Notes on Clauses

Clause 2 read with the First Schedule to the Bill, seeks to specify the rates at which income-tax is to be levied on income chargeable to tax for the assessment year 2025-2026. Further, it lays down the rates at which tax is to be deducted at source during the financial year under the Income-tax Act; and the rates at which "advance tax" is to be paid, tax is to be deducted at source from, or paid on, income chargeable under the head "Salaries" or deducted under section 194P of the Income-tax Act and tax is to be calculated and charged in special cases for the financial year 2025-2026.

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

Clause (14) of the said section provides in sub-clause (b) that "capital asset", means any securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992. Further, sub-clause (c) of the said clause, provides that capital asset means any unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth provisos thereof.

It is proposed to amend sub-clause (b) of the said clause so as to insert the expression "or held by an investment fund specified in clause (a) of *Explanation* 1 to section 115UB" after the words "Foreign Institutional Investor".

It is further proposed to amend sub-clause (c) of clause (14) of the said section so as to make it applicable for unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause (22) of the said section provides the definition of dividend. Sub-clause (e) of the said clause, *inter alia,* provides that any payment by a company, not being a company in which the public are substantially interested, of any sum, by way of advance or loan to a shareholder, being a person who is the beneficial owner of shares (not being shares entitled to a fixed rate of dividend whether with or without a right to participate in profits) holding not less than ten per cent. of the voting power, or to any concern in which such shareholder is a member or a partner and in which he has a substantial interest (hereafter in this clause referred to as the said concern) or any payment by any such company on behalf, or for the individual benefit, of any such shareholder, to the extent to which the company in either case possesses accumulated profits.

It is proposed to insert a new sub-clause (iia) in the said clause so as to provide that dividend does not include—

(iia) any advance or loan between two group entities, where,—

(A) one of the group entity is a "Finance company" or a "Finance unit"; and

(B) the parent entity or principal entity of such group is listed on stock exchange in a country or territory outside India other than the country or territory outside India as may be specified by the Board in this behalf;

It is further proposed to define the expressions "Finance company" or a "Finance unit", and "group entity", "parent entity" and "principal entity" in the *Explanation* to the said clause.

These amendments will take effect from 1st April, 2025.

It is also proposed to amend the clause (47A) of the said section to provide that the definition of virtual digital asset includes any crypto-asset being a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and secure transactions, whether or not already included in the definition of virtual digital asset.

This amendment will take effect from 1st April, 2026.

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

Clause (a) of *Explanation* 2A to sub-clause (i) of sub-section (1) of the said section provides that "significant economic presence" in India shall, *inter alia,* mean transaction in respect of any goods, services or property carried out by a non-resident with any person in India.

It is proposed to insert a proviso after the first proviso to the said *Explanation* so as to provide that the transactions or activities which are confined to the purchase of goods in India for the purpose of export shall not constitute significant economic presence in India and make consequential amendments thereto.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 5 of the Bill seeks to amend section 9A of the Income-tax Act relating to certain activities not to constitute business connection in India.

Clause (c) of sub-section (3) of the said section, *inter alia*, provides that the eligible investment fund referred to in sub-section (1), means a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfils the condition that the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent. of the corpus of the fund.

It is proposed to amend the said clause so as to provide that the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent of the corpus of the fund, as on the 1st day of April and the 1st day of October of the previous year.

It is further proposed to insert a proviso to said clause so as to provide that where the aforesaid aggregate participation or investment in the fund exceeds five per cent on the 1st day of April or the 1st day of October of the previous year, the condition mentioned in this clause shall be deemed to be satisfied, if it is satisfied, within four months of the 1st day of April or the 1st day of October of such previous year, as the case may be.

Sub-section (8A) of the said section provides that the Central Government may, by notification, specify that any one or more of the conditions specified in clauses (a) to (m) of sub-section (3) or clauses (a) to (d) of sub-section (4) shall not apply or shall apply with such modifications, as may be specified in such notification, in case of an eligible investment fund and its eligible fund manager, if such fund manager is located in an International Financial Services Centre, and has commenced its operations on or before 31st March, 2024.

It is proposed to amend sub-section (8A) of the said section so as to extend the date of commencement of operations from 31st day of March, 2024 to 31st day of March, 2030.

It is further proposed to amend the said sub-section to provide that the Central Government may not relax condition in clause (c) of sub-section (3).

These amendments will take effect from 1st April, 2025.

Clause 6 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

It is proposed to amend clause (aa) of *Explanation* to clause (4D) of the said section so as to extend the date of commencement of operations specified therein from 31st March, 2025 to 31st March, 2030.

This amendment will take effect from 1st April, 2025.

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

It is proposed to amend the said clause to insert "or any Foreign Portfolio Investor being a unit of an International Financial Services Centre" so as to bring it within the ambit of the said clause.

It is further proposed to insert an *Explanation* to the said clause to define the expression "Foreign Portfolio Investor" to mean a person registered as per the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

It is also proposed to amend clause (4F) of the said section so as to extend the date of commencement of operations specified therein from 31st March, 2025 to 31st March, 2030.

It is also proposed to amend clause (4H) of the said section so as to extend the date of commencement of operations specified therein from 31st March, 2026 to 31st March, 2030.

It is also proposed to amend the said clause to also provide that income by way of capital gains arising from the transfer of equity shares of domestic company, being a Unit of an International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, engaged primarily in the business of leasing of a ship shall not be included in computing the total income of a non-resident or a Unit of an International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, engaged primarily in the business of leasing of a ship.

It is also proposed to amend the said clause to provide the meaning of "ship" as a ship or an ocean vessel, engine of a ship or ocean vessel, or any part thereof.

It is also proposed to amend the eighth proviso to clause (10D) so as to provide that the provisions of the fourth, fifth, sixth and seventh provisos shall not apply to any sum received,–

(i) on the death of a person; or

(ii) under a life insurance policy issued by International Financial Services Centre insurance intermediary office, including the sum allocated by way of bonus on such policy.

It is also proposed to insert an *Explanation* to the eighth proviso to the said clause to provide that "International Financial Services Centre insurance intermediary office" shall have the same meaning as assigned to it in clause (s) of sub-regulation (1) of regulation 3 of the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021, made under the International Financial Services Centres Authority Act, 2019.

These amendments will take effect from 1st April, 2025.

It is also proposed to insert a new clause (12BA) in the said section so as to provide that any payment from the National Pension System Trust to an assessee, being the parent or guardian of a minor, under the pension scheme referred to in section 80CCD, on partial withdrawal made out of the account of the minor, as per 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 such guardian.

Clause (23FE) of the said section, *inter alia,* provides that income of the nature of dividend, interest, any sum referred to in clause (xii) of sub-section (2) of section 56, or long-term capital gains arising from an investment made in India, shall not be included in computing the total income of a specified person. Sub-clause (i) of the said clause provides that the investment is to be made on or after 1st April, 2020 but on or before 31st March, 2025.

It is proposed to amend the opening portion of the said clause so as to provide that income in the nature of long-term capital gains (whether or not such capital gains are deemed as short-term capital gains under section 50AA), shall not be included in computing the total income of a specified person.

It is further proposed to amend sub-clause (i) of the said clause so as to extend the date of investment from 31st March, 2025 to 31st March, 2030.

These amendments will take effect from 1st April, 2025.

It is also proposed to amend clause (34B) so as to also provide that income by way of dividends from a company being a Unit of any International Financial Services Centre primarily engaged in the business of leasing of a ship, shall not be included in computing the total income of a Unit of any International Financial Services Centre, primarily engaged in the business of leasing of a ship.

It is also proposed to amend the *Explanation* of the said clause so as to define the expression "aircraft", "International Financial Services Centre" and "ship".

These amendments will take effect from 1st April, 2025.

Clause 7 of the Bill seeks to amend section 12AB of the Income-tax Act relating to procedure for fresh registration.

Sub-section (1) of the said section, *inter alia*, provides for the procedure for registration or cancellation of registration of trust or institution by the Principal Commissioner or Commissioner, on receipt of an application made under clause (ac) of sub-section (1) of section 12A.

It is proposed to insert a proviso to the said sub-section to provide that where an application is made under sub-clause (i) to (v) of the said clause, and the total income of such trust or institution, without giving effect to the provisions of sections 11 and 12, does not exceed rupees five crores during each of the two previous year, preceding to the previous year in which such application is made, the provisions of this sub-section shall have effect as if for the words "five years", the words "ten years" had been substituted.

Sub-section (4) of the said section, *inter alia*, provides that where registration or provisional registration of a trust or an institution has been granted and subsequently, the Principal Commissioner or Commissioner has noticed occurrence of one or more specified violations during any previous year, the Principal Commissioner or Commissioner shall, *inter alia*,—

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

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

Explanation to sub-section (4) of the said section provides that "specified violation", *inter alia*, means the application referred to in clause (ac) of sub-section (1) of section 12A is not complete or it contains false or incorrect information.

It is further proposed to amend the *Explanation* to the said sub-section so as to omit the words "is not complete or it" so that the incomplete application referred to in clause (ac) of sub-section (1) of section 12A, is not treated as a specified violation.

These amendments will take effect from 1st April, 2025.

Clause 8 of the Bill seeks to amend section 13 of the Income-tax Act relating to section 11 not to apply in certain cases.

Sub-section (3) of section 13 specifies as to the persons referred to in clause (c) of sub-section (1) and sub-section (2) of the said section.

It is proposed to amend clause (b) of the said sub-section so as to provide that specified person would be any person whose total contribution to the trust or institution, during the relevant previous year exceeds one lakh rupees, or, in aggregate up to the end of the relevant previous year exceeds ten lakh rupees, as the case may be.

It is further proposed to amend clause (d) of the said sub-section so as to provide that any relative of person referred to in clause (b) shall not be treated as specified person for the purposes of the said sub-section.

It is also proposed to amend clause (e) of the said sub-section so as to provide that any concern in which the person referred to in clause (b) has substantial interest shall not be treated as specified person for the purposes of the said sub-section.

These amendments will take effect from 1st April, 2025.

Clause 9 of the Bill seeks to amend section 17 of the Income-tax Act relating to "salary", "perquisite" and "profits in lieu of salary" defined.

The existing provisions of clause (2) of section 17, *inter alia*, provide that for the purposes of section 15 and section 16 of the Income-tax Act, "perquisite" includes the value of any benefit or amenity granted or provided free of cost or at concessional rate by any employer (including a company) to an employee who is not a director of the company or has a substantial interest in the company, and whose income under the head "Salaries", whether due from, or paid or allowed by, one or more employers, other than the value of all non-monetary benefits or amenities, exceeds fifty thousand rupees.

