

CHAPTER III
DIRECT TAXES

Income-tax

Amendment of section 2.	<p>3. In section 2 of the Income-tax Act, in clause (42A),—</p> <p>(a) in the third proviso [as inserted by section 3 of the Finance Act, 2016], after the words and brackets “a company (not being a share listed in a recognised stock exchange in India)”, the words “or an immovable property, being land or building or both,” shall be inserted with effect from the 1st day of April, 2018;</p> <p>(b) in <i>Explanation 1</i>, in clause (i),—</p> <p>(A) after sub-clause (he), the following sub-clause shall be inserted with effect from the 1st day of April, 2018, namely:—</p> <p>“(hf) in the case of a capital asset, being equity shares in a company, which becomes the property of the assessee in consideration of a transfer referred to in clause (xb) of section 47, there shall be included the period for which the preference shares were held by the assessee;”;</p> <p>(B) after sub-clause (hf) as so inserted, the following sub-clause shall be inserted, namely:—</p> <p>“(hg) in the case of a capital asset, being a unit or units, which becomes the property of the assessee in consideration of a transfer referred to in clause (xix) of section 47, there shall be included the period for which the unit or units in the consolidating plan of a mutual fund scheme were held by the assessee;”.</p>	<p>5</p> <p>10</p> <p>15</p> <p>20</p>	<p>28 of 2016.</p>
Amendment of section 9.	<p>4. In section 9 of the Income-tax Act, in sub-section (1), in clause (i), after <i>Explanation 5</i>, the following <i>Explanation</i> shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2012, namely:—</p> <p>“<i>Explanation 5A</i>.—For the removal of doubts, it is hereby clarified that nothing contained in <i>Explanation 5</i> shall apply to an asset or capital asset mentioned therein, which is held by a non-resident by way of investment, directly or indirectly, in a Foreign Institutional Investor as referred to in clause (a) of the <i>Explanation</i> to section 115AD and registered as Category-I or Category-II foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992.”.</p>	<p>25</p>	<p>15 of 1992.</p>
Amendment of section 9A.	<p>5. In section 9A of the Income-tax Act, in sub-section (3), in clause (j), after the proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2016, namely:—</p> <p>“Provided further that nothing contained in this clause shall apply to a fund which has been wound up in the previous year;”.</p>	<p>30</p>	
Amendment of section 10.	<p>6. In section 10 of the Income-tax Act,—</p> <p>(a) in clause (4), in sub-clause (ii), in the proviso, for the word, brackets and letter “clause (q)”, the word, brackets and letter “clause (w)” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2013;</p> <p>(b) after clause (12A) [as inserted by section 7 of the Finance Act, 2016], the following clause shall be inserted with effect from the 1st day of April, 2018, namely:—</p> <p>“(12B) any payment from the National Pension System Trust to an employee under the pension scheme referred to in section 80CCD, on partial withdrawal made out of his account in accordance with the terms and conditions, specified under the Pension Fund Regulatory and Development Authority Act, 2013 and the regulations made thereunder, to the extent it does not exceed twenty-five per cent. of the amount of contributions made by him;”;</p> <p>(c) in clause (23C),—</p> <p>(I) after sub-clause (iiiaaa), the following sub-clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1998, namely:—</p> <p>“(iiiaaaa) the Chief Minister’s Relief Fund or the Lieutenant Governor’s Relief Fund in respect of any State or Union territory as referred to in sub-clause (iiihf) of clause (a) of sub-section (2) of section 80G; or”;</p> <p>(II) after the eleventh proviso, the following proviso shall be inserted with effect from the 1st day of April, 2018, namely:—</p> <p>“Provided also that any amount credited or paid out of income of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), to any trust or institution registered under section 12AA, being voluntary contribution made with a specific direction that they shall form part of the corpus of the trust or institution, shall not be treated as application of income to the objects for which such fund or trust or institution or university or educational institution or hospital or other medical institution, as the case may be, is established;”;</p>	<p>35</p> <p>40</p> <p>45</p> <p>50</p> <p>55</p> <p>60</p>	<p>28 of 2016.</p> <p>23 of 2013.</p>

(d) after clause (37), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2015, namely:—

5 (37A) any income chargeable under the head “Capital gains” in respect of transfer of a specified capital asset arising to an assessee, being an individual or a Hindu undivided family, who was the owner of such specified capital asset as on the 2nd day of June, 2014 and transfers that specified capital asset under the Land Pooling Scheme (herein referred to as “the scheme”) covered under the Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 made under the provisions of the Andhra Pradesh Capital Region Development Authority Act, 2014 and the rules, regulations and Schemes made under the said Act.

Andhra
Pradesh Act
11 of 2014.

10 *Explanation.*—For the purposes of this clause, “specified capital asset” means,—

(a) the land or building or both owned by the assessee as on the 2nd day of June, 2014 and which has been transferred under the scheme; or

(b) the land pooling ownership certificate issued under the scheme to the assessee in respect of land or building or both referred to in clause (a); or

15 (c) the reconstituted plot or land, as the case may be, received by the assessee *in lieu* of land or building or both referred to in clause (a) in accordance with the scheme, if such plot or land, as the case may be, so received is transferred within two years from the end of the financial year in which the possession of such plot or land was handed over to him;;

28 of 2016.

20 (e) in clause (38), after the second proviso and before the *Explanation* [as inserted by section 7 of the Finance Act, 2016], the following proviso shall be inserted with effect from the 1st day of April, 2018, namely:—

25 “Provided also that nothing contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004.”;

23 of 2004.

(f) after clause (48A), the following clause shall be inserted with effect from the 1st day of April, 2018, namely:—

30 “(48B) any income accruing or arising to a foreign company on account of sale of leftover stock of crude oil, if any, from the facility in India after the expiry of the agreement or the arrangement referred to in clause (48A) subject to such conditions as may be notified by the Central Government in this behalf.”

7. In section 10AA of the Income-tax Act, after sub-section (1), the following *Explanation* shall be inserted with effect from the 1st day of April, 2018, namely:—

Amendment
of section
10AA.

35 “*Explanation.*—For the removal of doubts, it is hereby declared that the amount of deduction under this section shall be allowed from the total income of the assessee computed in accordance with the provisions of this Act, before giving effect to the provisions of this section and the deduction under this section shall not exceed such total income of the assessee.”

40 8. In section 11 of the Income-tax Act, in sub-section (1), the *Explanation* below clause (d) shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted with effect from the 1st day of April, 2018, namely:—

Amendment
of section 11.

45 “*Explanation 2.*—Any amount credited or paid, out of income referred to in clause (a) or clause (b) read with *Explanation 1*, to any other trust or institution registered under section 12AA, being contribution with a specific direction that they shall form part of the corpus of the trust or institution, shall not be treated as application of income for charitable or religious purposes.”

9. In section 12A of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2018,—

Amendment
of section
12A.

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

50 “(ab) the person in receipt of the income has made an application for registration of the trust or institution, in a case where a trust or an institution has been granted registration under section 12AA or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996], and, subsequently, it has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, in the prescribed form and manner, within a period of thirty days from the date of said adoption or modification, to the Principal Commissioner or Commissioner and such trust or institution is registered under section 12AA;”

33 of 1996.

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

“(ba) the person in receipt of the income has furnished the return of income for the previous year in accordance with the provisions of sub-section (4A) of section 139, within the time allowed under that section.”.

