Tax Act, the following section shall be inserted, namely:—

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

“6A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

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

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

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

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

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

153. In section 16 of the Integrated Goods and Services Tax Act,—

Amendment of
section 16.

(a) in sub-section (4),—

(i) in clause (i), after the words “claim refund of the tax so paid”, the words and figures “in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be inserted;

(ii) in clause (ii), for the words “which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid”, the words and figure “or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be substituted;

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

“(5) Notwithstanding anything contained in sub-sections (3) and (4), no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.”.

154. In section 20 of the Integrated Goods and Services Tax Act, for the fifth proviso, the following proviso shall be substituted, namely:—

Amendment of
section 20.

“Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal.”.

Union Territory Goods and Services Tax

14 of 2017.

155. In the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in section 7, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit which is used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

Amendment of
section 7.

156. After section 8 of the Union Territory Goods and Services Tax Act, the following section shall be inserted, namely:—

Insertion of new
section 8A.

“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

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

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

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

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

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

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

Goods and Services Tax

(Compensation to States)

Insertion of new section 8A.

157. In the Goods and Services Tax (Compensation to States) Act, 2017, after section 8, the following section shall be inserted, namely:—

15 of 2017.

Power not to recover cess not levied or short-levied as a result of general practice.

“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

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

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

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

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

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

CHAPTER VI

MISCELLANEOUS

PART I

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

Amendment of Act 45 of 1988.

158. In the Prohibition of *Benami* Property Transactions Act, 1988, with effect from the 1st day of October, 2024,—

(a) in section 24,—

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

“(2A) The *benamidar*, to whom a notice has been issued under sub-section (1), or the beneficial owner to whom a copy of such notice has been issued under sub-section (2), shall furnish the explanation or submissions, if any, within the period specified in the said notice or such period as may be extended by the Initiating Officer, not exceeding three months from the end of the month in which the said notice is issued.”;

(ii) in sub-section (3), for the words “ninety days”, the words “four months” shall be substituted;

(iii) in sub-section (4), for the words “ninety days”, the words “four months” shall be substituted;

(iv) in sub-section (5), for the words “fifteen days from the date of the attachment”, the words “one month from the end of the month in which the said order has been passed” shall be substituted;

(b) after section 55, the following section shall be inserted, namely:—

“55A. (1) The Initiating Officer may, with a view to obtaining the evidence of the *benamidar* or any other person as referred to in section 53, other than the beneficial owner, tender immunity from prosecution for any offence under the said section to the *benamidar* or such other person, with the previous sanction of the competent authority as referred to in section 55, on the condition that the *benamidar* or such other person makes a full and true disclosure of the whole circumstances relating to the *benami* transaction.

Power to
tender
Immunity from
prosecution.

(2) The tender of immunity made to, and accepted by, the *benamidar* or such other person, shall, to the extent to which the immunity extends, render him immune from prosecution for the offence in respect of which the tender was made and from the imposition of any penalty under section 53.

(3) If it appears to the Initiating Officer that any person to whom immunity has been tendered under this section has not complied with the conditions subject to which the tender was made, or is wilfully concealing anything, or is giving false evidence, the Initiating Officer may record a finding to that effect, and with the previous sanction of the competent authority as referred to in section 55, withdraw the immunity tendered.

(4) Any person against whom the immunity tendered is withdrawn in accordance with sub-section (3), may be tried for the offence in respect of which the tender of immunity was made or for any other offence of which he appears to have committed in connection with the same transaction and shall also be liable to any penalty under this Act to which he would otherwise have been liable.”.

PART II

AMENDMENT TO THE FINANCE ACT, 2001

159. In section 136 of the Finance Act, 2001, for sub-section (3), the following sub-section shall be substituted, namely:—

Amendment of
Act 14 of
2001.

1 of 1944.