Further, the Proviso to the said clause provides that any expenditure incurred by the employer on medical treatment of an employee or any member of the family of such employee, outside India, travel and stay abroad of the employee or any member of the family of such employee for medical treatment, or travel and stay abroad of one attendant who accompanies the patient, shall not be included in "perquisite", subject to the condition, among others, that the expenditure on travel shall be excluded only in the case of an

employee whose gross total income, as computed before including the said expenditure, does not exceed two lakh rupees.

It is proposed to amend the provisions of the said section so as to provide that "perquisite" includes the value of any benefit or amenity granted or provided free of cost or at concessional rate by any employer, including a company to an employee who is not a director of the company or has a substantial interest in the company, and whose income under the head "Salaries", whether due from, or paid or allowed by, one or more employers, other than the value of all non-monetary benefits or amenities, exceeds such amount as may be provided by rules.

It is further proposed to provide that the expenditure on travel incurred by the employer on medical treatment of an employee shall be excluded from perquisite only in the case of an employee whose gross total income, as computed before including the said expenditure, does not exceed such amount as may be provided by rules.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 10 of the Bill seeks to amend section 23 of the Income-tax Act, relating to annual value how determined.

Sub-section (2) of said section provides that where house property is in the occupation of the owner for the purposes of his residence or owner cannot actually occupy it due to his employment, business or profession carried on at any other place, in such cases, the annual value of such house or part of the house shall be taken to be nil. Further, sub-section (4) of the said section provides that provisions of sub-section (2) of the Act will be applicable in respect of 2 houses only.

It is proposed to substitute the sub-section (2) of the said section so as to provide that the annual value of the property consisting of a house or any part thereof shall be taken as nil, if the owner occupies it for his own residence or cannot actually occupy it due to any reason.

This amendment will take effect from 1st April, 2025 and shall apply to assessment year 2025-26 onwards.

Clause 11 of the Bill seeks to insert a new section 44BBD in the Income-tax Act relating to special provision for computing profits and gains of non-residents engaged in business of providing services or technology, for setting up an electronics manufacturing facility or in connection with manufacturing or production of electronic goods, article or thing in India.

Sub-section (1) of the proposed section seeks to provide that notwithstanding anything to the contrary contained in sections 28 to 43A, where an assessee, being a non-resident, engaged in the business of providing of services or technology in India, for the purposes of setting up an electronics manufacturing facility or in connection with manufacturing or production of electronic goods, article or thing in India,–

(a) to a resident company which is establishing or operating electronics manufacturing facility or a connected facility for manufacturing or production of electronic goods, article or thing in India, under a scheme notified by the Central Government in the Ministry of Electronics and Information Technology; and

(b) the resident company satisfies the conditions prescribed in this behalf,

a sum equal to 25% of the aggregate of the amounts specified in sub-section (2) shall be deemed to be the profits and gains of such business of the non-resident assessee chargeable to tax under the head "Profits and gains of business or profession".

Sub-section (2) of the proposed section seeks to provides that the amounts referred to in sub-section (1) shall be the following:—

(a) the amount paid or payable to the non-resident assessee or to any person on his behalf on account of providing services or technology; and

(b) the amount received or deemed to be received by the non-resident assessee or on behalf of non-resident assessee on account of providing services or technology.

Sub-section (3) of the proposed section seeks to provides that notwithstanding anything in sub-section (2) of section 32 and sub-section (1) of section 72, where a non-resident assessee declares profits and gains of business for any previous year under sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assesse for such previous year.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 12 of the Bill seeks to amend section 45 of the Income-tax Act relating to capital gains.

Sub-section (1B) of the said section, *inter alia*, provides that where any person receives at any time during any previous year any amount under a unit linked insurance policy, to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth provisos thereof, including the amount allocated by way of bonus on such policy, then, any profits or gains arising from receipt of such amount by such person shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of such person of the previous year in which such amount was received and the income taxable shall be calculated in such manner as may be prescribed.

It is proposed to amend the said sub-section so as to make it applicable for an unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 13 of the Bill seeks to amend section 47 of the Income-tax Act relating to Transactions not regarded as transfer.

Clause (viiad) of the said section provides that any transfer by a shareholder or unit holder or interest holder, in a relocation, of a capital asset being a share or unit or interest held by him in the original fund in consideration for the share or unit or interest in the resultant fund, shall not be regarded as transfer for the purposes of section 45. The *Explanation* to the said clause provides, *inter alia*, the meaning of "resultant fund" for the purposes of the said clause.

It is proposed to substitute the said definition of the expression "resultant fund" to mean a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership, which is located in an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, and has been granted—

(i) a certificate of registration as a Category I or Category II or Category III Alternative Investment Fund, and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 or regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, made under the International Financial Services Centres Authority Act, 2019; or

(ii) a certificate as a retail scheme or an Exchange Traded Fund and which fulfils the conditions specified in clause (4D) of section 10;"

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause (b) of the said *Explanation* provides that "relocation" means transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund on or before the 31st day of March, 2025, where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund.

It is proposed to amend clause (b) of the *Explanation* to said clause so as to extend the date of transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund, from 31st March, 2025 to 31st March, 2030.

This amendment will take effect from 1st April, 2025.

Clause 14 of the Bill seeks to amend section 72A of the Income-tax Act relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc.

Section 72A of the Act states that accumulated loss and unabsorbed depreciation of the amalgamating companies or firm or proprietary concern or private company or unlisted private company, as the case maybe, shall be deemed to be accumulated loss and unabsorbed depreciation of the amalgamated company or successor company or successor limited liability partnership, as the case may be, for the previous year in which the business reorganisation was effected, to the extent of amount of accumulated loss and unabsorbed depreciation and as per conditions as specified therein.

It is proposed to insert sub-section (6B) in the section to state that where any amalgamation or business reorganisation, is effected on or after 1st April, 2025, any loss

forming part of the accumulated loss of the predecessor entity, being the amalgamating company or firm or proprietary concern; or private company or unlisted public company, as the case maybe, which is deemed to be the loss of the successor entity, being the amalgamated company or successor company or successor limited liability partnership, as the case maybe, shall be carried forward in the hands of the successor entity for not more than eight assessment years immediately succeeding the assessment year for which such loss was first computed for original predecessor entity.

It is further proposed to state that "original predecessor entity" means predecessor entity in respect of the first amalgamation under sub-section (1) or first business reorganisation for sub-section (6) or (6A).

This amendment will take effect from 1st April, 2026.

Clause 15 of the Bill seeks to amend section 72AA of the Income-tax Act relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in scheme of amalgamation in certain cases.

Section 72AA of the Act states that accumulated loss and unabsorbed depreciation of the amalgamating company shall be deemed to be the loss and unabsorbed depreciation of the amalgamated companies, for the previous year in which the scheme of amalgamation was brought into force.

It is proposed to insert a proviso to the said section to provide that where any scheme of such amalgamation is brought into force on or after 1st April, 2025, any loss forming part of the accumulated loss of the predecessor entity, being the banking company or companies, amalgamating corresponding new bank or banks or amalgamating Government company or companies, as the case maybe, which is deemed to be the loss of the successor entity, being the banking institution or company, amalgamated corresponding new bank or banks or amalgamated Government company or companies, as the case may be, shall be carried forward in the hands of the successor entity for not more than eight assessment years immediately succeeding the assessment year for which such loss was first computed for original predecessor entity.

It is further proposed to state that "original predecessor entity" means predecessor entity in respect of the first amalgamation.

This amendment will take effect from 1st April, 2026.

Clause 16 of the Bill seeks to amend section 80CCA of the Income-tax Act, relating to deduction, *inter alia,* in respect of deposits under National Savings Scheme.

Sub-section (1) of the said section, *inter alia*, provides that a deduction of the whole of the amount deposited or paid (excluding interest or bonus accrued or credited to the assessee's account, if any) as does not exceed the amount of twenty thousand rupees in the previous year.

Sub-section (2) of the said section, *inter alia*, deems the withdrawals of amounts together with the interest accrued on such amount, as income chargeable to tax in the previous year when these amounts (or interest accrued on such amount) are withdrawn.

It is proposed to provide exemption from the provisions of sub-section (2) of section 80CCA to such withdrawals made on or after 29th August, 2024 by an assessee, being an individual.

This amendment will take effect retrospectively from 29th August, 2024.

Clause 17 of the Bill seeks to amend section 80CCD of the Income-tax Act relating to deduction of contribution to pension scheme of Central Government.

The said section provides for deduction in respect of contribution to pension scheme of the Central Government by the assessee, being an individual employed by the Central Government on or after the 1st January, 2004 or, being an individual employed by any other employer or any other assessee being an individual has in the previous year paid or deposited any amount in his account under the said pension scheme.

It is proposed to insert a second proviso to sub-section (1B) and to amend sub-sections (3) and (4) of the said section so as to extend the tax benefits available to a pension scheme under section 80CCD, to the contributions made to the National Pension Scheme Vatsalya Accounts, as follows:—

(a) a deduction to be allowed to the parent or guardian's total annual income, of the amount paid or deposited in the account of any minor under a pension scheme under sub-section (1B) of section 80CCD to a maximum of 50,000 rupees;

(b) chargeability of amount on which deduction has been allowed under sub-section (1B) of section 80CCD is also proposed to be provided where such amount or any interest accrued thereon is withdrawn in the case where deposit was made in the account of the minor;

(c) the amount received by the assessee, on the death of the minor resulting in closure of the account in respect of which deduction has been allowed earlier under sub-section (1B) of section 80CCD shall not be deemed to be the income of the parent or guardian.

These amendments will take effect from 1st April, 2026, and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 18 of the Bill seeks to amend section 80-IAC of the Income-tax Act relating to special provision in respect of specified business.

The said section, *inter alia*, provides for deduction of an amount equal to 100% of the profits and gains derived from an eligible business by an eligible start-up for three consecutive assessment years out of ten years at the option of the assessee subject to the condition that the total turnover of its business does not exceed one hundred crore rupees for an eligible start-up incorporated on or after 1st April, 2016 but before the 1st April, 2025.

It is proposed to amend the said section so as to extend the benefit for another period of five years, i.e. the benefit shall be available to the eligible start-ups incorporated before 1st April, 2030.

This amendment will take effect from 1st April, 2025.

Clause 19 of the Bill seeks to amend section 80LA of the Income-tax Act relating to deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre.

Clause (d) of sub-section (2) of the said section provides that the income referred to in sub-section (1) and sub-section (1A) shall be the income, arising from the transfer of an asset, being an aircraft or a ship, which was leased by a unit referred to in clause (c) to a person, subject to the condition that the unit has commenced operation on or before the 31st March, 2025.

It is proposed to amend the said clause so as to extend the date of commencement of operations from 31st March, 2025 to 31st March, 2030.

This amendment will take effect from 1st April, 2025.

Clause 20 of the Bill seeks to amend section 87A of the Income-tax Act relating to rebate of income-tax in case of certain individuals.