Amendment of section 12AA.	10. In section 12AA of the Income-tax Act, with effect from the 1st day of April, 2018,—	5
	(a) in sub-section (1), after the word, brackets and letters “clause (aa)”, the words, brackets and letters “or clause (ab)” shall be inserted;	
	(b) in sub-section (2), after the word, brackets and letters “clause (aa)”, the words, brackets and letters “or clause (ab)” shall be inserted.	
Amendment of section 13A.	11. In section 13A of the Income-tax Act, with effect from the 1st day of April, 2018,—	10
	(I) in the first proviso,—	
	(i) in clause (b),—	
	(A) after the words “such voluntary contribution”, the words “other than contribution by way of electoral bond” shall be inserted;	
	(B) the word “and” occurring at the end shall be omitted;	15
	(ii) in clause (c), the word “; and” shall be inserted at the end;	
	(iii) after clause (c), the following clause shall be inserted, namely:—	
	‘(d) no donation exceeding two thousand rupees is received by such political party otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account or through electoral bond.	20
	<i>Explanation.</i> —For the purposes of this proviso, “electoral bond” means a bond referred to in the Explanation to sub-section (3) of section 31 of the Reserve Bank of India Act, 1934.’;	
	(II) after the second proviso, the following proviso shall be inserted, namely:—	
	“Provided also that such political party furnishes a return of income for the previous year in accordance with the provisions of sub-section (4B) of section 139 on or before the due date under that section.”.	25
Amendment of section 23.	12. In section 23 of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of April, 2018, namely:—	
	“(5) Where the property consisting of any building or land appurtenant thereto is held as stock-in-trade and the property or any part of the property is not let during the whole or any part of the previous year, the annual value of such property or part of the property, for the period up to one year from the end of the financial year in which the certificate of completion of construction of the property is obtained from the competent authority, shall be taken to be <i>nil</i> .”.	30
Amendment of section 35AD.	13. In section 35AD of the Income-tax Act, in sub-section (8), in clause (f), after the words “shall not include”, the words “any expenditure in respect of which the payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees or” shall be inserted with effect from the 1st day of April, 2018.	35
Amendment of section 36.	14. In section 36 of the Income-tax Act, in sub-section (1), in clause (vii), in sub-clause (a), for the words “seven and one-half per cent.”, the words “eight and one-half per cent.” shall be substituted with effect from the 1st day of April, 2018.	40
Amendment of section 40A.	15. In section 40A of the Income-tax Act,—	
	(a) in sub-section (2), in clause (a), in the proviso, after the words “Provided that”, the words, figures and letters “for an assessment year commencing on or before the 1st day of April, 2016” shall be inserted;	45
	(b) with effect from the 1st day of April, 2018,—	
	(A) in sub-section (3), for the words “exceeds twenty thousand rupees”, the words “or use of electronic clearing system through a bank account, exceeds ten thousand rupees,” shall be substituted;	
	(B) in sub-section (3A),—	50
	(i) after the words “account payee bank draft,”, the words “or use of electronic clearing system through a bank account” shall be inserted;	
	(ii) for the words “twenty thousand rupees”, the words “ten thousand rupees” shall be substituted;	

(iii) in the first proviso, for the words “exceeds twenty thousand rupees”, the words “or use of electronic clearing system through a bank account, exceeds ten thousand rupees,” shall be substituted;

5 (iv) in the second proviso, for the words “twenty thousand rupees”, the words “ten thousand rupees” shall be substituted;

(C) in sub-section (4),—

(i) after the words “account payee bank draft”, the words “or use of electronic clearing system through a bank account” shall be inserted;

10 (ii) after the words “such cheque or draft”, the words “or electronic clearing system” shall be inserted.

16. In section 43 of the Income-tax Act, in clause (1), with effect from the 1st day of April, 2018,— Amendment of section 43.

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

15 “Provided further that where the assessee incurs any expenditure for acquisition of any asset or part thereof in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees, such expenditure shall be ignored for the purposes of determination of actual cost.”;

(b) in *Explanation 13*, the following proviso shall be inserted, namely:—

20 “Provided that where any capital asset in respect of which deduction or part of deduction allowed under section 35AD is deemed to be the income of the assessee in accordance with the provisions of sub-section (7B) of the said section, the actual cost of the asset to the assessee shall be the actual cost to the assessee, as reduced by an amount equal to the amount of depreciation calculated at the rate in force that would have been allowable had the asset been used for the purposes of business since the date of its acquisition.”.

25 **17.** In section 43B of the Income-tax Act, with effect from the 1st day of April, 2018,— Amendment of section 43B.

(i) in clause (e), after the words “scheduled bank”, the words “or a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank” shall be inserted;

(ii) in *Explanation 4*, after clause (c), the following clause shall be inserted, namely:—

30 ‘(d) “co-operative bank”, “primary agricultural credit society” and “primary co-operative agricultural and rural development bank” shall have the meanings respectively assigned to them in the *Explanation* to sub-section (4) of section 80P.’.

18. In section 43D of the Income-tax Act, with effect from the 1st day of April, 2018,— Amendment of section 43D.

35 (i) in clause (a), after the words “scheduled bank or”, the words “a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank or” shall be inserted;

(ii) in the long line, after the words “scheduled bank or”, the words “a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank or” shall be inserted;

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

‘(g) “co-operative bank”, “primary agricultural credit society” and “primary co-operative agricultural and rural development bank” shall have the meanings respectively assigned to them in the *Explanation* to sub-section (4) of section 80P.’.

45 **19.** In section 44AA of the Income-tax Act, in sub-section (2), the following provisos shall be inserted with effect from the 1st day of April, 2018, namely:— Amendment of section 44AA.

‘Provided that in the case of a person being an individual or a Hindu undivided family, the provisions of clause (i) and clause (ii) shall have effect, as if for the words “one lakh twenty thousand rupees”, the words “two lakh fifty thousand rupees” had been substituted:

50 Provided further that in the case of a person being an individual or a Hindu undivided family, the provisions of clause (i) and clause (ii) shall have effect, as if for the words “ten lakh rupees”, the words “twenty-five lakh rupees” had been substituted.’.

20. In section 44AB of the Income-tax Act,— Amendment of section 44AB.

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

“Provided that this section shall not apply to the person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of section 44AD and his total sales, turnover or gross receipts, as the case may be, in business does not exceed two crore rupees in such previous year.”;

(ii) in the first proviso, for the words “Provided that”, the words “Provided further that” shall be substituted; 5

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

Amendment of section 44AD. **21.** In section 44AD of the Income-tax Act, in sub-section (1), the following proviso shall be inserted, namely:— 10

‘Provided that this sub-section shall have effect as if for the words “eight per cent.”, the words “six per cent.” had been substituted, in respect of the amount of total turnover or gross receipts which is received by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account during the previous year or before the due date specified in sub-section (1) of section 139 in respect of that previous year.’. 15

Amendment of section 45. **22.** In section 45 of the Income-tax Act, after sub-section (5) and the *Explanation* thereto, the following sub-section shall be inserted with effect from the 1st day of April, 2018, namely:—

‘(5A) Notwithstanding anything contained in sub-section (1), where the capital gain arises to an assessee, being an individual or a Hindu undivided family, from the transfer of a capital asset, being land or building or both, under a specified agreement, the capital gains shall be chargeable to income-tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the competent authority; and for the purposes of section 48, the stamp duty value, on the date of issue of the said certificate, of his share, being land or building or both in the project, as increased by the consideration received in cash, if any, shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of the capital asset: 20 25

Provided that the provisions of this sub-section shall not apply where the assessee transfers his share in the project on or before the date of issue of said certificate of completion, and the capital gains shall be deemed to be the income of the previous year in which such transfer takes place and the provisions of this Act, other than the provisions of this sub-section, shall apply for the purpose of determination of full value of consideration received or accruing as a result of such transfer. 30

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

(i) “competent authority” means the authority empowered to approve the building plan by or under any law for the time being in force;

(ii) “specified agreement” means a registered agreement in which a person owning land or building or both, agrees to allow another person to develop a real estate project on such land or building or both, in consideration of a share, being land or building or both in such project, whether with or without payment of part of the consideration in cash; 35

(iii) “stamp duty value” means the value adopted or assessed or assessable by any authority of Government for the purpose of payment of stamp duty in respect of an immovable property being land or building or both.’. 40

Amendment of section 47. **23.** In section 47 of the Income-tax Act, with effect from the 1st day of April, 2018,—

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

“(viiia) any transfer, made outside India, of a capital asset being rupee denominated bond of an Indian company issued outside India, by a non-resident to another non-resident;” 45

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

“(xb) any transfer by way of conversion of preference shares of a company into equity shares of that company;”.

Amendment of section 48. **24.** In section 48 of the Income-tax Act, with effect from the 1st day of April, 2018,—

(a) in the fifth proviso, for the word “subscribed”, the word “held” shall be substituted; 50

(b) in the *Explanation*, in clause (iii), for the figures, letters and words “1st day of April, 1981”, the figures, letters and words “1st day of April, 2001” shall be substituted.

25. In section 49 of the Income-tax Act,—Amendment
of section 49.

(a) in sub-section (1), in clause (iii), in sub-clause (e), after the word, brackets, figures and letter “clause (vib)”, the words, brackets, figures and letter “or clause (vic)” shall be inserted with effect from the 1st day of April, 2018;

5 (b) after sub-section (2AD), the following sub-section shall be inserted with effect from the 1st day of April, 2018, namely:—

“(2AE) Where the capital asset, being equity share of a company, became the property of the assessee in consideration of a transfer referred to in clause (xb) of section 47, the cost of acquisition of the asset shall be deemed to be that part of the cost of the preference share in relation to which such asset is acquired by the assessee.”;

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

“(2AF) Where the capital asset, being a unit or units in a consolidated plan of a mutual fund scheme, became the property of the assessee in consideration of a transfer referred to in clause (xix) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the unit or units in the consolidating plan of the scheme of the mutual fund.”;

15 (d) in sub-section (4), after the words, brackets, figures and letter “or clause (viiia)” at both the places where they occur, the words, brackets and figure “or clause (x)” shall be inserted;

28 of 2016.