“(3) The provisions of the Central Excise Act, 1944 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the National Calamity duty leviable under this section in respect of the goods specified in the Seventh Schedule as they apply in relation to the levy and collection of duties of excise on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

PART III

AMENDMENT TO THE FINANCE ACT, 2002

160. In section 147 of the Finance Act, 2002, for sub-section (3), the following sub-section shall be substituted, namely:—

Amendment of
Act 20 of 2002.

1 of 1944.

“(3) The provisions of the Central Excise Act, 1944 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Special

Additional Excise Duty leviable under this section in respect of the goods specified in the Eighth Schedule, as they apply in relation to the levy and collection of duties of excise on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

PART IV

AMENDMENT TO THE FINANCE ACT, 2003

Amendment of
Act 32 of 2003.

161. In section 134 of the Finance Act, 2003, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the National Calamity Duty of Customs leviable under this section in respect of the goods specified in the Seventh Schedule to the Finance Act, 2001, as amended by the Thirteenth Schedule, as they apply in relation to the levy and collection of duties of customs on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

52 of 1962.

14 of 2001.

PART V

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

Amendment of
Act 23 of 2004.

162. In the Finance (No.2) Act, 2004, in Chapter VII, in section 98, in the Table, in serial number 4, in column (3), with effect from the 1st day of October, 2024,—

(i) against entry (a) relating to sale of an option in securities, for the figures and word “0.0625 per cent.”, the figures and word “0.1 per cent.” shall be substituted; and

(ii) against entry (c) relating to sale of a futures in securities, for the figures and word “0.0125 per cent.”, the figures and word “0.02 per cent.” shall be substituted.

PART VI

AMENDMENT TO THE FINANCE ACT, 2005

Amendment of
Act 18 of 2005.

163. In section 85 of the Finance Act, 2005, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) The provisions of the Central Excise Act, 1944 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the additional duty of excise leviable under this section in respect of the goods specified in the Seventh Schedule as they apply in relation to the levy and collection of duties of excise on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

1 of 1944.

PART VII

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

Amendment of
Act 22 of 2015.

164. In the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, with effect from the 1st day of October, 2024,—

(a) in section 42, for the proviso, the following proviso shall be substituted, namely:—

“Provided that this section shall not apply in respect of an asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed twenty lakh rupees.”;

(b) in section 43, for the proviso, the following proviso shall be substituted, namely:—

“Provided that this section shall not apply in respect of an asset or assets (other than immovable property), where the aggregate value of such asset or assets does not exceed twenty lakh rupees.”.

PART VIII

AMENDMENTS TO THE FINANCE ACT, 2016

165. In the Finance Act, 2016,—

Amendment of
Act 28 of 2016.

(a) in section 163, for sub-section (3), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of August, 2024, namely:—

“(3) It shall apply to consideration received or receivable for—

(a) specified services provided on or after the commencement of this Chapter; and

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

(b) in section 165A, after sub-section (3), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from 1st day of August, 2024, namely:—

“(4) The provisions of this section shall not apply to any consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated by it on or after the 1st day of August, 2024.”.

PART IX

AMENDMENTS TO THE FINANCE ACT, 2018

166. In the Finance Act, 2018,—

Amendment of
Act 13 of 2018.

(a) in section 110, for sub-section (5), the following sub-section shall be substituted, namely:—

52 of 1962.

“(5) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Social Welfare Surcharge on imported goods as they apply in relation to the levy and collection of duties of customs on such goods under that Act or all rules or regulations made thereunder, as the case may be.”;

(b) in section 111, for sub-section (3), the following sub-section shall be substituted, namely:—

52 of 1962.

“(3) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the additional duty of customs leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of duties of customs on scheduled goods under that Act or all rules or regulations made thereunder, as the case may be.”;

(c) in section 112, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) The provisions of the Central Excise Act, 1944 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the cess leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of duties of excise on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

1 of 1944.

PART X

AMENDMENT TO THE FINANCE ACT, 2020

Amendment of
Act 12 of 2020.