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

Proviso to the said section provides that where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, and the total income—

(a) does not exceed seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to one hundred per cent. of such income-tax or an amount of twenty-five thousand rupees, whichever is less;

(b) exceeds seven hundred thousand rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds seven hundred thousand rupees.

It is proposed to amend the proviso to the said section to substitute the seven hundred thousand rupees with twelve hundred thousand rupees and twenty-five thousand rupees with sixty thousand rupees respectively.

It is further proposed to insert a second proviso to the said section to provide that the deduction under the first proviso, shall not exceed the amount of income-tax payable as per the rates provided in sub-section (1A) of section 115BAC.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 21 of the Bill seeks to amend section 92CA of the Income-tax Act relating to reference to Transfer Pricing Officer.

Sub-section (1) of the said section provides that where any person, being the assessee, has entered into an international transaction or specified domestic transaction in any previous year, and the Assessing Officer considers it necessary or expedient so to do, he may, with the previous approval of the Principal Commissioner or Commissioner, refer the computation of the arm's length price in relation to the said international transaction or specified domestic transaction under section 92C to the Transfer Pricing Officer.

It is proposed to insert a new first proviso to the said sub-section (1) so as to provide that no reference for computation of the arm's length price in relation to an international transaction or a specified domestic transaction shall be made, if the Transfer Pricing Officer has declared that option exercised by the assessee in sub-section (3B) in relation to such transaction is valid for such previous year.

It is further proposed to insert a new second proviso to the said sub-section so as to provide that if any reference for an international transaction or a specified domestic transaction, in respect of a previous year for which the option is declared valid under the sub-section (3B), is made before or after such declaration by the Transfer Pricing Officer, the provisions of the said sub-section shall have the effect as if no reference is made for such transaction.

It is also proposed to insert a new sub-section (3B) in the said section so as to provide that the arm’s length price being determined in relation to the international transaction or the specified domestic transaction under sub-section (3) for any previous year shall apply to similar international transaction or specified domestic transaction for the two consecutive previous years immediately following such previous year, on fulfilment of the conditions, specified therein.

It is also proposed to insert a proviso to the said sub-section (3B) to provide that the provisions of this sub-section shall not apply to any proceedings under Chapter XIV-B.

It is also proposed to insert a new sub-section (4A) in the said section so as to provide that notwithstanding anything contained in sub-section (4), where the Transfer Pricing Officer has declared an option exercised by the assessee as valid option under sub-section (3B), he shall examine and determine the arm’s length price in relation to such similar transaction for two consecutive previous years immediately following such previous year, in the order referred to in sub-section (3) and on receipt of such order, the Assessing Officer shall proceed to recompute the total income of the assessee for the said two consecutive previous years as per the provisions of sub-section (21) of section 155.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Sub-section (9) of the said section empowers that the Central Government, may, for the purpose of giving effect to the aforesaid scheme, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as specified.

Proviso to said sub-section provides that no direction shall be issued after the 31st March, 2025.

It is proposed to omit the said proviso.

This amendment will take effect from 1st April, 2025.

It is also proposed to insert a new sub-section (11) in the said section so as to provide that if any difficulty arises in giving effect to the provisions of sub-section (3B) and sub-section (4A), the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty, which shall be laid before each House of Parliament and no such guideline shall be made after the expiration of two years from the 1st April, 2026.

It is also proposed to insert a new sub-section (12) in the said section so as to provide that every guideline issued by the Board under sub-section (11) shall be laid before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive session aforesaid, both houses agree in making any modification in such guideline or both Houses agree that the guideline, should not be issued, the guideline shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that guideline.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 22 of the Bill seeks to amend section 112A of the Income-tax Act relating to tax on long-term capital gains in certain cases.

Clause (a) of the *Explanation* to the said section, *inter alia*, provides that "equity oriented fund" means a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 or under a scheme of an insurance company comprising unit linked insurance policies to which exemption under clause (10D) of the said section does not apply on account of the applicability of the fourth and fifth provisos thereof.

Second proviso to the clause (a) of *Explanation* to the said section provides that in case of a scheme of an insurance company comprising unit linked insurance policies to which exemption under clause (10D) of section 10 does not apply, in given cases, the minimum requirement of ninety per cent. or sixty-five per cent., as the case may be, is required to be satisfied throughout the term of such insurance policy.

It is proposed to amend clause (a) and the second proviso of the *Explanation* to the said section so as to make it applicable for unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 23 of the Bill seeks to amend section 115AD of the Income-tax Act relating to tax on income of Foreign Institutional Investors from securities or capital gains arising from their transfer.

Sub-section (1) of the said section, *inter alia,* provides that where the total income of a specified fund or Foreign Institutional Investor, includes income received in respect of securities (other than units referred to in section 115AB) or income by way of short-term or long-term capital gains arising from the transfer of such securities, the income-tax on the income by way of long-term capital gains on transfer of securities referred to in clause (b), but not covered under section 112A, if any, included in the total income, shall be calculated at the rate of ten per cent.

It is proposed to amend the said sub-section to provide that the income-tax on the income by way of long-term capital gains on transfer of securities referred to in clause (b), but not covered under section 112A, if any, included in the total income, shall be calculated at the rate of twelve and one-half per cent.

This amendment will take effect from 1st April, 2026, and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 24 of the Bill seeks to amend section 115BAC of the Income-tax Act relating to tax on income of individuals, Hindu undivided family and others.

It is proposed to amend sub-section (1A) of the said section to provide that notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a co-operative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6), for any previous year relevant to the assessment year beginning on or after the 1st April, 2026, shall be computed at the rate of tax given in the following Table, namely:—

Table

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 4,00,000	Nil
2.	From Rs. 4,00,001 to Rs. 8,00,000	5 per cent.
3.	From Rs. 8,00,001 to Rs. 12,00,000	10 per cent.

4.	From Rs. 12,00,001 to Rs. 16,00,000	15 per cent.
5.	From Rs. 16,00,001 to Rs. 20,00,000	20 per cent.
6.	From Rs. 20,00,001 to Rs. 24,00,000	25 per cent.
7.	Above Rs. 24,00,000	30 per cent.

These amendments will take effect from the 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 25 of the Bill seeks to amend section 115UA of the Income-tax Act relating to tax on income of unit holder and business trust.

Sub-section (2) of the said section provides that the total income of a business trust shall be charged to tax subject to the provisions of sections 111A and 112.

It is proposed to amend the said sub-section so as to provide the reference of section 112A therein.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 26 of the Bill seeks to amend section 115V of the Income-tax Act relating to definitions.

It is proposed to insert a definition of "inland vessel" in the said section to provide that "inland vessel" is a vessel having the meaning assigned to it in clause (q) of section 3 of the Inland Vessels Act, 2021.

It is further proposed to include reference to inland vessel in definition of "bareboat charter", "bareboat charter-*cum*-demise", "pleasure craft" and "qualifying ship".

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 27 of the Bill seeks to amend section 115VB of the Income-tax Act relating to operating ships.

The said section provides that a company shall be regarded as operating a ship if it operates any ship whether owned or chartered by it and includes a case where even a part of the ship has been chartered in by it in an arrangement such as slot charter, space charter or joint charter.

It is proposed to amend said section to insert a reference to inland vessel and provide that operating ship includes inland vessel as well.

It is further proposed to amend the proviso to the said section to provide that a company shall not be regarded as the operator of a ship or inland vessel, as the case maybe, which has been chartered out by it on bareboat charter-*cum*-demise terms or on bareboat charter terms for a period exceeding three years.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 28 of the Bill seeks to amend section 115VD of the Income-tax Act relating to qualifying ship.

The said section provides that a ship is a qualifying ship if it is a seagoing ship or vessel, of fifteen net tonnage or more; and it is a ship registered under the Merchant Shipping Act, 1958, or a ship registered outside India in respect of which a licence has been issued by the Director-General of Shipping under section 406 or section 407 of the Merchant Shipping Act, 1958 and a valid certificate in respect of such ship indicating its net tonnage is in force.

It is proposed to include reference to inland vessel in the said section to provide that a qualifying ship would include inland vessel registered under the Inland Vessel Act, 2021 as well.

It is further proposed to amend the said section to provide that a qualifying ship would not include a seagoing ship or inland vessel, if the main purpose for which it is used is the provision of goods or services of a kind normally provided on land.

This amendment will take effect from the 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 29 of the Bill seeks to amend section 115VG of the Income-tax Act relating to computing of tonnage income.

Sub-section (4) of the said section provides that for the purposes of Chapter XII-G, tonnage shall mean the tonnage of a ship indicated in the certificate referred to in section 115VX and includes the deemed tonnage computed in the prescribed manner.

It is proposed to amend sub-section (4) of the said section to include inland vessels under its purview.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 30 of the Bill seeks to amend section 115V-I of the Income-tax Act relating to relevant shipping income.

Sub-section (2) of the said section provides for the core activities of a tonnage tax company.

Sub-section (6) of the said section provides that where a tonnage tax company operates any ship which is not a qualifying ship, the income attributable to operating such non-qualifying ship shall be computed in accordance with the other provisions of this Act.

It is proposed to amend sub-sections (2) and (6) of the said section to include inland vessels under its purview.

These amendments will take effect from the 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 31 of the Bill seeks to amend section 115VK of the Income-tax Act relating to depreciation.

Sub-section (2) of the said section provides that the written down value of the block of assets, being ships as on the first day of the first previous year, shall be divided in the ratio of the book written down value of the qualifying ships and the book written down value of the non-qualifying ships.

It is proposed to amend the said sub-section to include inland vessels under its purview.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 32 of the Bill seeks to amend section 115VP of the Income-tax Act relating to method and time of opting for tonnage tax scheme.

Sub-section (1) of the said section provides that a qualifying company may opt for the tonnage tax scheme by making an application to the Joint Commissioner having jurisdiction over the company. Sub-section (3) of the said section requires that the Joint Commissioner may, on receipt of such application, call for information as deemed fit and pass an order in writing, approving the option for tonnage tax scheme or if not so satisfied, refusing such approval, after providing reasonable opportunity of being heard.

Sub-section (4) of the said section provides for an order under sub-section (3) to be passed before the expiry of one month from the end of the month in which the application was received under sub-section (1).

It is proposed to insert a new proviso in said sub-section so as to provide that for application received under sub-section (1) on or after 1st April, 2025, order under sub-section (3) shall be passed before the expiry of three months from the end of the quarter in which such application was received.

This amendment will take effect from 1st April, 2025.

Clause 33 of the Bill seeks to amend section 115VT of the Income-tax Act relating to transfer of profits to tonnage tax reserve account.

It is proposed to amend sub-section (3), sub-section (4) and *Explanation* to the said section to include inland vessels under its purview.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 34 of the Bill seeks to amend section 115VV of the Income-tax Act relating to limit for charter in of tonnage.