(e) after sub-section (5) [as inserted by section 30 of the Finance Act, 2016], the following sub-sections shall be inserted with effect from the 1st day of April, 2018, namely:—

20 ‘(6) Where the capital gain arises from the transfer of a specified capital asset referred to in clause (c) of the *Explanation* to clause (37A) of section 10, which has been transferred after the expiry of two years from the end of the financial year in which the possession of such asset was handed over to the assessee, the cost of acquisition of such specified capital asset shall be deemed to be its stamp duty value as on the last day of the second financial year after the end of the financial year in which the possession of the said specified capital asset was handed over to the assessee.

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

30 (7) Where the capital gain arises from the transfer of a capital asset, being share in the project, in the form of land or building or both, referred to in sub-section (5A) of section 45, not being the capital asset referred to in the proviso to the said sub-section, the cost of acquisition of such asset, shall be the amount which is deemed as full value of consideration in that sub-section.’;

35 (f) after sub-section (7) as so inserted, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2016, namely:—

40 “(8) Where the capital gain arises from the transfer of an asset, being the asset held by a trust or an institution in respect of which accreted income has been computed and the tax has been paid thereon in accordance with the provisions of Chapter XII-EB, the cost of acquisition of such asset shall be deemed to be the fair market value of the asset which has been taken into account for computation of accreted income as on the specified date referred to in sub-section (2) of section 115TD.”.

26. After section 50C of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2018, namely:—

Insertion of
new section
50CA.

45 ‘50CA. Where the consideration received or accruing as a result of the transfer by an assessee of a capital asset, being share of a company other than a quoted share, is less than the fair market value of such share determined in such manner as may be prescribed, the value so determined shall, for the purposes of section 48, be deemed to be the full value of consideration received or accruing as a result of such transfer.

Special
provision for
full value of
consideration
for transfer of
share other
than quoted
share.

50 *Explanation.*—For the purposes of this section, “quoted share” means the share quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business.’.

1 of 1956.

27. In section 54EC of the Income-tax Act, in sub-section (3), in the *Explanation*, in clause (ba), for the words and figures “the Companies Act, 1956” occurring at the end, the words and figures “the Companies Act, 1956; or any other bond notified by the Central Government in this behalf” shall be substituted with effect from the 1st day of April, 2018.

Amendment
of section
54EC.

Amendment
of section 55.

28. In section 55 of the Income-tax Act, with effect from the 1st day of April, 2018,—

(A) in sub-section (1), in clause (b), in sub-clause (2), in item (i), for the figures, letters and words “1st day of April, 1981”, the figures, letters and words “1st day of April, 2001” shall be substituted;

(B) in sub-section (2), in clause (b), for the figures, letters and words “1st day of April, 1981” wherever they occur, the figures, letters and words “1st day of April, 2001” shall be substituted. 5

Amendment
of section 56.

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

(I) in clause (vii), after the figures, letters and words “1st day of October, 2009”, the words, figures and letters “but before the 1st day of April, 2017” shall be inserted;

(II) in clause (viiia), after the figures, letters and words “1st day of June, 2010”, the words, figures and letters “but before the 1st day of April, 2017” shall be inserted; 10

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

‘(x) where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017,—

(a) any sum of money, without consideration, the aggregate value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum; 15

(b) any immovable property,—

(A) without consideration, the stamp duty value of which exceeds fifty thousand rupees, the stamp duty value of such property;

(B) for a consideration which is less than the stamp duty value of the property by an amount exceeding fifty thousand rupees, the stamp duty value of such property as exceeds 20 such consideration:

Provided that where the date of agreement fixing the amount of consideration for the transfer of immovable property and the date of registration are not the same, the stamp duty value on the date of agreement may be taken for the purposes of this sub-clause:

Provided further that the provisions of the first proviso shall apply only in a case where 25 the amount of consideration referred to therein, or a part thereof, has been paid by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account, on or before the date of agreement for transfer of such immovable property:

Provided also that where the stamp duty value of immovable property is disputed by the 30 assessee on grounds mentioned in sub-section (2) of section 50C, the Assessing Officer may refer the valuation of such property to a Valuation Officer, and the provisions of section 50C and sub-section (15) of section 155 shall, as far as may be, apply in relation to the stamp duty value of such property for the purpose of this sub-clause as they apply for valuation of capital asset under those sections; 35

(c) any property, other than immovable property,—

(A) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;

(B) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such 40 property as exceeds such consideration:

Provided that this clause shall not apply to any sum of money or any property received—

(I) from any relative; or

(II) on the occasion of the marriage of the individual; or

(III) under a will or by way of inheritance; or 45

(IV) in contemplation of death of the payer or donor, as the case may be; or

(V) from any local authority as defined in the *Explanation* to clause (20) of section 10; or

(VI) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or 50

(VII) from or by any trust or institution registered under section 12AA; or

(VIII) by any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or

5 (IX) by way of transaction not regarded as transfer under clause (i) or clause (vi) or clause (via) or clause (viaa) or clause (vib) or clause (vic) or clause (vica) or clause (vicb) or clause (vid) or clause (vii) of section 47.

Explanation.— For the purposes of this clause, the expressions “assessable”, “fair market value”, “jewellery”, “property”, “relative” and “stamp duty value” shall have the same meanings respectively assigned to them in the *Explanation* to clause (vii).’

30. In section 58 of the Income-tax Act, in sub-section (1A), for the word, brackets, figures and letter “sub-clause (iia)”, the words, brackets, figures and letters “sub-clauses (ia) and (iia)” shall be substituted with effect from the 1st day of April, 2018. Amendment of section 58.

15 31. In section 71 of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted with effect from the 1st day of April, 2018, namely:— Amendment of section 71.

20 ‘(3A) Notwithstanding anything contained in sub-section (1) or sub-section (2), where in respect of any assessment year, the net result of the computation under the head “Income from house property” is a loss and the assessee has income assessable under any other head of income, the assessee shall not be entitled to set off such loss, to the extent the amount of the loss exceeds two lakh rupees, against income under the other head.’

32. For section 79 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2018, namely:— Substitution of new section for section 79.

“79. Notwithstanding anything contained in this Chapter, where a change in shareholding has taken place in a previous year,— Carry forward and set off of losses in case of certain companies.

25 (a) in the case of a company not being a company in which the public are substantially interested and other than a company referred to in clause (b), no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per cent. of the voting power were beneficially held by persons who beneficially held shares of the

30 company carrying not less than fifty-one per cent. of the voting power on the last day of the year or years in which the loss was incurred;

35 (b) in the case of a company, not being a company in which the public are substantially interested but being an eligible start-up as referred to in section 80-IAC, the loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, if, all the shareholders of such company who held shares carrying voting power on the last day of the year or years in which the loss was incurred,—

(i) continue to hold those shares on the last day of such previous year; and

(ii) such loss has been incurred during the period of seven years beginning from the year in which such company is incorporated:

40 Provided that nothing contained in this section shall apply to a case where a change in the said voting power and shareholding takes place in a previous year consequent upon the death of a shareholder or on account of transfer of shares by way of gift to any relative of the shareholder making such gift:

45 Provided further that nothing contained in this section shall apply to any change in the shareholding of an Indian company which is a subsidiary of a foreign company as a result of amalgamation or demerger of a foreign company subject to the condition that fifty-one per cent. shareholders of the amalgamating or demerged foreign company continue to be the shareholders of the amalgamated or the resulting foreign company.”

50 33. In section 80CCD of the Income-tax Act, in sub-section (1), in clause (b), for the words “ten per cent.”, the words “twenty per cent.” shall be substituted with effect from the 1st day of April, 2018. Amendment of section 80CCD.

34. In section 80CCG of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of April, 2018, namely:— Amendment of section 80CCG.