167. In section 141 of the Finance Act, 2020, for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) The provisions of the Customs Act and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Health Cess leviable under this Chapter in respect of the goods specified in the Fourth Schedule, as they apply in relation to the levy and collection of duties of customs on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

PART XI

AMENDMENTS TO THE FINANCE ACT, 2021

Amendment of
Act 13 of 2021.

168. In the Finance Act, 2021,—

(a) in section 124, for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) The provisions of the Customs Act, 1962 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Agriculture Infrastructure and Development Cess on imported goods as they apply in relation to the levy and collection of duties of customs on such goods under that Act or all rules or regulations made thereunder, as the case may be.”;

52 of 1962.

(b) in section 125, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The provisions of the Central Excise Act, 1944 and all rules and regulations made thereunder, including but not limited to those relating to the date for determination of rate of duty, assessment, non-levy, short-levy, refunds, exemptions, interest, recovery, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the cess leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of duties of excise on such goods under that Act or all rules or regulations made thereunder, as the case may be.”.

1 of 1944.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 2,50,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 5 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs.12,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,12,500 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs.10,00,000. |

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

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 3,00,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 | 5 per cent. of the amount by which the total income exceeds Rs. 3,00,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs.10,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,10,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs.10,00,000. |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- | | |
|---|--|
| (1) where the total income does not exceed Rs. 5,00,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (3) where the total income exceeds Rs. 10,00,000 | Rs. 1,00,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

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

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

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

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

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

Provided that in case where the total income includes any income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed fifteen per cent.:

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

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

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

(c) two crore rupees but does not exceed five crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of

two crore rupees by more than the amount of income that exceeds two crore rupees;

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

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs.10,000 10 per cent. of the total income;

(2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs.10,000;

(3) where the total income exceeds Rs. 20,000 Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated in the case of every co-operative society,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total

income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2021-22 does not exceed four hundred crore rupees 25 per cent. of the total income;

(ii) other than that referred to in item (i) 30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,— 50 per cent.;

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, of the total income 40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

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

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

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194A, 194B, 194BA, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

	<i>Rate of income-tax</i>
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than “Interest on securities”	10 per cent.;
(ii) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games)	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;

(iv) on income by way of net winnings from online games 30 per cent.;

(v) on income by way of insurance commission 5 per cent.;

(vi) on income by way of interest payable on— 10 per cent.;

(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;

(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder;

(C) any security of the Central or State Government;

(vii) on any other income 10 per cent.;

(b) where the person is not resident in India—

(i) in the case of a non-resident Indian—

(A) on any investment income 20 per cent.;

(B) on income by way of long-term capital gains referred to in section 115E, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(BA) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (I) of section 112, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(C) on income by way of long-term capital gains referred to in section 112A exceeding one lakh twenty-five thousand rupees, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(D) on other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10], for any transfer which takes place—

- (I) before the 23rd day of July, 2024 20 per cent.;
- (II) on or after the 23rd day of July, 2024 12.5 per cent.;

^ (E) on income by way of short-term capital gains referred to in section 111A, for any transfer which takes place—

- (I) before the 23rd day of July, 2024 15 per cent.;
- (II) on or after the 23rd day of July, 2024 20 per cent.;

(F) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent.;

(G) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India 20 per cent.;

(H) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(G)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 20 per cent.;

(I) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter 20 per cent.;

included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy

[^]	(J) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games)	30 per cent.;	[^]
	(K) on income by way of winnings from horse races	30 per cent.;	
	(L) on income by way of net winnings from online games	30 per cent.;	
	(M) on the income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of sub-section (1) of section 115A	10 per cent.;	
	(N) on income by way of dividend other than the income referred to in sub-item (b)(i)(M)	20 per cent.;	
	(O) on the whole of the other income	30 per cent.;	
	(ii) in the case of any other person—		
	(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;	
	(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	20 per cent.;	
	(C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time	20 per cent.;	

being in force, of the Government of India, the agreement is in accordance with that policy

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(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 20 per cent.;

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(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(F) on income by way of winnings from horse races 30 per cent.;