It is proposed to amend sub-section (4) and *Explanation* to the said section to include inland vessels under its purview.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 35 of the Bill seeks to amend section 115VX of the Income-tax Act relating to determination of tonnage.

Clause (a) of sub-section (1) of the said section provides tonnage of a ship shall be determined in accordance with the valid certificate indicating of tonnage.

Clause (b) of sub-section (1) of the said section provides meaning of valid certificate in case of ships registered in India and in case of ships registered outside India.

It is proposed to amend clauses (a) and (b) of sub-section (1) to provide valid certificate would also cover in case of inland vessel registered in India, a certificate issued under the Inland Vessels Act, 2021.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 36 of the Bill seeks to amend section 115VZA of the Income-tax Act relating to effect of temporarily ceasing to operate qualifying ships.

Sub-section (2) of the said section provides that where a qualifying company continues to operate a ship which temporarily ceases to be a qualifying ship, such ship shall not be considered as a qualifying ship for the purposes of this Chapter.

It is proposed to amend sub-section (2) of the said section to include inland vessels under its purview.

This amendment will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 37 of the Bill seeks to amend section 132 of the Income-tax Act relating to search and seizure.

Sub-section (8) of the said section provides that the last date for taking approval for retention of seized books of account or other documents is thirty days from the date of the order of assessment or reassessment or recomputation.

It is proposed to amend the said sub-section so as to provide that the said time limit for taking approval for retention shall be one month from the end of the quarter in which the assessment or reassessment or recomputation order has been made.

This amendment will take effect from 1st April, 2025.

Clause (a) to *Explanation* 1 to the said section provides the circumstances in which last of authorisation for search is to be deemed as to have been executed.

It is proposed to amend the clause (a) to *Explanation* 1 so as to substitute the word "authorisation" with "authorisations" as there may be more than one warrant executed in the case of one assessee.

This amendment will take effect from 1st April, 2025.

Clause 38 of the Bill seeks to amend section 132B of the Income-tax Act which deals application of seized or requisitioned assets.

Explanation 1 defines "execution of an authorisation for search or requisition" shall have the same meaning assigned to it in *Explanation* 2 to section 158BE.

It is proposed to amend *Explanation* 1 to section 132B to update the reference of *Explanation* to section 158B.

This amendment will take effect from 1st April, 2025.

Clause 39 of the Bill seeks to amend section 139 of the Income-tax Act, relating to return of income.

The said section provides the provisions for filing of income-tax return by taxpayers. The said section provides guidelines for filing of original return under sub-section (1), filing of belated or revised returns, the class or classes of persons who have an obligation to compulsorily file a return, rectification of a defective return, the due dates for filing of the said returns etc.

Sub-section (8A) of the said section provides that any person, whether or not he has furnished an original return, belated return or revised return under sub-section (1) or (4) or (5), for an assessment year, may furnish an updated return of his income or income of any other person in respect of which he is assessable under this Act**,** within 24 months from the end of the relevant assessment year.

It is proposed to amend sub-section (8A) of the said section so as to extend the time-limit to file an updated return from twenty-four months to forty-eight months from the end of relevant assessment year.

It is further proposed to insert a proviso in sub-section (8A) so as to provide that no updated return shall be furnished by any person where any notice to show-cause under section 148A has been issued in his case after thirty-six months from the end of the relevant assessment year. However, where an order is passed under sub-section (3) of section 148A determining that it is not a fit case to issue notice under section 148, updated return may be filed upto 48 months from the end of the relevant assessment year.

These amendments will take effect from 1st April, 2025.

Clause 40 of the Bill seeks to amend section 140B of the Income-tax Act relating to tax on updated return.

Sub-section (3) of the said section provides the computation of additional income-tax payable for the purposes of updated return. It, *inter alia*, provides that 25% of aggregate of tax and interest payable shall be the additional income-tax payable in the case of filing updated return upto twelve months from the end of the relevant assessment year. However, 50% of aggregate of tax and interest payable shall be the additional income-tax payable in the case of filing updated return after expiry of twelve months from the end of the relevant assessment year but before completion of twenty-four months from the end of the relevant assessment year.

It is proposed to amend the said sub-section prescribing additional income-tax on updated return by inserting clauses (iii) and (iv) so as to provide that 60% of aggregate of tax and interest payable shall be the additional income-tax payable in the case of filing updated return after expiry of twenty-four months from the end of the relevant assessment year but before completion of thirty-six months from the end of the relevant assessment year. Further, 70% of aggregate of tax and interest payable shall be the additional income-tax payable in the case of filing updated return after expiry of thirty-six months from the end of the relevant assessment year but before completion of forty-eight months from the end of the relevant assessment year.

This amendment will take effect from 1st April, 2025.

Clause 41 of the Bill seeks to amend the section 144BA of the Income-tax Act relating to reference to Principal Commissioner or Commissioner in certain cases.

The said section, *inter alia*, provides that if the Assessing Officer considers that it is necessary to declare an arrangement as an impermissible avoidance arrangement, then, he may make a reference to the Principal Commissioner or Commissioner and to determine the consequence of such an arrangement within the meaning of the General Anti-Avoidance Rules.

Sub-section (13) of the said section provides that the Approving Panel shall issue directions declaring such arrangement as an impermissible avoidance arrangement within six months from the end of the month in which the reference was received.

Clause (ii) of the *Explanation* to the said section provides that the period during which the proceeding of the Approving Panel is stayed by an order or injunctions of any court shall be excluded in computing the period as per sub-section (13).

It is proposed to amend the said clause so as to clarify the commencement date and the end date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 42 of the Bill seeks to amend section 144C of the Income-tax Act relating to reference to dispute resolution panel.

The said section, *inter alia,* empowers the Central Government to notify a faceless scheme for the purposes of issuance of directions by the dispute resolution panel, to impart greater efficiency, transparency and accountability.

Sub-section (14C) of the said section empowers that the Central Government, may, for the purpose of giving effect to the aforesaid scheme, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as specified.

Proviso to said sub-section provides that no direction shall be issued after the 31st March, 2025.

It is proposed to omit the said proviso.

This amendment will take effect from 1st April, 2025.

Clause 43 of the Bill seeks to amend the section 153 of the Income-tax Act relating to time limit for completion of assessment, reassessment and recomputation.

The said section, *inter alia*, provides various time limits for completion of assessment, reassessment and recomputation under various provisions of the said Act.

Clause (ii) of *Explanation* 1 to the said section, *inter alia*, provides that the period during which the assessment proceeding is stayed by an order or injunction of any court shall be excluded in computing the period of limitation.

It is proposed to substitute the said clause so as to clarify the commencement date and the end date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 44 of the Bill seeks to amend the section 153B of the Income-tax Act relating to time limit for completion of assessment under section 153A.

The said section, *inter alia*, provides that the Assessing Officer shall make an order of assessment or reassessment within twelve months from the end of the financial year in which the last of the authorisations for search or requisition was executed.

Clause (i) of the *Explanation* to the said section, *inter alia*, provides that the period during which the assessment proceeding is stayed by an order or injunction of any court shall be excluded in computing the period of limitation.

It is proposed to substitute the said clause so as to clarify the commencement date and the end date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 45 of the Bill seeks to amend section 155 of the Income-tax Act relating to other amendments.

It is proposed to insert a new sub-section (21) in the said section so as to provide that where the arm's length price is determined in relation to an international transaction or a specified domestic transaction under sub-section (3) of section 92CA for any previous year and the Transfer Pricing Officer has declared an option exercised by the assessee as valid

option under sub-section (3B) of section 92CA in respect of such transaction for two consecutive previous years immediately following such previous year, the Assessing Officer shall proceed to recompute the total income of the assessee for the said two consecutive previous years, by amending the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143,—

(i) in conformity with the arm's length price so determined by the Transfer Pricing Officer under sub-section (4A) of section 92CA in respect of such transaction;

(ii) taking into account the directions issued under sub-section (5) of section 144C, if any, for such previous year,

within three months from the end of the month in which the assessment is completed in the case of the assessee for such previous year and the first and second provisos to sub-section (4) of section 92C shall apply thereto.

It is further proposed to insert a new proviso to the said sub-section so as to provide that where the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be, for the said two consecutive previous years is not made within the said period of three months, such recomputation shall be made within three months from the end of the month in which such order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, is made.

These amendments will take effect from 1st April, 2026 and will, accordingly, apply in relation to the assessment year 2026-2027 and subsequent assessment years.

Clause 46 of the Bill seeks to amend section 158B of the Income-tax Act relating to definitions.

Clause (b) of the said section defines undisclosed income.

It is proposed to amend clause (b) of the said section to insert the word "virtual digital asset" in the definition of undisclosed income.

This amendment will take effect retrospectively from 1st February, 2025.

Clause 47 of the Bill seeks to amend section 158BA of the Income-tax Act relating to assessment of total income as a result of search.

Sub-section (4) of the said section provides that where any assessment under Chapter XIV-B is pending in the case of an assessee in whose case a subsequent search is initiated, or a requisition is made, such assessment shall be duly completed, and thereafter, the assessment in respect of such subsequent search or requisition shall be made under the provisions of Chapter XIV-B.

It is proposed to amend sub-section (4) of the said section to substitute the word "pending" with the words "required to be made".

Sub-section (5) of the said section provides that if any proceeding initiated under Chapter XIV-B has been annulled in appeal or any other legal proceeding, then, the

assessment or reassessment relating to any assessment year which has abated under sub-section (2) or sub-section (3), shall revive.

It is proposed to amend sub-section (5) of the said section to insert the words "recomputation", "reference" and "order" which would stand revived in case any proceeding under chapter XIV-B is annulled in appeal.

These amendments will take effect retrospectively from 1st February, 2025.

Clause 48 of the Bill seeks to amend section 158BB of the Income-tax Act relating to computation of total income of block period.

Sub-section (1) of the said section provides the methodology for computation of total income of block period. Clause (i) of the said sub-section provides that total income of the block period shall include total income disclosed in the return furnished under section 158BC. Clause (iii) of the said sub-section provides that total income of the block period shall include total income declared in the return of income filed under section 139 or in response to a notice under sub-section (1) of section 142 or section 148 and not covered under clause (i) or clause (ii). Clause (iv) of the said sub-section provides that where the previous year has not ended, total income of the block period shall include total income determined, on the basis of entries relating to such income or transactions as recorded in the books of account and other documents maintained in the normal course on or before the date of last of the authorisations for the search or requisition relating to such previous year.