55 “(5) Notwithstanding anything contained in sub-sections (1) to (4), no deduction under this section shall be allowed in respect of any assessment year commencing on or after the 1st day of April, 2018:

	Provided that an assessee, who has acquired listed equity shares or listed units of an equity oriented fund in accordance with the scheme referred to in sub-section (1) and claimed deduction under this section for any assessment year commencing on or before the 1st day of April, 2017, shall be allowed deduction under this section till the assessment year commencing on the 1st day of April, 2019, if he is otherwise eligible to claim the deduction in accordance with the other provisions of this section.”.	5
Amendment of section 80G.	35. In section 80G of the Income-tax Act, in sub-section (5D), for the words “ten thousand rupees”, the words “two thousand rupees” shall be substituted with effect from the 1st day of April, 2018.	
Amendment of section 80-IAC.	36. In section 80-IAC of the Income-tax Act [as inserted by section 42 of the Finance Act, 2016], in sub-section (2), for the words “five years”, the words “seven years” shall be substituted with effect from the 1st day of April, 2018.	10
Amendment of section 80-IBA.	37. In section 80-IBA of the Income-tax Act [as inserted by section 44 of the Finance Act, 2016], with effect from the 1st day of April, 2018,—	28 of 2016.
	(a) in sub-section (2),—	
	(i) in clause (b), for the words “three years”, the words “five years” shall be substituted;	15
	(ii) in clauses (c) and (f), for the expression “built-up area” wherever they occur, the words “carpet area” shall be substituted;	
	(iii) the words “or within the distance, measured aerially, of twenty-five kilometres from the municipal limits of these cities” wherever they occur shall be omitted;	
	(b) in sub-section (6), for clause (a), the following clause shall be substituted, namely:—	20
	‘(a) “carpet area” shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016.’.	16 of 2016.
Amendment of section 87A.	38. In section 87A of the Income-tax Act, with effect from the 1st day of April, 2018,—	
	(a) for the words “five hundred thousand rupees”, the words “three hundred fifty thousand rupees” shall be substituted;	25
	(b) for the words “five thousand rupees” [as substituted by section 46 of the Finance Act, 2016], the words “two thousand five hundred rupees” shall be substituted.	28 of 2016.
Amendment of section 90.	39. In section 90 of the Income-tax Act, after <i>Explanation 3</i> , the following <i>Explanation</i> shall be inserted with effect from the 1st day of April, 2018, namely:—	
	“ <i>Explanation 4.</i> —For the removal of doubts, it is hereby declared that where any term used in an agreement entered into under sub-section (1) is defined under the said agreement, the said term shall have the same meaning as assigned to it in the agreement; and where the term is not defined in the said agreement, but defined in the Act, it shall have the same meaning as assigned to it in the Act and any explanation given to it by the Central Government.”.	30
Amendment of section 90A.	40. In section 90A of the Income-tax Act, after <i>Explanation 3</i> , the following <i>Explanation</i> shall be inserted with effect from the 1st day of April, 2018, namely:—	35
	“ <i>Explanation 4.</i> —For the removal of doubts, it is hereby declared that where any term used in an agreement entered into under sub-section (1) is defined under the said agreement, the said term shall have the same meaning as assigned to it in the agreement; and where the term is not defined in the said agreement, but defined in the Act, it shall have the same meaning as assigned to it in the Act and any explanation given to it by the Central Government.”.	40
Amendment of section 92BA.	41. In section 92BA of the Income-tax Act, clause (i) shall be omitted.	
Insertion of new section 92CE.	42. After section 92CD of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2018, namely:—	
Secondary adjustment in certain cases.	‘92CE. (1) Where a primary adjustment to transfer price,—	45
	(i) has been made <i>suo motu</i> by the assessee in his return of income;	
	(ii) made by the Assessing Officer has been accepted by the assessee;	
	(iii) is determined by an advance pricing agreement entered into by the assessee under section 92CC;	
	(iv) is made as per the safe harbour rules framed under section 92CB; or	50
	(v) is arising as a result of resolution of an assessment by way of the mutual agreement procedure under an agreement entered into under section 90 or section 90A for avoidance of double taxation,	

the assessee shall make a secondary adjustment:

Provided that nothing contained in this section shall apply, if,—

(i) the amount of primary adjustment made in any previous year does not exceed one crore rupees; and

5 (ii) the primary adjustment is made in respect of an assessment year commencing on or before the 1st day of April, 2016.

(2) Where, as a result of primary adjustment to the transfer price, there is an increase in the total income or reduction in the loss, as the case may be, of the assessee, the excess money which is available with its associated enterprise, if not repatriated to India within the time as may be prescribed, shall be deemed to be an advance made by the assessee to such associated enterprise and the interest on such advance, shall be computed in such manner as may be prescribed.

(3) For the purposes of this section,—

(i) “associated enterprise” shall have the meaning assigned to it in sub-section (1) and sub-section (2) of section 92A;

15 (ii) “arm’s length price” shall have the meaning assigned to it in clause (ii) of section 92F;

(iii) “excess money” means the difference between the arm’s length price determined in primary adjustment and the price at which the international transaction has actually been undertaken;

(iv) “primary adjustment” to a transfer price means the determination of transfer price in accordance with the arm’s length principle resulting in an increase in the total income or reduction in the loss, as the case may be, of the assessee;

(v) “secondary adjustment” means an adjustment in the books of account of the assessee and its associated enterprise to reflect that the actual allocation of profits between the assessee and its associated enterprise are consistent with the transfer price determined as a result of primary adjustment, thereby removing the imbalance between cash account and actual profit of the assessee.’.

43. After section 94A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2018, namely:—

Insertion of new section 94B.

‘94B. (1) Notwithstanding anything contained in this Act, where an Indian company, or a permanent establishment of a foreign company in India, being the borrower, pays interest or similar consideration exceeding one crore rupees which is deductible in computing income chargeable under the head “Profits and gains of business or profession” in respect of any debt issued by a non-resident, being an associated enterprise of such borrower, the interest shall not be deductible in computation of income under the said head to the extent that it arises from excess interest, as specified in sub-section (2):

Limitation on interest deduction in certain cases.

35 Provided that where the debt is issued by a lender which is not associated but an associated enterprise either provides an implicit or explicit guarantee to such lender or deposits a corresponding and matching amount of funds with the lender, such debt shall be deemed to have been issued by an associated enterprise.

40 (2) For the purposes of sub-section (1), the excess interest shall mean an amount of total interest paid or payable in excess of thirty per cent. of earnings before interest, taxes, depreciation and amortisation of the borrower in the previous year or interest paid or payable to associated enterprises for that previous year, whichever is less.

(3) Nothing contained in sub-section (1) shall apply to an Indian company or a permanent establishment of a foreign company which is engaged in the business of banking or insurance.

45 (4) Where for any assessment year, the interest expenditure is not wholly deducted against income under the head “Profits and gains of business or profession”, so much of the interest expenditure as has not been so deducted, shall be carried forward to the following assessment year or assessment years, and it shall be allowed as a deduction against the profits and gains, if any, of any business or profession carried on by it and assessable for that assessment year to the extent of maximum allowable interest expenditure in accordance with sub-section (2):

50 Provided that no interest expenditure shall be carried forward under this sub-section for more than eight assessment years immediately succeeding the assessment year for which the excess interest expenditure was first computed.

(5) For the purposes of this section, the expressions—

55 (i) “associated enterprise” shall have the meaning assigned to it in sub-section (1) and sub-section (2) of section 92A;

(ii) “debt” means any loan, financial instrument, finance lease, financial derivative, or any arrangement that gives rise to interest, discounts or other finance charges that are deductible in the computation of income chargeable under the head “Profits and gains of business or profession”;

(iii) “permanent establishment” includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.’

Amendment of section 115BBDA.	<p>44. In section 115BBDA of the Income-tax Act [as inserted by section 52 of the Finance Act, 2016], with effect from the 1st day of April, 2018,—</p> <p>(i) in sub-section (1), for the words “an assessee, being an individual, a Hindu undivided family or a firm”, the words “a specified assessee” shall be substituted;</p> <p>(ii) for sub-section (3), the following <i>Explanation</i> shall be substituted, namely:—</p> <p>‘<i>Explanation.</i>—For the purposes of this section,—</p> <p>(a) “dividend” shall have the meaning assigned to it in clause (22) of section 2 but shall not include sub-clause (e) thereof;</p> <p>(b) “specified assessee” means a person other than,—</p> <p>(i) a domestic company; or</p> <p>(ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or</p> <p>(iii) a trust or institution registered under section 12AA.’</p>	5	28 of 2016.
Insertion of new section 115BBG.	<p>45. After section 115BBF of the Income-tax Act [as inserted by section 54 of the Finance Act, 2016], the following section shall be inserted with effect from the 1st day of April, 2018, namely:—</p> <p>‘115 BBG. (1) Where the total income of an assessee includes any income by way of transfer of carbon credits, the income-tax payable shall be the aggregate of—</p> <p>(a) the amount of income-tax calculated on the income by way of transfer of carbon credits, at the rate of ten per cent.; and</p> <p>(b) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (a).</p> <p>(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provision of this Act in computing his income referred to in clause (a) of sub-section (1).</p> <p><i>Explanation.</i>—For the purposes of this section “carbon credit” in respect of one unit shall mean reduction of one tonne of carbon dioxide emissions or emissions of its equivalent gases which is validated by the United Nations Framework on Climate Change and which can be traded in market at its prevailing market price.’</p>	20	28 of 2016.
Tax on income from transfer of carbon credits.	<p>(a) the amount of income-tax calculated on the income by way of transfer of carbon credits, at the rate of ten per cent.; and</p> <p>(b) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (a).</p>	25	
Amendment of section 115JAA.	<p>46. In section 115JAA of the Income-tax Act, with effect from the 1st day of April, 2018,—</p> <p>(a) in sub-section (2A), after the proviso, the following proviso shall be inserted, namely:—</p> <p>“Provided further that where the amount of tax credit in respect of any income-tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, allowed against the tax payable under the provisions of sub-section (1) of section 115JB exceeds the amount of such tax credit admissible against the tax payable by the assessee on its income in accordance with the other provisions of this Act, then, while computing the amount of credit under this sub-section, such excess amount shall be ignored.”;</p> <p>(b) in sub-section (3A), for the words “tenth assessment year”, the words “fifteenth assessment year” shall be substituted.</p>	35	
Amendment of section 115JB.	<p>47. In section 115JB of the Income-tax Act,—</p> <p>(i) in sub-section (2),—</p> <p>(a) for the words “profit and loss account” wherever they occur, the words “statement of profit and loss” shall be substituted;</p> <p>(b) for the words and figures “the Companies Act, 1956” wherever they occur, the words and figures “the Companies Act, 2013” shall be substituted;</p> <p>(c) in clause (a), for the words and figures “Part II of Schedule VI”, the word and figures “Schedule III” shall be substituted;</p>	45	1 of 1956. 18 of 2013.
		50	