(G) on income by way of net winnings from online games 30 per cent.;

(H) on income by way of short-term capital gains referred to in section 111A, for any transfer which takes place—

(I) before the 23rd day of July, 2024 15 per cent.;

(II) on or after the 23rd day of July, 2024 20 per cent.;

(I) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(J) on income by way of long-term capital gains referred to in section 112A exceeding one lakh twenty-five thousand rupees, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(K) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10], for any transfer which takes place—

(I) before the 23rd day of July, 2024 20 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(L) on income by way of dividend, referred to in the proviso to sub-clause (4) of clause (a) of sub-section (1) of section 115A 10 per cent.;

(M) on income by way of dividend other than the income referred to in sub-item (b)(ii)(L) 20 per cent.;

(N) on the whole of the other income 30 per cent.

2. In the case of a company—

(a) where the company is a domestic company—

(i) on income by way of interest other than “Interest on securities” 10 per cent.;

(ii) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(iii) on income by way of winnings from horse races 30 per cent.;

(iv) on income by way of net winnings from online games 30 per cent.;

(v) on any other income 10 per cent.;

(b) where the company is not a domestic company—

(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games) 30 per cent.;

(ii) on income by way of winnings from horse races 30 per cent.;

(iii) on income by way of net winnings from online games 30 per cent.;

(iv) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent.;

(v) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of

section 115A of the Income-tax Act, to a person resident in India

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(vi) on income by way of royalty [not being royalty of the nature referred to in item (b)(v)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

^

(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976 50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976 20 per cent.;

(vii) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976 20 per cent.;

(viii) on income by way of short-term capital gains referred to in section 111A, for any transfer which takes place—

(I) before the 23rd day of July, 2024 15 per cent.;

(II) on or after the 23rd day of July, 2024 20 per cent.;

(ix) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(x) on income by way of long-term capital gains referred to in section 112A exceeding one lakh twenty-five thousand rupees, for any transfer which takes place—

(I) before the 23rd day of July, 2024 10 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(xi) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33) and (36) of section 10], for any transfer which takes place—

(I) before the 23rd day of July, 2024 20 per cent.;

(II) on or after the 23rd day of July, 2024 12.5 per cent.;

(xii) on income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of sub-section (1) of section 115A 10 per cent.;

(xiii) on income by way of dividend other than the income referred to in item (b)(xii) 20 per cent.;

(xiv) on any other income 35 per cent.

Explanation.—For the purposes of item 1(b)(i) of this Part, “investment income” and “non-resident Indian” shall have the meanings respectively assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for the purposes of the Union,—

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

I. at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

II. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed two crore rupees;

III. at the rate of twenty-five per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees but does not exceed five crore rupees;

IV. at the rate of thirty-seven per cent. of such tax, where the income or the aggregate of such incomes (excluding the income by way of dividend or income under the provisions of sections 111A,

112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds five crore rupees; and

^

V. at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes (including the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act) paid or likely to be paid and subject to the deduction exceeds two crore rupees, but is not covered under sub-clauses III and IV: ^

Provided that in case where the total income includes any income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax deducted in respect of that part of income shall not exceed fifteen per cent.:

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

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

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

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

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

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

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

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

(ii) item 2 of this Part shall be increased by a surcharge, for the purposes of the Union, in the case of every company other than a domestic company, calculated,—

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

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

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX
FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING
"ADVANCE TAX"

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head "Salaries" under section 192 of the said Act or deducted under section 194P of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the said Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BAA or section 115BAB or section 115BAC or section 115BAD or section 115BAE or section 115BB or section 115BBA or section 115BBC or section 115BBE or section 115BBF or section 115BBG or section 115BBH or section 115BBI or section 115BBJ or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 2,50,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs.12,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,12,500 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

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

Rates of income-tax

(1) where the total income does not exceed Rs. 3,00,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs.10,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,10,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

where the total income does not exceed Rs. 5,00,000	<i>Nil</i> ;
where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
where the total income exceeds Rs. 10,00,000	Rs. 1,00,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,—