It is proposed to substitute sub-section (1),—

(a) in clause (i) of the said sub-section to clarify that undisclosed income is required to be declared in the block return;

(b) in clauses (ii) and (iii) of the said sub-section to omit the word "total" from "total income";

(c) in clause (iii) of the said sub-section to insert the words "prior to the date of initiation of search or requisition";

(d) in clause (iv) of the said sub-section so as to provide that the income as recorded in the books of account and other documents maintained in the normal course on or before the 31st day of March of the previous year which has ended but the due date for furnishing the return for such year has not expired prior to the date of initiation of the search or requisition, shall form part of total income. Further, the income in respect of period commencing from 1st day of April of the previous year in which the search is initiated or requisition is made and ending on the day immediately preceding the date of initiation of search or requisition, shall be computed on the basis of entries relating to such income or transactions as recorded in the books of account and other documents maintained in the normal course for such period on or before the day immediately preceding the date of initiation of search or the date of requisition. Also, the income in respect of period commencing from the date of initiation of the search or the date of requisition and ending on the date of the execution of the last of the authorisations for search or requisition, shall be computed on the basis of entries relating to such income or transactions as

recorded in the books of account and other documents maintained in the normal course for such period on or before the date of the execution of the last of the authorisations.

Sub-section (3) of the said section proposes to tax under the normal provisions any income which relates to any international transaction or specified domestic transaction, pertaining to the period beginning from the 1st day of April of the previous year in which last of the authorisations was executed and ending with the date on which last of the authorisations was executed. To appropriately provide for this intention of the legislature, sub-section (3) of the said section is proposed to be substituted.

It is also proposed to amend sub-section (6) to substitute the words, "undisclosed income declared" in the place of "disclosed income".

This amendment will take effect retrospectively from 1st February, 2025.

Clause 49 of the Bill seeks to amend section 158BE of the Income-tax Act relating to time-limit for completion of block assessment.

Section 158BE, *inter alia,* provides the time-limit for completion of block assessment as twelve months from end of the month in which the last of the authorisations for search or requisition has been executed.

It is proposed to amend sub-section (1) so as to provide that the order under section 158BC shall be passed within twelve months from the end of the quarter in which the last of the authorisations for search or requisition was executed.

It is also proposed to amend sub-section (3) of the said section so as to provide that the order under section 158BC in pursuance of section 158BD shall be passed within twelve months from the end of the quarter in which the notice under section 158BC in the case of the other person referred to in section 158BD, was issued.

This amendment will take effect retrospectively from 1st February, 2025.

Sub-section (1) of the said section provides that the order of block assessment shall be passed within twelve months from the end of the month in which the last of the authorisations for search or requisition was executed or made.

Clause (i) of sub-section (4) of the said section provides that the period during which the assessment proceeding is stayed by an order or injunction of any court shall be excluded in computing the period of limitation under this section.

It is proposed to substitute the said clause so as to clarify the commencement date and the ending date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 50 of the Bill seeks to amend section 158BFA of the Income-tax Act relating to levy of interest and penalty in certain cases.

The said section, *inter alia*, provides the procedure for the levy of interest and penalty in the case of search assessment.

Clause (ii) of sub-section (4) of the said section, *inter alia*, provides that the period during which the proceeding under sub-section (2) are stayed by an order or injunction of any court shall be excluded in computing the period of limitation under this section.

It is proposed to amend the said clause so as to clarify the commencement date and the ending date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 51 of the Bill seeks to amend section 193 of the Income-tax Act relating to interest on securities.

The said section, *inter alia*, provides that the person responsible for paying to a resident any income by way of interest on securities shall deduct income-tax at the rates in force on the amount of the interest payable.

Clause (v) of the proviso to the said section provides that no tax is required to be deducted under this section when any interest payable to an individual or a Hindu undivided family, who is resident in India, on any debenture issued by a company in which the public are substantially interested, if the amount of interest or, as the case may be, the aggregate amount of such interest paid or likely to be paid on such debenture during the financial year by the company to such individual or Hindu undivided family does not exceed five thousand rupees and such interest is paid by the company by an account payee cheque.

It is proposed to amend the said section so as to provide that tax is required to be deducted at source as specified therein only when the amount or the aggregate of amounts exceed ten thousand rupees during the financial year.

It is further proposed to amend clause (v) of the proviso to the said section so as to provide that no tax is required to be deducted therein if the amount of interest paid or likely to be paid does not exceed ten thousand rupees.

These amendments will take effect from 1st April, 2025.

Clause 52 of the Bill seeks to amend section 194 of the Income-tax Act relating to dividends.

The said section provides for deduction of tax in respect of dividends. The first proviso to the said section provides that no tax is required to be deducted under this section if the dividend is paid by the company by any mode other than cash and the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend during the financial year by the company to the shareholder, being an individual, does not exceed five thousand rupees.

It is proposed to amend the first proviso to the said section so as to provide that no tax is required to be deducted at source if the amount or aggregate of the amounts of such

dividend during the financial year by the company to the shareholder, being an individual, does not exceed ten thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 53 of the Bill seeks to amend section 194A of the Income-tax Act relating to interest other than "Interest on securities".

Sub-section (1) of said section provides deduction of tax on income other than income by way of interest on securities.

Clause (i) of sub-section (3) of said section provides that tax is not required to be deducted under sub-section (1) of said section if the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person referred to in sub-section (1) to the account of, or to, the payee, does not exceed forty thousand rupees under given circumstances. Third proviso to sub-section (3) states that in case of senior citizens being the payee, forty thousand rupees in sub-section (3) of said section may be read as fifty thousand rupees.

Proviso to sub-section (3) of section 194A of the Act states that a co-operative society as referred to in the section shall be liable to deduct income-tax in this section in certain cases.

It is proposed to amend clause (i) of sub-section (3) of the said section so as to provide that the aggregate of the amounts of such income does not exceed fifty thousand rupees in the case of the payer being a banking company to which the Banking Regulation Act, 1949 applies (including any bank or banking institution, referred to in section 51 of that Act) or a co-operative society engaged in carrying on the business of banking or on any deposit with post office under any scheme framed by the Central Government and notified by it in this behalf, and does not exceed ten thousand rupees instead of five thousand rupees in any other case.

It is further proposed to amend the third proviso to clause (i) of sub-section (3) of the said section of the Act so as to provide that the threshold of amount of interest, or aggregate of the amounts of interest, for requirement of deduction of tax at source under this section to exceed one lakh rupees instead of fifty thousand rupees.

It is also proposed to amend clause (b) of proviso occurring after clause (xi) to sub-section (3) to the said section of the Act so as to provide that the threshold of amount of interest, or aggregate of the amounts of interest, for requirement of deduction of tax at source under this section to exceed one lakh rupees in case of payee being a senior citizen and to exceed fifty thousand rupees in any other case.

These amendments will take effect from 1st April, 2025.

Clause 54 of the Bill seeks to amend section 194B of the Income-tax Act relating to winnings from lottery or crossword puzzle, etc.

The said section provides that the person responsible for paying to any person any income by way of winnings from any lottery or crossword puzzle or card game and other

game of any sort or from gambling or betting of any form or nature whatsoever, being the amount or the aggregate of amounts exceeding ten thousand rupees during the financial year shall, at the time of payment thereof, deduct income-tax thereon at the rates in force.

It is proposed to amend the said section so as to provide that tax will be required to be deducted at source under this section when the amount exceeds ten thousand rupees in respect of a single transaction.

This amendment will take effect from 1st April, 2025.

Clause 55 of the Bill seeks to amend section 194BB of the Income-tax Act relating to winnings from horse race.

The said section provides that any person, being a bookmaker or a person to whom a licence has been granted by the Government under any law for the time being in force for horse racing in any race course or for arranging for wagering or betting in any race course, who is responsible for paying to any person any income by way of winnings from any horse race , being the amount or aggregate of amounts exceeding ten thousand rupees during the financial year, shall, at the time of payment thereof, deduct income-tax thereon at the rates in force.

It is proposed to amend the said section so as to provide that tax will be required to be deducted at source under this section when the amount exceeds ten thousand rupees in respect of a single transaction.

This amendment will take effect from 1st April, 2025.

Clause 56 of the Bill seeks to amend section 194D of the Income-tax Act relating to Insurance commission.

The said section, *inter alia,* provides that any person responsible for paying to a resident any income by way of remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business shall, at the time of credit of such income 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 income-tax thereon at the rates in force.

The second proviso to this section provides that no deduction shall be made under this section in a case where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee, does not exceed fifteen thousand rupees.

It is proposed to amend the second proviso of the said section so as to provide the threshold of aggregated amounts of such income for requirement to deduct tax at source under this section is twenty thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 57 of the Bill seeks to amend section 194G of the Income-tax Act relating to commission, etc., on sale of lottery tickets.

Sub-section (1) of the said section, *inter alia,* provides that any person who is responsible for paying, on or after the 1st day of October, 1991 to any person, who is or has been stocking, distributing, purchasing or selling lottery tickets, any income by way of commission, remuneration or prize on such tickets in an amount exceeding fifteen thousand rupees shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of two per cent.

It is proposed to amend the sub-section (1) of said section so as to provide the threshold of such income for requirement to deduct tax at source under this sub-section is twenty thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 58 of the Bill seeks to amend section 194H of the Income-tax Act relating to commission or brokerage.

The said section, *inter alia,* provides that any person, not being an individual or a Hindu undivided family, who is responsible for paying, on or after the 1st June, 2001, to a resident, any income by way of commission or brokerage shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of two per cent..

The first proviso to the said section provides that no deduction shall be made under this section in a case where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee, does not exceed fifteen thousand rupees.

It is proposed to amend the said proviso so as to increase the threshold of such income for requirement to deduct tax at source under this section to twenty thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 59 of the Bill seeks to amend section 194-I of the Income-tax Act relating to rent.

The said section 194-I, *inter alia*, provides that any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any income by way of rent, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax at the rates specified therein.

The first proviso to the said section provides that no deduction shall be made under this section where the amount of such income does not exceed two hundred and forty thousand rupees during the financial year.

It is proposed to substitute the first proviso to the said section so as to provide that no deduction of tax at source shall be made under this section where the income by way of

rent credited or paid for a month or part of a month by the aforesaid person to the account of, or to, the payee, does not exceed fifty thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 60 of the Bill seeks to amend section 194J of the Income-tax Act relating to fees for professional or technical services.

Sub-section (1) of the said section, *inter alia*, provides that the deduction of tax at source in respect of any sum by way of fees for professional services and technical services, etc.

Clause (B) of the first proviso to sub-section (1) of the said section provides that tax is not required to be deducted under said sub-section if the amount of such sum or, as the case may be, the aggregate of the amounts of such sums credited or paid or likely to be credited or paid during the financial year does not exceed thirty thousand rupees in case of fees for professional services, fees for technical services, royalty, or any sum referred to in clause (va) of section 28.

It is proposed to amend the said clause (B) of the first proviso so as to provide that no deduction of tax at source shall be made under this section where the amount of such income as specified therein or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during a month, does not exceed fifty thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 61 of the Bill seeks to amend section 194K of the Income-tax Act relating to income in respect of units.