(d) in clause (b), for the words, brackets and figures “proviso to sub-section (2) of section 211”, the words, brackets and figures “second proviso to sub-section (1) of section 129” shall be substituted;

5 (e) in the first proviso, for the word and figures “section 210”, the word and figures “section 129” shall be substituted;

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

10 (2A) For a company whose financial statements are drawn up in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, the book profit as computed in accordance with *Explanation 1* to sub-section (2) shall be further—

(a) increased by all amounts credited to other comprehensive income in the statement of profit and loss under the head “Items that will not be re-classified to profit or loss”;

(b) decreased by all amounts debited to other comprehensive income in the statement of profit and loss under the head “Items that will not be re-classified to profit or loss”;

15 (c) increased by amounts or aggregate of the amounts debited to the statement of profit and loss on distribution of non-cash assets to shareholders in a demerger in accordance with Appendix A of the Indian Accounting Standards 10;

20 (d) decreased by all amounts or aggregate of the amounts credited to the statement of profit and loss on distribution of non-cash assets to shareholders in a demerger in accordance with Appendix A of the Indian Accounting Standards 10:

Provided that nothing contained in clause (a) or clause (b) shall apply to the amount credited or debited to other comprehensive income under the head “Items that will not be re-classified to profit or loss” in respect of—

25 (i) revaluation surplus for assets in accordance with the Indian Accounting Standards 16 and Indian Accounting Standards 38; or

(ii) gains or losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with the Indian Accounting Standards 109:

30 Provided further that the book profit of the previous year in which the asset or investment referred to in the first proviso is retired, disposed, realised or otherwise transferred shall be increased or decreased, as the case may be, by the amount or the aggregate of the amounts referred to in the first proviso for the previous year or any of the preceding previous years and relating to such asset or investment.

35 (2B) In the case of a resulting company, where the property and the liabilities of the undertaking or undertakings being received by it are recorded at values different from values appearing in the books of account of the demerged company immediately before the demerger, any change in such value shall be ignored for the purpose of computation of book profit of the resulting company under this section.

40 (2C) For a company referred to in sub-section (2A), the book profit of the year of convergence and each of the following four previous years, shall be further increased or decreased, as the case may be, by one-fifth of the transition amount:

Provided that the book profit of the previous year in which the asset or investment referred to in sub-clauses (B) to (E) of clause (iii) of the *Explanation* is retired, disposed, realised or otherwise transferred, shall be increased or decreased, as the case may be, by the amount or the aggregate of the amounts referred to in the said sub-clause relating to such asset or investment:

45 Provided further that the book profit of the previous year in which the foreign operation referred to in sub-clause (F) of clause (iii) of the *Explanation* is disposed or otherwise transferred, shall be increased or decreased, as the case may be, by the amount or the aggregate of the amounts referred to in the said sub-clause relating to such foreign operations.

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

50 (i) “year of convergence” means the previous year within which the convergence date falls;

(ii) “convergence date” means the first day of the first Indian Accounting Standards reporting period as defined in the Indian Accounting Standards 101;

(iii) “transition amount” means the amount or the aggregate of the amounts adjusted in the

other equity (excluding equity component of compound financial instruments, capital reserve, and securities premium reserve) on the convergence date but not including the following,—

(A) amount or aggregate of the amounts adjusted in the other comprehensive income on the convergence date which shall be subsequently re-classified to the profit or loss;

(B) revaluation surplus for assets in accordance with the Indian Accounting Standards 16 and Indian Accounting Standards 38 adjusted on the convergence date;

(C) gains or losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with the Indian Accounting Standards 109 adjusted on the convergence date;

(D) adjustments relating to items of property, plant and equipment and intangible assets recorded at fair value as deemed cost in accordance with paragraphs D5 and D7 of the Indian Accounting Standards 101 on the convergence date;

(E) adjustments relating to investments in subsidiaries, joint ventures and associates recorded at fair value as deemed cost in accordance with paragraph D15 of the Indian Accounting Standards 101 on the convergence date; and

(F) adjustments relating to cumulative translation differences of a foreign operation in accordance with paragraph D13 of the Indian Accounting Standards 101 on the convergence date.’;

(iii) in *Explanation 1*,—

(a) for the words “net profit”, the word “profit” shall be substituted;

(b) for the words “profit and loss account” wherever they occur, the words “statement of profit and loss” shall be substituted;

(c) in clause (k) for the words “profit or loss account”, the words “statement of profit and loss” shall be substituted;

(iv) in *Explanation 3*,—

(a) for the words, brackets and figures “proviso to sub-section (2) of section 211 of the Companies Act, 1956”, the words, brackets and figures “second proviso to sub-section (1) of section 129 of the Companies Act, 2013” shall be substituted;

(b) for the words “profit and loss account”, the words “statement of profit and loss” shall be substituted;

(c) for the words and figures “Part II and Part III of Schedule VI to the Companies Act, 1956”, the words and figures “Schedule III to the Companies Act, 2013” shall be substituted.

Amendment of section 115JD.

48. In section 115JD of the Income-tax Act, with effect from the 1st day of April, 2018,—

(a) in sub-section (2), the following proviso shall be inserted, namely:—

“Provided that where the amount of tax credit in respect of any income-tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, allowed against the alternate minimum tax payable exceeds the amount of the tax credit admissible against the regular income-tax payable by the assessee, then, while computing the amount of credit under this sub-section, such excess amount shall be ignored.”;

(b) in sub-section (4), for the words “tenth assessment year”, the words “fifteenth assessment year” shall be substituted.

Amendment of section 119.

49. In section 119 of the Income-tax Act, in sub-section (2), in clause (a), after the figures “271”, the figures and letters “,271C, 271CA” shall be inserted.

Amendment of section 132.

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

(i) in sub-section (1), after the fourth proviso, the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962, namely:—

“*Explanation.*—For the removal of doubts, it is hereby declared that the reason to believe, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.”;

(ii) in sub-section (1A), the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1975, namely:—

“*Explanation.*—For the removal of doubts, it is hereby declared that the reason to suspect, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.”;

(iii) after sub-section (9A), the following sub-sections shall be inserted, namely:—

5 “(9B) Where, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, the authorised officer, for the reasons to be recorded in writing, is satisfied that for the purpose of protecting the interest of revenue, it is necessary so to do, he may with the previous approval of the Principal Director General or Director General or the Principal Director or Director, by order in writing, attach provisionally any property belonging to the assessee, and for the said purpose the provisions of the Second Schedule shall, *mutatis mutandis*, apply.

10 (9C) Every provisional attachment made under sub-section (9B) shall cease to have effect after the expiry of a period of six months from the date of the order referred to in sub-section (9B).

15 (9D) The authorised officer may, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, make a reference to a Valuation Officer referred to in section 142A, who shall estimate the fair market value of the property in the manner provided under that section and submit a report of the estimate to the said officer within a period of sixty days from the date of receipt of such reference.”;

(iv) for *Explanation 1*, the following *Explanation* shall be substituted, namely:—

‘*Explanation 1*.—For the purposes of sub-sections (9A), (9B) and (9D), with respect to “execution of an authorisation for search”, the provisions of sub-section (2) of section 153B shall apply.’.

20 **51.** In section 132A of the Income-tax Act, in sub-section (1), the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1975, namely:— Amendment of section 132A.