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

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

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

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

(e) having a total income (including the income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act) exceeding two crore rupees, but is not covered under clauses (c) and (d), shall be applicable at the rate of fifteen per cent. of such income-tax:

Provided that in case where the total income includes any income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed fifteen per cent.:

Provided further that in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of income-tax shall not exceed fifteen per cent.:

Provided also that in the case of persons mentioned above having total income exceeding,—

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

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

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

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

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | |
|---|--|
| (1) where the total income does not exceed Rs.10,000 | 10 per cent. of the total income; |
| (2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 | Rs. 1,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs.10,000; |
| (3) where the total income exceeds Rs. 20,000 | Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated in the case of every co-operative society,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent.:

Provided that in the case of every co-operative society having total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every co-operative society having total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

- (i) where its total turnover 25 per cent. of the total income; or the gross receipt in the previous year 2022-23 does not exceed four hundred crore rupees
- (ii) other than that referred 30 per cent. of the total income. to in item (i)

II. In the case of a company other than a domestic company,—

- (i) on so much of the total income as consists of,— 50 per cent.;

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

- (ii) on the balance, if any, of the total 35 per cent. income

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union, calculated,—

(i) in the case of every domestic company,—

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

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

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

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

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV

[See section 2(13)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3), (3A) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head “Profits and gains of business or profession” and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3), (3A) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from house property” and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2024, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021, or the 1st day of April, 2022, or the 1st day of April, 2023, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2021 or the 1st day of April, 2022, or the 1st day of April, 2023,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, or the 1st day of April, 2023,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2023,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2023,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2024.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2025, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024, is a loss, then, for the purposes of sub-section (10) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019 or the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2020 or the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2021 or the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2022 or the 1st day of April, 2023, or the 1st day of April, 2024,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2023, or the 1st day of April, 2024,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2023, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2024,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2024,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2025.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) or the First Schedule to the Finance Act, 2018 (13 of 2018) or the First Schedule to the Finance (No. 2) Act, 2019 (23 of 2019) or the First Schedule to the Finance Act, 2020 (12 of 2020) or the First Schedule to the Finance Act, 2021 (13 of 2021) or the First Schedule to the Finance Act, 2022 (6 of 2022) or the First Schedule to the Finance Act, 2023 (8 of 2023) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 9.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 105)

Notification number to be amended	Amendment	Period of effect of amendment
(1)	(2)	(3)
G.S.R. number 356(E), dated 10th May, 2023 [37/2023-Customs, dated 10th May, 2023].	In the said notification, in the Annexure, for the conditions, the following conditions shall be substituted, namely:— Conditions “(a) Importer produces to the Deputy Commissioner or the Assistant Commissioner of Customs, as the case may be, a valid Tariff Rate Quota (TRQ) authorisation for the Financial Year 2022-23 allotted by Directorate General of Foreign Trade; (b) The duty and cess benefit under the aforesaid valid TRQ authorisation shall be restricted only to the extent of unutilised quota which is not used to claim such benefit under notification No. 30/2022-Customs, dated the 24th May, 2022, or under this notification from 11th May, 2023 and up to 30th June, 2023 (both days inclusive); (c) Bill of lading for concerned import consignment is issued on or before 31st March, 2023; (d) The TRQ is allotted to the importer by the Directorate General of Foreign Trade, in accordance with the relevant procedure as specified in the Hand Book of Procedures, 2015-20 or 2023, as applicable; and (e) The TRQ authorisation shall contain the name and address of the importer, IEC code, Customs notification No., sub-heading or tariff item as applicable, quantity and validity period of certificate.”.	1st day of April, 2023 to 10th day of May, 2023 (both days inclusive).