The said section provides that any person responsible for paying to a resident any income in respect of units of a Mutual Fund specified under clause (23D) of section 10; or units from the Administrator of the specified undertaking; or units from the specified company, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

Clause (i) of the proviso to the said section provides that no tax shall be required to be deducted under this section where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person responsible for making the payment to the account of, or to, the payee does not exceed five thousand rupees.

It is proposed to amend clause (i) of the proviso of the said section so as to provide that no tax is required to be deducted under this section if the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person responsible for making the payment to the account of, or to, the payee does not exceed ten thousand rupees.

This amendment will take effect from 1st April, 2025.

Clause 62 of the Bill seeks to amend section 194LA of the Income-tax Act relating to payment of compensation on acquisition of certain immovable property.

The said section, *inter alia*, provides that any person responsible for paying to a resident any sum, being in the nature of compensation or the enhanced compensation or the consideration or the enhanced consideration on account of compulsory acquisition, under any law for the time being in force, of any immovable property, shall, at the time of payment of such sum 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.

The first proviso to the said section provides that no deduction shall be made under this section where the amount of such payment or, as the case may be, the aggregate amount of such payments to a resident during the financial year does not exceed two lakh and fifty thousand rupees.

It is proposed to amend the first proviso to the said section so as to provide that no tax is required to be deducted at source under this section if the amount of such payment or, as the case may be, the aggregate amount of such payments to a resident during the financial year does not exceed five lakh rupees.

This amendment will take effect from 1st April, 2025.

Clause 63 of the Bill seeks to amend section 194LBC of the Income-tax Act relating to income in respect of investment in securitisation trust.

The said section, *inter alia*, provides that where any income is payable to an investor, being a resident, in respect of an investment in a securitisation trust as specified therein, the person responsible for making the payment shall, deduct income-tax, at the rate of 25%, if the payee is an individual or a Hindu undivided family and 30%, if the payee is any other person.

It is proposed to amend the said section so as to provide a reduced uniform rate of tax deducted at source of 10%, instead of the two rates specified above.

This amendment will take effect from 1st April, 2025.

Clause 64 of the Bill seeks to amend section 194Q of the Income-tax Act relating to tax deduction at source on payment of certain sum for purchase of goods.

The said section provides that any person being a buyer who pays any sum to a resident seller for purchase of any goods of the value or aggregate of value exceeding fifty lakh rupees in any previous year, to deduct 0.1% of such sum exceeding fifty lakh rupees as income-tax, subject to certain conditions.

Sub-section (5) of the said section provides that the provisions of the said sub-section shall not apply to a transaction, *inter alia,* tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

It is proposed to omit reference of sub-section (1H) of section 206C in the said sub-section.

This amendment will take effect from 1st April, 2025.

Clause 65 of the Bill seeks to amend section 194S of the Act relating to payment on transfer of virtual digital asset.

Sub-section (1) of the said section provides that any person responsible for paying to any resident any sum by way of consideration for transfer of a virtual digital asset, shall, at the time of credit of such sum to the account of the resident or at the time of payment of such sum by any mode, whichever is earlier, deduct an amount equal to 1% of such sum as income-tax thereon.

Sub-section (2) of said section provides that the provisions of sections 203A and 206AB shall not apply to a specified person.

It is proposed to amend the said sub-section so as to omit the reference of section 206AB.

This amendment will take effect from 1st April, 2025.

Clause 66 of the Bill seeks to omit section 206AB of the Income-tax Act relating to special provision for deduction of tax at source for non-filers of income-tax return.

This amendment will take effect from 1st April, 2025.

Clause 67 of the Bill seeks to amend section 206C of the Income-tax Act relating to profits and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc.

Sub-section (1) of the said section provides that every person, being a seller shall, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature as specified, a sum equal to the percentage specified therein, of such amount as income-tax. In case of timber obtained under a forest lease and timber obtained by any mode other than under a forest lease, the rate for tax collection at source is two and one-half per cent.

It is proposed to amend sub-section (1) of the said section so as to provide that for timber or any other forest produce (not being tendu leaves) obtained under a forest lease and on timber obtained by any mode other than under a forest lease, tax will be required to be collected at source at the rate of two per cent.

It is further proposed to amend the Table in the said sub-section to omit serial number (v) and to provide that tax be collected at source in serial number (iii) of the Table on timber and any other forest produce (not being tendu leaves), obtained under a forest lease.

It is also proposed to amend sub-section (1) of the said section so as to insert an *Explanation* to provide the meaning of the expression “forest produce”.

Sub-section (1G) of said section provides for collection of tax at source by an authorised dealer, who receives an amount, for remittance from a buyer, being a person remitting such amount under the Liberalised Remittance Scheme of the Reserve Bank of India or a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package, at the rates specified therein.

It is proposed to amend the first, second and fourth provisos to the said sub-section so as to increase the threshold of amount or aggregate of amounts for requirement to collect tax at source under this sub-section as provided therein, to ten lakh rupees.

It is further proposed to amend the third proviso to the said sub-section so as to provide that no tax be collected at source if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education.

Sub-section (1H) of the said section provides that any person being a seller who receives consideration for sale of any goods of the value or aggregate of value exceeding fifty lakhs rupees in any previous year, to collect from the buyer a sum equal to 0.1% of the sale consideration exceeding fifty lakhs rupees as income-tax, subject to certain conditions.

It is proposed to amend the said sub-section so as to insert a proviso to provide that the provisions of this sub-section shall not apply from 1st April, 2025.

It is further proposed to consequentially omit references of sub-section (1H) in sub-section (9) and sub-section (10A) of the said section.

Sub-section (7A) of the said section provides that no order shall be made under sub-section (6A) of the said section deeming a person to be an assessee in default for failure to collect the whole or any part of the tax from any person, at any time after the expiry of six years from the end of the financial year in which tax was collectible or two years from the end of the financial year in which the correction statement is delivered under sub-section (3B) of section 206C, whichever is later.

It is proposed to amend the said sub-section so as to insert a proviso to provide that the provisions of sub-sections (3), (5) and (6) of section 153 and *Explanation* 1 thereof shall apply to the time limit prescribed in sub-section (7A).

These amendments will take effect from 1st April, 2025.

Clause 68 of the Bill seeks to omit section 206CCA of the Income-tax Act relating to special provision for collection of tax at source for non-filers of income-tax return.

This amendment will take effect from 1st April, 2025.

Clause 69 of the Bill seeks to amend section 246A of the Income-tax Act relating to appealable orders before Commissioner (Appeals).

Clause (*ja*) of sub-section (1) of the said section provides that an order of imposing or enhancing penalty under sub-section (1A) of section 275 may be appealed before the Commissioner (Appeals).

It is proposed to amend the said clause so as to provide that an order of imposing or enhancing penalty under sub-section (2) of section 275 may be appealed before the Commissioner (Appeals).

It is also proposed to consequentially amend clause (n) of sub-section (1) of the said section so as to omit the words "made by a Deputy Commissioner".

These amendments will take effect from 1st April, 2025.

Clause 70 of the Bill seeks to amend section 253 of the Income-tax Act relating to appeals to the Appellate Tribunal.

The said section, *inter alia,* empowers the Central Government to notify a faceless scheme for the purposes of appeal to the Appellate Tribunal so as to impart greater efficiency, transparency and accountability.

Sub-section (9) of the said section empowers that the Central Government, may, for the purpose of giving effect to the aforesaid scheme, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified.

Proviso to sub-section (9) provides that no direction shall be issued after the 31st March, 2025.

It is proposed to omit the said proviso.

This amendment will give effect from 1st April, 2025.

Clause 71 of the Bill seeks to amend section 255 of the Income-tax Act relating to the procedure of Appellate Tribunal.

The said section, *inter alia,* empowers the Central Government to notify a faceless scheme for the purposes of disposal of appeals by the Appellate Tribunal to impart greater efficiency, transparency and accountability.

Sub-section (8) of the said section empowers that the Central Government, may, for the purpose of giving effect to the aforesaid scheme, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified.

Proviso to sub-section (8) provides that no direction shall be issued after the 31st March, 2025.

It is proposed to omit the said proviso.

This amendment will take effect from 1st April, 2025.

Clause 72 of the Bill seeks to amend the section 263 of the Income-tax Act relating to revision of orders prejudicial to revenue.

The said section, *inter alia*, provides for revision of order prejudicial to revenue by the Principal Chief commissioner or Chief Commissioner or Principal Commissioner or Commissioner.

Sub-section (2) of the said section provides that no order under the said section shall be made after the expiry of two years from the end of the financial year in which the order sought to be revised was passed.

The *Explanation* to the said section provides that the period during which any proceeding under that section is stayed by an order or injunction of any court shall be excluded in computing the period of limitation.

It is proposed to amend the said *Explanation* so as to clarify the commencement date and the ending date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 73 of the Bill seeks to amend the section 264 of the Income-tax Act relating to revision of other orders.

The said section *inter alia*, provides the procedure for revision of other orders by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner.

Sub-section (6), of the said section provides that an order shall be passed within one year from the end of the financial year in which such application is made by the assessee for revision.

The *Explanation* to the said sub-section provides that the period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded in computing the period of limitation.

It is proposed to amend the said *Explanation* so as to clarify the commencement date and the ending date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Clause 74 of the Bill seeks to amend section 270AA of the Income-tax Act, 1961 relating to immunity from imposition of penalty, etc.

The said section, *inter alia*, provides procedure of granting immunity by the Assessing Officer from imposition of penalty or prosecution, if assessee fulfils the conditions specified therein.

Sub-section (4) of the said section provides that the Assessing Officer shall pass an order accepting or rejecting the application, within a period of one month from the end of the month in which the application requesting immunity is received.

It is proposed to amend the said sub-section so as to extend the processing period to three months from the end of the month in which application for immunity is received by the Assessing Officer.

This amendment will take effect from 1st April, 2025.

Clause 75 of the Bill seeks to amend section 271AAB of the Income-tax Act relating to penalty where search has been initiated.

Sub-section (1A) of the said section, *inter-alia*, provides that for a search initiated on or after the 15th December, 2016, a penalty of thirty per cent. of undisclosed income may be levied, if the assessee admits such undisclosed income under sub-section (4) of section 132 and specifies the manner in which such income has been derived and on or before the specified date, pays the tax together with interest, if any, in respect of such undisclosed income and furnishes the return of income for the specified previous year declaring such income. In case, above conditions are not fulfilled then a penalty of sixty per cent. of undisclosed income may be levied.

It is proposed to amend the said sub-section so as to provide that the provisions shall not be applicable to a case where search has been initiated under section 132 on or after the 1st day of September, 2024.

This amendment will take effect retrospectively from 1st September, 2024.