“*Explanation*.—For the removal of doubts, it is hereby declared that the reason to believe, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.”.

25 **52.** In section 133 of the Income-tax Act,— Amendment of section 133.

(i) in the first proviso, for the words “and the Principal Commissioner or Commissioner”, the words “or the Principal Commissioner or Commissioner or the Joint Director or Deputy Director or Assistant Director” shall be substituted;

30 (ii) in the second proviso, after the words “Director or Principal Commissioner or Commissioner”, the words “, other than the Joint Director or Deputy Director or Assistant Director,” shall be inserted.

53. In section 133A of the Income-tax Act, in sub-section (1),— Amendment of section 133A.

(i) in the long line, for the portion beginning with “at which a business or profession” and ending with “such business or profession—”, the following shall be substituted, namely:—

35 “at which a business or profession or an activity for charitable purpose is carried on, whether such place be the principal place or not of such business or profession or of such activity for charitable purpose, and require any proprietor, trustee, employee or any other person who may at that time and place be attending in any manner to, or helping in, the carrying on of such business or profession or such activity for charitable purpose—”;

40 (ii) in the *Explanation*, after the words “business or profession” wherever they occur, the words “or activity for charitable purpose” shall be inserted.

54. In section 133C of the Income-tax Act, after sub-section (2) and before the *Explanation*, the following sub-section shall be inserted, namely:— Amendment of section 133C.

45 “(3) The Board may make a scheme for centralised issuance of notice and for processing of information or documents and making available the outcome of the processing to the Assessing Officer.”.

55. In section 139 of the Income-tax Act, with effect from the 1st day of April, 2018,— Amendment of section 139.

(i) in sub-section (4C),—

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

“(ca) person referred to in clause (23AAA) of section 10;”;

50 (II) after clause (eb), the following clauses shall be inserted, namely:—

“(eba) Investor Protection Fund referred to in clause (23EC) or clause (23ED) of section 10;

“(ebb) Core Settlement Guarantee Fund referred to in clause (23EE) of section 10;”;

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

“(fa) Board or Authority referred to in clause (29A) of section 10;”;

(IV) in the long line occurring after clause (h), after the words “association or institution,” the words “person or” shall be inserted;

(ii) in sub-section (5) [as substituted by section 67 of the Finance Act, 2016], the words “the expiry of one year from” shall be omitted.

28 of 2016.

Amendment of section 140A.	56. In section 140A of the Income-tax Act, with effect from the 1st day of April, 2018,—	5
	(i) in sub-section (1),—	
	(a) in the long line,—	
	(A) after the words “together with interest”, the words “and fee” shall be inserted;	
	(B) for the words “and interest”, the words “, interest and fee” shall be substituted;	
	(b) in the <i>Explanation</i> , for the words “and interest as aforesaid, the amount so paid shall first be adjusted towards”, the words “, interest and fee as aforesaid, the amount so paid shall first be adjusted towards the fee payable and thereafter towards” shall be substituted;	10
	(ii) in sub-section (3), for the words “or interest or both” at both the places where they occur, the words “, interest or fee” shall be substituted.	
Amendment of section 143.	57. In section 143 of the Income-tax Act,—	15
	(a) in sub-section (1), with effect from the 1st day of April, 2018,—	
	(i) in clause (b), for the words “and interest”, the words “, interest and fee” shall be substituted;	
	(ii) in clause (c),—	
	(A) for the words “and interest”, the words “, interest and fee” shall be substituted;	
	(B) for the words “or interest”, the words “, interest or fee” shall be substituted;	20
	(iii) in the first proviso, for the words “or interest”, the words “, interest or fee” shall be substituted;	
	(b) for sub-section (1D) [as substituted by section 68 of the Finance Act, 2016], the following shall be substituted, namely:—	
	“(1D) Notwithstanding anything contained in sub-section (1), the processing of a return shall not be necessary, where a notice has been issued to the assessee under sub-section (2):	25
	Provided that the provisions of this sub-section shall not apply to any return furnished for the assessment year commencing on or after the 1st day of April, 2017.”.	
Amendment of section 153.	58. In section 153 of the Income-tax Act,—	
	(i) in sub-section (1), the following provisos shall be inserted, namely:—	
	‘Provided that in respect of an order of assessment relating to the assessment year commencing on the 1st day of April, 2018, the provisions of this sub-section shall have effect, as if for the words “twenty-one months”, the words “eighteen months” had been substituted:	30
	Provided further that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words “twenty-one months”, the words “twelve months” had been substituted.’;	35
	(ii) in sub-section (2), the following proviso shall be inserted, namely:—	
	‘Provided that where the notice under section 148 is served on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words “nine months”, the words “twelve months” had been substituted.’;	
	(iii) in sub-section (3), the following proviso shall be inserted, namely:—	40
	‘Provided that where the order under section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Principal Commissioner or Commissioner on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words “nine months”, the words “twelve months” had been substituted.’;	45
	(iv) in sub-section (5), after the proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2016, namely:—	
	“Provided further that where an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 requires verification of any issue by way of submission of any document by the assessee or any other person or where an opportunity of being heard is	50

to be provided to the assessee, the order giving effect to the said order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 shall be made within the time specified in sub-section (3).”;

5 (v) in sub-section (9), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2016, namely:—

“Provided that where a notice under sub-section (1) of section 142 or sub-section (2) of section 143 or section 148 has been issued prior to the 1st day of June, 2016 and the assessment or reassessment has not been completed by such date due to exclusion of time referred to in *Explanation 1*, such assessment or reassessment shall be completed in accordance with the provisions of this section as it stood immediately before its substitution by the Finance Act, 2016.”;

(vi) in *Explanation 1*, in the third proviso, the figures and letter “153B,” shall be omitted.

59. In section 153A of the Income-tax Act, in sub-section (1),—

(i) in clause (a), first proviso and the second proviso, after the words “six assessment years” wherever they occur, the words “and for the relevant assessment year or years” shall be inserted;

15 (ii) in clause (b), after the words “requisition is made”, the words “and of the relevant assessment year or years” shall be inserted;

(iii) in the third proviso, after the words “requisition is made”, the words “and for the relevant assessment year or years” shall be inserted;

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

20 ‘Provided also that no notice for assessment or reassessment shall be issued by the Assessing Officer for the relevant assessment year or years unless—

(a) the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income, represented in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more in the relevant assessment year or in aggregate in the relevant assessment years;

(b) the income referred to in clause (a) or part thereof has escaped assessment for such year or years; and

(c) the search under section 132 is initiated or requisition under section 132A is made on or after the 1st day of April, 2017.

30 *Explanation 1.*—For the purposes of this sub-section, the expression “relevant assessment year” shall mean an assessment year preceding the assessment year relevant to the previous year in which search is conducted or requisition is made which falls beyond six assessment years but not later than ten assessment years from the end of the assessment year relevant to the previous year in which search is conducted or requisition is made.

35 *Explanation 2.*—For the purposes of the fourth proviso, “asset” shall include immovable property being land or building or both, shares and securities, loans and advances, deposits in bank account.’

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

(a) in sub-section (1),—

40 (i) in clause (a), after the words “six assessment years”, the words “and for the relevant assessment year or years” shall be inserted;

(ii) for the second and third provisos, the following provisos shall be substituted, namely:—

45 ‘Provided further that in the case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2018,—

(i) the provisions of clause (a) or clause (b) of this sub-section shall have effect, as if for the words “twenty-one months”, the words “eighteen months” had been substituted;

50 (ii) the period of limitation for making the assessment or reassessment in case of other person referred to in section 153C, shall be the period of eighteen months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or twelve months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later:

55 Provided also that in the case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on or after the 1st day of April, 2019,—

(i) the provisions of clause (a) or clause (b) of this sub-section shall have effect, as if for the words “twenty-one months”, the words “twelve months” had been substituted;

Amendment
of section
153A.

Amendment
of section
153B.

(i) the period of limitation for making the assessment or reassessment in case of other person referred to in section 153C, shall be the period of twelve months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or twelve months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later: 5

Provided also that in case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed and during the course of the proceedings for the assessment or reassessment of total income, a reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment or reassessment shall be extended by twelve months: 10

Provided also that in case where during the course of the proceedings for the assessment or reassessment of total income in case of other person referred to in section 153C, a reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment or reassessment in case of such other person shall be extended by twelve months. 15

(b) in sub-section (3), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2016, namely:—

“Provided that where a notice under section 153A or section 153C has been issued prior to the 1st day of June, 2016 and the assessment has not been completed by such date due to exclusion of time referred to in the *Explanation*, such assessment shall be completed in accordance with the provisions of this section as it stood immediately before its substitution by the Finance Act, 2016.”; 20

28 of 2016.