THE THIRD SCHEDULE

[See section 111(a)]

In the First Schedule to the Customs Tariff Act,—

(i) in Chapter 39, for the entry in column (4) occurring against all the tariff items of headings 3920 and 3921, the entry “25%” shall be substituted;

(ii) in Chapter 66, for the entry in column (4) occurring against the tariff item 6601 10 00, the entry “20% or Rs. 60 per piece, whichever is higher” shall be substituted;

(iii) in Chapter 98, for the entry in column (4) occurring against tariff item 9802 00 00, the entry “150%” shall be substituted.

THE FOURTH SCHEDULE
[See section 111(b)]

In the Customs Tariff Act, in the First Schedule,—

Tariff Item	Description of goods		Unit	Rate of duty	
				Standard	Preferential
(1)	(2)	(3)	(4)	(5)	(6)
(1) in Chapter 19, in heading 1905,					
(i) for sub-heading 1905 32, tariff item 1905 32 11 and tariff item 1905 32 19 and the entries relating thereto, the following shall be substituted, namely:—					
“1905 32	--	<i>Waffles and wafers:</i>			
1905 32 11	---	Coated with chocolate or containing chocolate	kg.	30%	-”;
(ii) in sub-heading 1905 90, after tariff item 1905 90 40 and the entries relating thereto, the following shall be inserted, namely:—					
“---	----	<i>Communion wafers:</i>			
1905 90 51	----	Coated with chocolate or containing chocolate	kg.	30%	-
1905 90 59	----	Other	kg.	30%	-”;
(2) in Chapter 20, for the entry in column (4) occurring against tariff items 2008 19 20 and 2008 19 30, the entry “150%” shall be substituted;					
(3) in Chapter 27,—					
(i) in Supplementary Note, after sub-note (k), the following sub-note shall be inserted, namely:—					
‘(l) for the purposes of tariff item 2710 19 33, the term “Blended Aviation turbine fuel” means any Aviation turbine fuel containing by weight 70% or more of Petroleum Oils or Oils obtained from Bituminous Minerals, blended with Synthesized Hydrocarbons conforming to Indian Standards Specification of Bureau of Indian Standards IS 17081:2019.’;					
(ii) after tariff item 2710 19 32 and the entries relating thereto, the following shall be inserted, namely:—					
“2710 19 33	----	Blended Aviation turbine fuel	kg.	5%	-”;
(4) in Chapter 29,—					
(i) after sub-heading note 2, the following Supplementary Note shall be inserted, namely:—					
‘Supplementary Note:					
For the purposes of tariff item 2906 11 10, the term “Natural Menthol” means an organic compound (C ₁₀ H ₂₀ O) which is obtained from the distillation of the Japanese type oil of mint or menthol mint known as <i>Mentha arvensis</i> but does not include those made synthetically through any chemical routes.’;					
(ii) for tariff item 2906 11 00 and the entries relating thereto, the following shall be substituted, namely:—					
“2906 11	--	<i>Menthol:</i>			
2906 11 10	---	Natural Menthol	kg.	7.5%	-
2906 11 90	---	Other	kg.	7.5%	-”;
(iii) tariff item 2922 29 33 and the entries relating thereto shall be omitted;					
(iv) after tariff item 2924 29 70 and the entries relating thereto, the following shall be inserted, namely:—					
“2924 29 80	---	Paracetamol	kg.	7.5%	-”;

(5) in Chapter 38,—

(i) for the entry in column (2) occurring against tariff item 3818 00 10, the following shall be substituted, namely:—

“--- Undiffused silicon wafers”;

(ii) after tariff item 3818 00 10 and the entries relating thereto, the following shall be inserted, namely:—

“3818 00 20	---	Silicon carbide epitaxial thin film on substrate	kg.	Free	-
3818 00 30	---	Gallium nitride epitaxial thin film on substrate	kg.	Free	-”;

(6) in Chapter 39,—

(i) after tariff item 3920 10 92 and the entries relating thereto, the following shall be inserted, namely:—

“3920 10 93	----	Armour for ballistic protection	kg.	25%	-”;
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(ii) after tariff item 3921 90 26 and the entries relating thereto, the following shall be inserted, namely:—