Clause 76 of the Bill seeks to omit the section 271BB of the Income-tax Act relating to failure to subscribe to the eligible issue of capital.

The said section provides that, any person who fails to subscribe any amount of subscription to the units issued under any scheme referred to in sub-section (1) of section 88A to the eligible issue of capital under that sub-section within the period of six months specified therein, may be directed by the Joint Commissioner to pay, by way of penalty, a sum equal to twenty percent of such amount.

Section 88A has been already omitted *vide* Finance (No.2) Act, 1996 with retrospective effect from 1st April, 1994. In the absence of the parent section, relevance of any section on penalty, does not exist.

It is, therefore, proposed to omit section 271BB.

This amendment will take effect from 1st April, 2025.

Clause 77 of the Bill seeks to amend the section 271C of the Income-tax Act relating to penalty for failure to deduct tax at source.

Sub-section (2) of the said section provides that any penalty under sub-section (1) shall be imposed by the Joint Commissioner.

It is proposed to insert a proviso in the said sub-section so that such penalty shall be imposed by the Assessing Officer in place of Joint Commissioner on or after 1st day of April, 2025 subject to the provisions of sub-section (2) of section 274.

This amendment will take effect from 1st April, 2025.

Clause 78 of the Bill seeks to amend the section 271CA of the Income-tax Act relating to penalty for failure to collect tax at source.

Sub-section (2) of the said section provides that penalty under sub-section (1) shall be imposed by the Joint Commissioner.

It is proposed to insert a proviso in the said sub-section so that such penalty shall be imposed by the Assessing Officer in place of Joint Commissioner on or after the 1st day of April, 2025 subject to the provisions of sub-section (2) of section 274.

This amendment will take effect from 1st April, 2025.

Clause 79 of the Bill seeks to amend the section 271D of the Income-tax Act relating to penalty for failure to comply with the provisions of section 269SS.

Sub-section (2) of said section provides that penalty under sub-section (2) shall be imposed by the Joint Commissioner.

It is proposed to insert a proviso in the said sub-section so that such penalty shall be imposed by the Assessing Officer in place of Joint Commissioner on or after the 1st day of April, 2025 subject to the provisions of sub-section (2) of section 274.

This amendment will take effect from 1st April, 2025.

Clause 80 of the Bill seeks to amend the section 271DA of the Income-tax Act relating to penalty for failure to comply with the provisions of section 269ST.

Sub-section (2) of the said section provides that penalty under sub-section (1) shall be imposed by the Joint Commissioner.

It is proposed to insert a proviso in the said sub-section so that such penalty shall be imposed by the Assessing Officer in place of Joint Commissioner on or after the 1st day of April, 2025 subject to the provisions of sub-section (2) of section 274.

This amendment will take effect from 1st April, 2025.

Clause 81 of the Bill seeks to amend the section 271DB of the Income-tax Act relating to penalty for failure to comply with the provisions of section 269SU.

Sub-section (2) of said section provides that any penalty under sub-section (1) shall be imposed by the Joint Commissioner.

It is proposed to insert a proviso in the said sub-section so that such penalty shall be imposed by the Assessing Officer in place of Joint Commissioner on or after the 1st day of April, 2025 subject to the provisions of sub-section (2) of section 274.

This amendment will take effect from 1st April, 2025.

Clause 82 of the Bill seeks to amend the section 271E of the Income-tax Act relating to penalty for failure to comply with the provisions of section 269T.

Sub-section (2) of said section provides that any penalty under sub-section (1) shall be imposed by the Joint Commissioner.

It is proposed to insert a proviso in the said sub-section so that such penalty shall be imposed by the Assessing Officer in place of Joint Commissioner on or after the 1st day of April, 2025 subject to the provisions of sub-section (2) of section 274.

This amendment will take effect from 1st April, 2025.

Clause 83 of the Bill seeks to substitute section 275 of the Income-tax Act, relating to bar of limitation for imposing penalties.

The proposed section, *inter alia*, provide that any order imposing a penalty under Chapter XXI shall not be passed after the expiry of six months from the end of the quarter in which the connected proceedings are completed, or the order of appeal is received by the jurisdictional Principal Commissioner or Commissioner, or the order of revision is passed, or the notice for imposition of penalty is issued, as the case maybe.

This amendment will take effect from 1st April, 2025.

Clause 84 of the Bill seeks to amend section 276BB of the Income-tax Act relating to failure to pay the tax collected at source.

The provisions of the said section provides that if a person fails to pay to the credit of the Central Government, the tax collected by him as required under the provisions of section 206C, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine. The proviso to sub-section (3) of section 206C mandates that the tax collected at source has to be paid to the credit of the Central Government within the time provided by rules.

It is proposed to insert a proviso to the said section so as to provide that the provisions of that section shall not apply, if the payment of the tax collected at source has been made to the credit of the Central Government at any time on or before the time provided by rules for filing the statement under the proviso to sub-section (3) of section 206C in respect of such payment.

This amendment will take effect from 1st April, 2025.

Clause 85 of the Bill seeks to insert new section 285BAA in the Income-tax Act relating to obligation to furnish information on transaction of crypto-asset.

Sub-section (1) of the said section seeks to provide that any person, being a reporting entity, as prescribed, in respect of crypto asset, shall furnish information in respect of a transaction of such crypto-asset in a statement, for such period, within such time, in such form and manner and to such income-tax authority, as prescribed.

Sub-section (2) thereof seeks to provide that where the prescribed income-tax authority considers that the statement furnished under sub-section (1) is defective, he may intimate the defect to the person who has furnished such statement and give him an opportunity of rectifying the defect within thirty days from the date of such intimation or such further period as may be allowed, and if the defect is not rectified within the said period allowed, the provisions of this Act shall apply as if such person had furnished inaccurate information in the statement.

Sub-section (3) thereof seeks to provide that where a person who is required to furnish a statement has not furnished the same within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement within a given time and he shall furnish the statement within the time specified in the notice;

Sub-section (4) thereof seeks to provide that if any person, having furnished a statement, or in pursuance of a notice issued, comes to know or discovers any inaccuracy in the information provided in the statement, he shall within ten days inform the income-tax authority, the inaccuracy in such statement and furnish the correct information in such manner as specified by rules;

Sub-section (5) thereof seeks to provide that the Central Government may, by rules specify the persons to be registered with the prescribed income-tax authority, the nature of information and the manner in which such information shall be maintained by the persons and the due diligence to be carried out by the persons referred to in sub-section (1) for the purpose of identification of any crypto-asset user or owner.

It is also proposed to provide that for the purposes of the said section, crypto-asset shall have the meaning assigned to it in sub-clause (d) of clause (47A) of section 2.

This amendment will take effect from 1st April, 2026.

Clause 86 of the Bill seeks to amend rule 68B of the Second Schedule to the Income-tax Act relating to time-limit for sale of attached immovable property.

The said rule provides the time limit for the sale of attached immovable property by the Tax Recovery Officer.

Clauses (i) and (ii) of sub-rule (2) of the said rule, *inter alia*, provides that the period during which the levy of the tax, interest, fine, penalty or any other sum is stayed by an order or injunction of any court; or the proceeding of attachment or sale of the immovable property are stayed by an order or injunction of any court shall be excluded in computing the period of limitation.

It is proposed to substitute clauses (i) and (ii) of the said sub-rule so as to clarify the commencement date and the ending date of such exclusion period.

This amendment will take effect from 1st April, 2025.

Indirect Taxes

Customs

Clause 87 of the Bill seeks to amend sub-sections (*1*) and (*1A*), and to insert new sub-sections (*1B*) and (*1C*), in section 18 of the Customs Act, 1962. It is proposed to amend sub-section (*1*) so as to provide that the proper officer may provisionally assess the duty on goods. It is proposed to amend sub-section (*1A*) so as to remove reference to the time within which the proper officer shall finalise the provisional assessment. Sub-section (*1B*) seeks to provide time limit of two years for finalisation of the provisional assessment which shall be extendable by the Principal Commissioner of Customs or Commissioner of Customs for a further period of one year, if the sufficient cause is shown. It further, provides that for the pending cases, the time-limit shall be reckoned from the date on which the Finance Bill, 2021 receives the assent of the President. Sub-section (*1C*) seeks to provide for certain grounds on which the time-limit of two years shall apply not from the date of the order of the provisional assessment, but from the date when the reasons for such ground ceases to exit.

Clause 88 of the Bill seeks to insert a new section 18A in the Customs Act to provide for voluntary revision of entry, post clearance by the importers and exporters, in relation to the goods in such form and manner, within such time and subject to the conditions as may be prescribed. It further provides for self-assessment of the revised entry and allow payment of duty or treat the revised entry as a refund claimed under section 27. It also empowers the proper officer verify and reassess the revised entry. It also provides that no revision of entry shall be made under the said section in certain cases specified in sub-section (*5*) of the said section.

Clause 89 of the Bill seeks to amend section 27 of the Customs Act so as to insert a new *Explanation* in sub-section (*1*) therein, so as to clarify that the computation of the period of limitation for claim of refund consequent to the revised entry under clause (*b*) of sub-section (*3*) of section 18A or amendment under section 149 of the Customs Act, shall be one year from the date of payment of duty or interest.

Clause 90 of the Bill seeks to amend section 28 of the Customs Act by inserting a new clause (*ba*) in the *Explanation* 1 of the said section so as to provide that the relevant date, in case where duty is paid under the revised entry under clause (*b*) of sub-section (*3*) of section 18A, shall be the date of payment of duty or interest.

Clause 91 of the Bill seeks to amend section 127A of the Customs Act so as to define the expressions “Interim Board” and “pending application”.

Clause 92 of the Bill seeks to amend section 127B of the Customs Act by inserting two provisos therein, to provide that no application shall be made under the said section on or after the 1st day of April, 2025 and every pending application shall be dealt by the Interim Board from the stage at which such pending application stood immediately before constitution of the Interim Board.

Clause 93 of the Bill seeks to amend section 127C of the Customs Act by inserting new sub-sections (*11*) and (*12*) therein, so as to provide that on and from the 1st day of April,

2025, the provisions of sub-sections (*2*), (*3*), (*4*), (*5*), (*5A*), (*6*), (*7*), (*8*) and (*8A*) shall apply to pending applications with modifications specified therein.

It further empowers the Interim Board to extend the time-limit provided under sub-section (8A), within three months from its constitution, by such period not exceeding twelve months from the date of its constitution.

Clause 94 of the Bill seeks to amend section 127D of the Customs Act by inserting a new sub-section (*3*) therein, so as to provide that the power of the Settlement Commission shall be exercised by the Interim Board and the provisions of that section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.

Clause 95 of the Bill seeks to amend section 127F of the Customs Act by inserting a new sub-section (*5*) therein, to provide that the powers and functions of the Settlement Commission under the said section shall be exercised or performed by the Interim Board and the provisions of that section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.