(c) in the *Explanation*, after the second proviso, the following proviso shall be inserted, namely:— 25

“Provided also that where a proceeding before the Settlement Commission abates under section 245HA, the period of limitation available under this section to the Assessing Officer for making an order of assessment or reassessment, as the case may be, shall, after the exclusion of the period under sub-section (4) of section 245HA, be not less than one year; and where such period of limitation is less than one year, it shall be deemed to have been extended to one year.”. 30

Amendment of section 153C.

61. In section 153C of the Income-tax Act, in sub-section (1),—

(a) in the long line, after the words “total income of such other person”, the words “for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is “made and” shall be inserted; 35

(b) in the second proviso, after the words “requisition is made”, the words, brackets, figures and letter “and for the relevant assessment year or years as referred to in sub-section (1) of section 153A” shall be inserted.

Amendment of section 155.

62. In section 155 of the Income-tax Act, after sub-section (14), the following sub-section shall be inserted with effect from the 1st day of April, 2018, namely:— 40

“(14A) Where in the assessment for any previous year or in any intimation or deemed intimation under sub-section (1) of section 143 for any previous year, credit for income-tax paid in any country outside India or a specified territory outside India referred to in section 90, section 90A or section 91 has not been given on the ground that the payment of such tax was under dispute, and if subsequently such dispute is settled; and the assessee, within six months from the end of the month in which the dispute is settled, furnishes to the Assessing Officer evidence of settlement of dispute and evidence of payment of such tax along with an undertaking that no credit in respect of such amount has directly or indirectly been claimed or shall be claimed for any other assessment year, the Assessing Officer shall amend the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be, and the provisions of section 154 shall, so far as may be, apply thereto: 45 50

Provided that the credit of tax which was under dispute shall be allowed for the year in which such income is offered to tax or assessed to tax in India.”.

Insertion of new section 194-IB. Payment of rent by certain individuals or Hindu undivided family.

63. After section 194-IA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2017, namely:— 55

‘194-IB. (1) Any person, being an individual or a Hindu undivided family (other than those referred to in the second proviso to section 194-I), responsible for paying to a resident any income by way of rent exceeding fifty thousand rupees for a month or part of a month during the previous year, shall deduct an amount equal to five per cent. of such income as income-tax thereon.

(2) The income-tax referred to in sub-section (1) shall be deducted on such income at the time of credit of rent, for the last month of the previous year or the last month of tenancy, if the property is vacated during the year, as the case may be, to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier. 60

(3) The provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section. 65

(4) In a case where the tax is required to be deducted as per the provisions of section 206AA, such deduction shall not exceed the amount of rent payable for the last month of the previous year or the last month of the tenancy, as the case may be.

5 *Explanation.*—For the purposes of this section, “rent” means any payment, by whatever name called, under any lease, sub-lease, tenancy or any other agreement or arrangement for the use of any land or building or both.’

64. After section 194-IB of the Income-tax Act as so inserted, the following section shall be inserted, namely:—

Insertion of new section 194-IC. Payment under specified agreement.

10 “194-IC. Notwithstanding anything contained in section 194-IA, any person responsible for paying to a resident any sum by way of consideration, not being consideration in kind, under the agreement referred to in sub-section (5A) of section 45, shall at the time of credit of such sum to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to ten per cent. of such sum as income-tax thereon.”.

15 65. In section 194J of the Income-tax Act, after the third proviso and before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of June, 2017, namely:—

Amendment of section 194J.

“Provided also that the provisions of this section shall have effect, as if for the words “ten per cent.”, the words “two per cent.” had been substituted in the case of a payee, engaged only in the business of operation of call centre.”.

20 66. In section 194LA of the Income-tax Act, after the proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

Amendment of section 194LA.

25 “Provided further that no deduction shall be made under this section where such payment is made in respect of any award or agreement which has been exempted from levy of income-tax under section 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.”.

30 of 2013.

67. In section 194LC of the Income-tax Act, in sub-section (2),—

Amendment of section 194LC.

(a) in clause (i), with effect from the 1st day of April, 2018,—

(A) in sub-clauses (a) and (c), for the figures, letters and words “1st day of July, 2017”, the figures, letters and words “1st day of July, 2020” shall be substituted;

30 (B) in the long line, for the word “and”, the word “or” shall be substituted;

(b) after clause (i), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2016, namely:—

“(ia) in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July, 2020, and”.

35 68. In section 194LD of the Income-tax Act, in sub-section (2), for the figures, letters and words “1st day of July, 2017”, the figures, letters and words “1st day of July, 2020” shall be substituted with effect from the 1st day of April, 2018.

Amendment of section 194LD.

69. In section 197A of the Income-tax Act, with effect from the 1st day of June, 2017,—

Amendment of section 197A.

40 (a) in sub-section (1A), after the word, figures and letter “section 194A” at both the places where they occur, the words, figures and letter “or section 194D” shall be inserted;

(b) in sub-section (1C), after the word, figures and letter “section 194A” at both the places where they occur, the words, figures and letter “or section 194D” shall be inserted.

70. In section 204 of the Income-tax Act, after clause (iia), the following clause shall be inserted, namely:—

Amendment of section 204.

45 “(iib) in the case of furnishing of information relating to payment to a non-resident, not being a company, or to a foreign company, of any sum, whether or not chargeable under the provisions of this Act, the payer himself, or, if the payer is a company, the company itself including the principal officer thereof;”.

71. In section 206C of the Income-tax Act,—

Amendment of section 206C.

50 (a) in sub-section (1D),—

(A) for the words and brackets “or jewellery or any other goods (other than bullion or jewellery)”, the words and brackets “or any other goods (other than bullion)” shall be substituted;

(B) clause (ii) shall be omitted;

(b) in sub-section (1E), the words “or jewellery” shall be omitted;

(c) in the *Explanation* occurring after sub-section (11),—

(A) in clause (aa),—

(I) in sub-clause (ii), the words, brackets, figure and letter “or sub-section (1F)” shall be omitted;

(II) after sub-clause (ii), the following sub-clause shall be inserted, namely:— 5

“(iii) sub-section (1F) means a person who obtains in any sale, goods of the nature specified in the said sub-section, but does not include,—

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

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

(C) a public sector company which is engaged in the business of carrying passengers.”;

(B) clause (ab) shall be omitted.

Insertion of new section 206CC.

72. After section 206CB of the Income-tax Act, the following section shall be inserted, namely:—

Requirement to furnish Permanent Account Number by collectee.

‘206CC. (1) Notwithstanding anything contained in any other provisions of this Act, any person paying any sum or amount, on which tax is collectible at source under Chapter XVII-BB (herein referred to as collectee) shall furnish his Permanent Account Number to the person responsible for collecting such tax (herein referred to as collector), failing which tax shall be collected at the higher of the following rates, namely:— 15

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

(ii) at the rate of five per cent. 20

(2) No declaration under sub-section (1A) of section 206C shall be valid unless the person furnishes his Permanent Account Number in such declaration.

(3) In case any declaration becomes invalid under sub-section (2), the collector shall collect the tax at source in accordance with the provisions of sub-section (1).

(4) No certificate under sub-section (9) of section 206C shall be granted unless the application 25 made under that section contains the Permanent Account Number of the applicant.

(5) The collectee shall furnish his Permanent Account Number to the collector and both shall indicate the same in all the correspondence, bills, vouchers and other documents which are sent to each other.

(6) Where the Permanent Account Number provided to the collector is invalid or does not belong 30 to the collectee, it shall be deemed that the collectee has not furnished his Permanent Account Number to the collector and the provisions of sub-section (1) shall apply accordingly.

(7) The provisions of this section shall not apply to a non-resident who does not have permanent establishment in India.

Explanation.—For the purposes of this sub-section, the expression “permanent establishment” includes 35 a fixed place of business through which the business of the enterprise is wholly or partly carried on.’

Amendment of section 211.

73. In section 211 of the Income-tax Act, in sub-section (1), in clause (b), for the words, figures and letters “an eligible assessee in respect of an eligible business referred to in section 44AD”, the words, brackets, figures and letters “an assessee who declares profits and gains in accordance with the provisions of sub-section (1) of section 44AD or sub-section (1) of section 44ADA, as the case may be” 40 shall be substituted.

Amendment of section 234C.