“3921 90 27	----	Architectural membrane	kg.	25%	-”;
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(7) in Chapter 57,—

(i) after Note 2, the following Supplementary Note shall be inserted, namely:—

‘Supplementary Note:

For the purposes of tariff items 5703 29 22, 5703 39 31, 5703 39 32, 5703 39 33 and 5703 39 39, the term “Special Finishes” means process of making the product with any one or more of the following properties such as fire resistant, fire retardant, chemical resistant, anti-static, dust resistant, anti-stain, anti-microbial, anti-odor, UV stabilized, heat resistant, etc.’;

(ii) in heading 5703,—

(a) for tariff item 5703 29 20 and the entries relating thereto, the following shall be substituted, namely:—

“--- 100% polyamide tufted velour, cut pile or loop pile carpet mats :					
5703 29 21	----	With jute, rubber latex or PU foam backing	m ²	20% or Rs.70 per sq. metre, whichever is higher	-
5703 29 22	----	With ethylene vinyl acetate or vinyl acetate ethylene or latex coating and/or extruded polyvinyl chloride or thermoplastic polyolefin, with special finishes	m ²	20% or Rs.70 per sq. metre, whichever is higher	-
5703 29 29	----	Other	m ²	20% or Rs.70 per sq. metre, whichever is higher	-”;

(b) after tariff item 5703 39 20 and the entries relating thereto, the following shall be inserted, namely:—

“--- Tufted velour, cut pile or loop pile carpet mats with ethylene vinyl acetate or vinyl acetate ethylene or latex coating and/or extruded polyvinyl chloride or thermoplastic polyolefin, with special finishes:					
5703 39 31	----	Of 100% polypropylene	m ²	20% or Rs. 55 per sq. metre, whichever is higher	-
5703 39 32	----	Of 100% polyester	m ²	20% or Rs. 55 per sq. metre, whichever is higher	-
5703 39 33	----	Of 100% polyethylene	m ²	20% or Rs. 55 per sq. metre, whichever is higher	-
5703 39 39	----	Other	m ²	20% or Rs.55 per sq. metre, whichever is higher	-”;

(8) in Chapter 63, after tariff item 6307 90 91 and the entries relating thereto, the following shall be inserted, namely:—

“6307 90 92	----	Armour for ballistic protection	u	10%	-”;
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(9) in Chapter 65, after tariff item 6506 10 10 and the entries relating thereto, the following shall be inserted, namely:—

“6506 10 20	---	Headgear for ballistic protection	u	10%	-”;
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(10) in Chapter 69, for tariff item 6914 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“6914 90	-	<i>Other :</i>			
6914 90 10	---	Armour for ballistic protection	kg.	10%	-
6914 90 90	---	Other	kg.	10%	-”;

(11) in Chapter 73, for tariff item 7308 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“7308 10	-	<i>Bridges and bridge-sections :</i>			
7308 10 10	---	Portable bridge	u	15%	-
7308 10 90	---	Other	u	15%	-”;

(12) in Chapter 76, for tariff item 7610 90 20 and the entries relating thereto, the following shall be substituted, namely:—

	“---	<i>Parts of structures, not elsewhere specified :</i>			
7610 90 21	----	Portable bridge	kg.	10%	-
7610 90 29	----	Other	kg.	10%	-”;

(13) in Chapter 84,—

(i) after tariff item 8412 29 10 and the entries relating thereto, the following shall be inserted, namely:—

“8412 29 20	---	Hydraulic systems for use in goods of Chapter 89	u	7.5%	-”;
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(ii) for tariff item 8430 69 00 and the entries relating thereto, the following shall be substituted, namely:—

“8430 69	--	<i>Other :</i>			
8430 69 10	---	Mine plough machinery	u	7.5%	-
8430 69 90	---	Other	u	7.5%	-”;

(iii) in sub-heading 8443 99,—

(a) for the entry in column (2) occurring against tariff item 8443 99 51, the entry “----Cartridges or toners, with print head assembly” shall be substituted;

(b) for the entry in column (2) occurring against tariff item 8443 99 52, the entry “---- Cartridges or toners, without print head assembly” shall be substituted;

(iv) after tariff item 8479 89 70 and the entries relating thereto, the following shall be inserted, namely:—

“8479 89 80	---	Machinery for use in goods of Chapter 88 or 89	u	7.5%	-”;
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(14) in Chapter 85, for tariff item 8537 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“8537 10	-	<i>For a voltage not exceeding 1,000 V :</i>			
8537 10 10	---	For use in goods of Chapter 88 or 89 or 93	kg.	15%	-
8537 10 90	---	Other	kg.	15%	-”;

(15) in Chapter 87,—

(i) after sub-heading note 1, the following Supplementary Note shall be inserted, namely:—

‘Supplementary Note:

For the purposes of tariff item 8711 60 80, the term “E-bicycle or battery operated pedal assisted vehicle” means vehicle equipped with an auxiliary electric motor having a thirty-minute power less than 0.25 kW and maximum speed not exceeding 25 km/h and conforming to the provisions of the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder.’;

(ii) for tariff item 8705 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“8705 90	-	<i>Other :</i>			
8705 90 10	---	Lorries (Trucks) fitted with bridging systems	u	10%	-
8705 90 90	---	Other	u	10%	-”;

(iii) after tariff item 8711 60 30 and the entries relating thereto, the following shall be inserted, namely:—

“8711 60 80	---	E-bicycle or battery-operated pedal assisted vehicle	u	100%	-”;
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(16) in Chapter 88, for tariff item 8807 30 00 and the entries relating thereto, the following shall be substituted, namely:—

“8807 30	-	<i>Other parts of aeroplanes, helicopters or unmanned aircraft :</i>			
8807 30 10	---	Of aeroplanes, helicopters	kg.	2.5%	-
8807 30 20	---	Of unmanned aircraft	kg.	2.5%	-”;

(17) in Chapter 89, for tariff item 8906 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“8906 90	-	<i>Other :</i>			
8906 90 10	---	Patrol or surveillance boat, air-cushion vehicle, remote-operated vehicle	u	10%	-
8906 90 90	---	Other	u	10%	-”;

(18) in Chapter 93, for tariff item 9305 99 00 and the entries relating thereto, the following shall be substituted, namely:—

“9305 99	--	<i>Other :</i>			
9305 99 10	---	Of goods of heading 9304	kg.	10%	-
9305 99 90	---	Other	kg.	10%	-”.

THE FIFTH SCHEDULE
(See section 112)

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R. 163(E), dated the 17th March, 2012 [12/2012-Central Excise, dated 17th March, 2012]	In the said notification, in the ANNEXURE, in Condition No.43, under heading “Conditions”, in clause (b),— (i) for the words “a term of one hundred and twenty-six months”, the words “a term of one hundred and sixty-two months” shall be substituted; and (ii) for the words “with in a period of one hundred and twenty months”, the words “within a period of one hundred and fifty-six months” shall be substituted.	29th day of June, 2017.

THE SIXTH SCHEDULE
(See section 113)

Sl. No.	Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)	(4)
1.	G.S.R.794(E), dated the 30th June, 2017 [12/2017-Central Excise, dated the 30th June, 2017].	In the said Notification,— (i) in the preamble,— (a) after the words, figures and brackets “the Central Excise Act, 1944 (1 of 1944)”, the words, figures and brackets “read with section 83 of the Finance Act, 2010 (14 of 2010)” shall be inserted; (b) after the words “Central Excise Act”, the words “and Clean Environment Cess leviable thereon under the said Finance Act” shall be inserted; (ii) after clause (b), the following clause shall be inserted, namely:— “(c) the appropriate goods and services tax compensation cess, wherever applicable, shall be payable on such goods, if cleared on or after the 1st July, 2017 as leviable on such goods under the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).”.	30th day of June, 2017.

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BILL

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

(As passed by the Houses of Parliament)