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

(i) in clause (a), for the words, figures and letters “an eligible assessee in respect of the eligible business referred to in section 44AD”, the words, brackets and letter “the assessee referred to in clause (b)” shall be substituted; 45

(ii) in clause (b), for the words, figures and letters “an eligible assessee in respect of the eligible business referred to in section 44AD”, the words, brackets, figures and letters “an assessee who declares profits and gains in accordance with the provisions of sub-section (1) of section 44AD or sub-section (1) of section 44ADA, as the case may be” shall be substituted;

(iii) in the first proviso,— 50

(A) in clause (c), for the words “first time,” occurring at the end, the words “first time; or” shall be substituted;

(B) after clause (c) and before the long line, the following clause shall be inserted, namely:—

“(d) income of the nature referred to in sub-section (1) of section 115BBDA,”;

(C) in the long line, after the words, brackets and letter “or clause (c)”, the words, brackets and letter “or clause (d)” shall be inserted.

5 **75.** After section 234E of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2018, namely:—

Insertion of new section 234F.

“234F. (1) Without prejudice to the provisions of this Act, where a person required to furnish a return of income under section 139, fails to do so within the time prescribed in sub-section (1) of said section, he shall pay, by way of fee, a sum of,—

Fee for default in furnishing return of income.

10 (a) five thousand rupees, if the return is furnished on or before the 31st day of December of the assessment year;

(b) ten thousand rupees in any other case:

Provided that if the total income of the person does not exceed five lakh rupees, the fee payable under this section shall not exceed one thousand rupees.

15 (2) The provisions of this section shall apply in respect of return of income required to be furnished for the assessment year commencing on or after the 1st day of April, 2018.”.

14 of 2001.

76. After section 241 of the Income-tax Act [as it stood immediately before its omission by section 81 of the Finance Act, 2001], the following section shall be inserted, namely:—

Insertion of new section 241A.

20 “241A. For every assessment year commencing on or after the 1st day of April, 2017, where refund of any amount becomes due to the assessee under the provisions of sub-section (1) of section 143 and the Assessing Officer is of the opinion, having regard to the fact that a notice has been issued under sub-section (2) of section 143 in respect of such return, that the grant of the refund is likely to adversely affect the revenue, he may, for reasons to be recorded in writing and with the previous approval of the Principal Commissioner or Commissioner, as the case may be, withhold the refund up to the date on which the assessment is made.”.

Withholding of refund in certain cases.

77. In section 244A of the Income-tax Act,—

Amendment of section 244A.

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

30 “(1B) Where refund of any amount becomes due to the deductor in respect of any amount paid to the credit of the Central Government under Chapter XVII-B, such deductor shall be entitled to receive, in addition to the said amount, simple interest thereon calculated at the rate of one-half per cent. for every month or part of a month comprised in the period, from the date on which—

(a) claim for refund is made in the prescribed form; or

(b) tax is paid, where refund arises on account of giving effect to an order under section 250 or section 254 or section 260 or section 262,

35 to the date on which the refund is granted.”;

(ii) in sub-section (2),—

(a) after the words “to the assessee”, the words “or the deductor, as the case may be,” shall be inserted;

40 (b) after the word, brackets, figure and letter “or (1A)”, the word, brackets, figure and letter “or (1B)” shall be inserted.

78. In section 245A of the Income-tax Act, in clause (b), in the *Explanation*, in clause (iv), for the words “two years from the end of the relevant assessment year”, the words, brackets and figures “the time specified for making assessment under sub-section (1) of section 153” shall be substituted.

Amendment of section 245A.

45 **79.** In section 245N of the Income-tax Act, for clause (b), the following clause shall be substituted, namely:—

Amendment of section 245N.

‘(b) “applicant” means—

(A) any person who—

(i) is a non-resident referred to in sub-clause (i) of clause (a); or

(II) is a resident referred to in sub-clause (ii) of clause (a); or

(III) is a resident referred to in sub-clause (iia) of clause (a) falling within any such class or category of persons as the Central Government may, by notification in the Official Gazette, specify; or

(IV) is a resident falling within any such class or category of persons as the Central Government may, by notification in the Official Gazette, specify in this behalf; or

(V) is referred to in sub-clause (iv) of clause (a),

and makes an application under sub-section (1) of section 245Q;

(B) an applicant as defined in clause (c) of section 28E of the Customs Act, 1962; 52 of 1962.

(C) an applicant as defined in clause (c) of section 23A of the Central Excise Act, 1944; 10 1 of 1944.

(D) an applicant as defined in clause (b) of section 96A of the Finance Act, 1994; 32 of 1994.

Amendment
of section
245-O.

80. In section 245-O of the Income-tax Act,—

‘(a) in sub-section (3),—

(i) in clause (a), after the words “a Judge of the Supreme Court”, the words “or the Chief Justice of a High Court or for at least seven years a Judge of a High Court” shall be inserted; 15

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

“(c) a revenue Member—

(i) from the Indian Revenue Service, who is, or is qualified to be, a Member of the Board; or

(ii) from the Indian Customs and Central Excise Service, who is, or is qualified to be, a Member of the Central Board of Excise and Customs, 20

on the date of occurrence of vacancy;”;

(iii) in clause (d), after the words “Government of India”, the words “on the date of occurrence of vacancy” shall be inserted;

(b) after sub-section (6), the following sub-sections shall be inserted, namely:—

“(6A) In the event of the occurrence of any vacancy in the office of the Chairman by reason of his death, resignation or otherwise, the senior-most Vice-chairman shall act as the Chairman until the date on which a new Chairman, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office. 25

(6B) In case the Chairman is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Vice-chairman shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties.”. 30

Amendment
of section
245Q.

81. In section 245Q of the Income-tax Act, in sub-section (1), after the words “advance ruling under this Chapter”, the words, figures and letters “or under Chapter V of the Customs Act, 1962 or under Chapter IIIA of the Central Excise Act, 1944 or under Chapter VA of the Finance Act, 1994” shall be inserted. 35

52 of 1962.
1 of 1944.
32 of 1994.

Amendment
of section
253.

82. In section 253 of the Income-tax Act, in sub-section (1), in clause (f), after the words “authority under”, the words, brackets and figures “sub-clause (iv) or sub-clause (v) or” shall be inserted.

Insertion of
new section
269ST.

83. After section 269SS of the Income-tax Act, the following section shall be inserted, namely:—

‘269ST. No person shall receive an amount of three lakh rupees or more—

(a) in aggregate from a person in a day; or 40

(b) in respect of a single transaction; or

Mode of
undertaking
transactions.

(c) in respect of transactions relating to one event or occasion from a person, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account:

Provided that the provisions of this section shall not apply to—

- 5 (i) any receipt by—
- (a) Government;
- (b) any banking company, post office savings bank or co-operative bank;
- (ii) transactions of the nature referred to in section 269SS;
- (iii) such other persons or class of persons or receipts, which the Central Government may, by
10 notification in the Official Gazette, specify.

Explanation.—For the purposes of this section,—

- (a) “banking company” shall have the same meaning as assigned to it in clause (i) of the
Explanation to section 269SS;
- (b) “co-operative bank” shall have the same meaning as assigned to it in clause (ii) of the
15 *Explanation* to section 269SS.’.

84. After section 271D of the Income-tax Act, the following section shall be inserted, namely:—

“271DA. (1) If a person receives any sum in contravention of the provisions of section 269ST, he shall be liable to pay, by way of penalty, a sum equal to the amount of such receipt:

20 Provided that no penalty shall be imposable if such person proves that there were good and sufficient reasons for the contravention.

(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner.”.

85. In section 271F of the Income-tax Act, the following proviso shall be inserted with effect from the
1st day of April, 2018, namely:—

25 “Provided that nothing contained in this section shall apply to and in relation to the return of income required to be furnished for any assessment year commencing on or after the 1st day of April, 2018.”.

86. After section 271-I of the Income-tax Act, the following section shall be inserted, namely:—

30 ‘271J. Without prejudice to the provisions of this Act, where the Assessing Officer or the Commissioner (Appeals), in the course of any proceedings under this Act, finds that an accountant or a merchant banker or a registered valuer has furnished incorrect information in any report or certificate furnished under any provision of this Act or the rules made thereunder, the Assessing Officer or the Commissioner (Appeals) may direct that such accountant or merchant banker or registered valuer, as the case may be, shall pay, by way of penalty, a sum of ten thousand rupees for each such report or certificate.

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

(a) “accountant” means an accountant referred to in the *Explanation* below sub-section (2) of section 288;

(b) “merchant banker” means Category I merchant banker registered with the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of
15 of 1992. 40 India Act, 1992;

(c) “registered valuer” means a person defined in clause (oaa) of section 2 of the
27 of 1957. Wealth-tax Act, 1957.’.

87. In section 273B of the Income-tax Act, after the word, figures and letter “section 271-I,” the word, figures and letter “section 271J,” shall be inserted.

Insertion of new section 271DA

Penalty for failure to comply with provisions of section 269ST.

Amendment of section 271F.

Insertion of new section 271J.

Penalty for furnishing incorrect information in reports or certificates.

Amendment of section 273B.