Clause 96 of the Bill seeks to amend section 127G of the Customs Act so as to provide that the power of the Settlement Commission shall be exercised by the Interim Board and the provisions of that section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.

Clause 97 of the Bill seeks to amend section 127H of the Customs Act by inserting a new sub-section (*3*) therein, to provide that the powers and functions of the Settlement Commission under the said section shall be exercised or performed by the Interim Board and the provisions of that section shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.

Customs tariff

Clause 98 seeks to amend the First Schedule to the Customs Tariff Act—

(*a*) in the manner specified in the Second Schedule so as to revise the rates in respect of certain tariff items with effect from the 2nd February, 2025;

(*b*) in the manner specified in the Third Schedule with view to harmonise certain entries with the Harmonised System of Nomenclature to create new tariff lines in respect of certain entries and to revise the rates in respect of certain tariff items, with effect from the 1st May, 2025.

Central Excise

Clause 99 of the Bill seeks to amend section 31 of the Central Excise Act so as to define the expressions such as “Interim Board” and “pending application”.

Clause 100 of the Bill seeks to insert a new section 31A in the Central Excise Act so as to provide for the constitution of one or more Interim Boards for the settlement of pending applications and to provide that every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner or above. It further provides that if the

members of the Interim Board differ in their opinion on any point, the point shall be decided according to the opinion of the majority.

It also provides that every pending application shall be dealt by the Interim Board from the stage at which such pending application stood immediately before constitution of the Interim Board.

Clause 101 of the Bill seeks to amend section 32 of the Central Excise Act so as to provide that the Customs, Central Excise and Service Tax Settlement Commission shall cease to operate on or after the 1st day of April, 2025.

Clauses 102 to 105 of the Bill seeks to amend sections 32A, 32B, 32C and 32D of the Central Excise Act so as to provide that the existing provisions of the said sections shall cease to apply on or after the 1st day of April, 2025.

Clause 106 of the Bill seeks to amend section 32E so as to provide that no new application shall be made under this section on or after the 1st day of April, 2025.

Clause 107 of the Bill seeks to insert sub-sections (*11*) and (*12*) in section 32F of the Central Excise Act so as to provide that on and from the 1st day of April, 2025, the provisions of sub-sections (*2*), (*3*), (*4*), (*5*), (*5A*), (*6*), (*7*), (*8*) and (*10*) shall apply to pending applications with modifications specified therein.

It further empowers the Interim Board to extend the time-limit provided under sub-section (*6*), within three months of its constitution, by such period not exceeding twelve months from the date of its constitution.

Clauses 108 to 115 of the Bill seek to amend sections 32G, 32-I, 32J, 32K, 32L, 32M, 32-O and 32P of the Central Excise Act so as to provide that the powers and functions of the Settlement Commission under the said sections shall be exercised or performed by the Interim Board on and from 1st day of April, 2025 and all provisions of the said sections shall *mutatis mutandis* apply to the Interim Board as they apply to the Settlement Commission.

Central Goods and Services Tax

Clause 116 of the Bill seeks to amend section 2 of the Central Goods and Services Tax Act relating to definitions.

It is proposed to amend the definition of "Input Service Distributor" in clause (*61*) of said section 2 so as to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-state supplies, on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (*3*) and sub-section (*4*) of section 5 of the Integrated Goods and Services Tax Act in the definition of Input Service Distributor.

This amendment shall take effect from 1st day of April, 2025.

It is further proposed to amend sub-clause (*c*) of clause (*69*) of section 2 so as to substitute the term "municipal or local fund" with the terms "municipal fund or local fund" and to insert an *Explanation* after the said sub-clause, to provide the definitions of the terms

"local fund" and "municipal fund" used in the definition of "local authority" under the said clause so as to clarify the scope of the said terms.

It is also proposed to insert a new clause (*116A*) in section 2 so as to define the expression "unique identification marking" to mean a mark that is unique, secure and non-removable, for implementation of track and trace mechanism.

Clause 117 of the Bill seeks to omit sub-section (*4*) of section 12 of the Central Goods and Services Tax Act so as to remove the provision for time of supply in respect of transaction in vouchers, the same being neither supply of goods nor supply of services.

Clause 118 of the Bill seeks to omit sub-section (*4*) of section 13 of the Central Goods and Services Tax Act so as to remove the provision for time of supply in respect of transaction in vouchers, the same being neither supply of goods nor supply of services.

Clause 119 of the Bill seeks to amend clause (*d*) of sub-section (*5*) of section 17 of the Central Goods and Services Tax Act so as to substitute the expression "plant or machinery" with the expression "plant and machinery" to remove any ambiguity in interpretation for the purpose of availment of input tax credit in such cases.

It further seeks to insert an *Explanation* to clarify that the said amendment is made notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other authority.

This amendment shall take effect retrospectively from 1st day of July, 2017.

Clause 120 of the Bill seeks to amend sub-section (*1*) of section 20 of the Central Goods and Services Tax Act so as to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-State supplies, on which tax has to be paid on reverse charge basis, by inserting a reference to sub-section (*3*) and sub-section (*4*) of section 5 of the Integrated Goods and Services Tax Act in the said sub-section.

It further seeks to amend sub-section (*2*) of the said section so as to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-State supplies, on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (*3*) and sub-section (*4*) of section 5 of the Integrated Goods and Services Tax Act in the said sub-section.

This amendment shall take effect from 1st day of April, 2025.

Clause 121 of the Bill seeks to amend the proviso to sub-section (*2*) of section 34 of the Central Goods and Services Tax Act so as to explicitly provide for the requirement of reversal of corresponding input tax credit in respect of a credit-note, if availed, by the registered recipient, for the purpose of reduction of tax liability of the supplier in respect of the said credit note.

It further seeks to remove the condition in the said proviso of not having passed the incidence of interest on supply for the purpose of reduction of tax liability of the supplier in respect of the said credit note.

Clause 122 of the Bill seeks to amend sub-section (*1*) of section 38 of the Central Goods and Services Tax Act to omit the expression "auto-generated" with respect to statement of input tax credit in the said sub-section.

It further seeks to amend sub-section (*2*) of the said section by omitting the expression "auto-generated" with respect to statement of input tax credit in the said sub-section and inserting the expression "including" after the words "by the recipient" in clause (b) of said sub-section so as to make the said sub-section inclusive to cover other cases where input tax credit is not available to taxpayer under any other provisions of the Act.

It further inserts a new clause (*c*) in the said sub-section to provide for an enabling clause to prescribe other details to be made available in statement of input tax credit.

Clause 123 of the Bill seeks to amend sub-section (*1*) of section 39 of the Central Goods and Services Tax Act so as to provide for an enabling clause to prescribe conditions and restriction for filing of return under the said sub-section.

Clause 124 of the Bill seeks to substitute the proviso to sub-section (*6*) of section 107 of the Central Goods and Services Tax Act to provide for the requirement of pre-deposit of ten per cent. of the penalty amount for filing an appeal before the Appellate Authority against an order which involves demand of penalty without involving any demand of tax.

Clause 125 of the Bill seeks to insert a proviso to sub-section (*8*) of section 112 of Central Goods and Services Tax Act to provide for the requirement of pre-deposit of ten per cent. of the penalty amount for filing an appeal before the Appellate Tribunal against an order which involves demand of penalty without involving any demand of tax.

Clause 126 of the Bill seeks to insert a new section 122B in the Central Goods and Services Tax Act to provide for penal provisions for contraventions of the provision relating to track and trace mechanism.

Clause 127 of the Bill seeks to insert a new section 148A in the Central Goods and Services Tax Act so as to provide for an enabling provision for implementation of track and trace mechanism for ensuring effective monitoring and control of supply of specified commodities.

Clause 128 of the Bill seeks to insert a new clause (*aa*) in paragraph 8 of Schedule III of the Central Goods and Services Tax Act to specify that the supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services.

It further seeks to amend the *Explanation* 2 of the said Schedule to clarify that the said *Explanation* shall be applicable in respect of clause (*a*) of paragraph 8 of the said Schedule.

It also seeks to insert an *Explanation* 3 in the said Schedule to define the expressions "Special Economic Zone", "Free Trade Warehousing Zone" and "Domestic Tariff Area", for the purpose of the proposed clause (*aa*) in paragraph 8 of said Schedule.

These amendments shall take effect retrospectively with effect from the 1st day of July, 2017.

Clause 129 of the Bill seeks to clarify that no refund of the tax, already paid in respect of the aforesaid activities or transactions, shall be available.

Service tax

Clause 130 of the Bill seeks to provide retrospective exemption from service tax to reinsurance services provided by insurance companies under the Weather Based Crop Insurance Scheme and Modified National Agricultural Insurance Scheme for the period from 1st day of April, 2011 to 30th day of June, 2017 (both days inclusive).

Miscellaneous

Clause 131 of the Bill seeks to amend section 13 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 relating to tax exemption or benefit to continue to have effect.

The said section, *inter alia,* provides for the period for which the tax shall be payable by the Administrator of a specified undertaking.

It is proposed to amend sub-section (1) of the said section so as to extend the period from 31st March, 2025 to 31st March, 2027.

This amendment will take effect from 1st April, 2025.

Clauses 132 to 140 of the Bill seeks to amend the preamble and certain provisions of the Government Securities Act, 2006.

It is proposed to provide application of this Part. Sub-section (1) of clause 132 seeks to provide that this Part shall apply in the first instance to the whole of the States of Andhra Pradesh, Chhattisgarh, Haryana, Nagaland, Punjab, Uttarakhand, Uttar Pradesh and West Bengal and all the Union territories and it shall also apply to such other State which adopts this Part by resolution passed in that behalf under clause (1) of article 252 of the Constitution.

Sub-section (2) of the said clause seeks to provide that it shall come into force at once in the States of Andhra Pradesh, Chhattisgarh, Haryana, Nagaland, Punjab, Uttarakhand, Uttar Pradesh and West Bengal and in the Union territories and in any other State which adopts this Act under clause (1) of article 252 of the Constitution, on the date of such adoption; and, save as otherwise provided in this Part, any reference in this Part to the commencement of this Part shall, in relation to any State, mean the date on which this Part comes into force in such State.

It is further proposed to make consequential amendments in the preamble and sub-sections (3) and (4) of section 2, of the said Act, to give reference of the erstwhile State of Jammu and Kashmir as a Union territory.

It is also proposed to amend clause (f) of section 2 of the Act so as to insert the words "and subject to such terms and conditions" after the words "any other purpose". It is also proposed to omit the words "and having one of the forms mentioned in section 3" from the said clause.

It is also proposed to amend section 3 of the Act so as to omit the words "subject to such terms and conditions as may be specified."

It is also proposed to amend sub-section (4) of section 5 of the Act so as to insert the words brackets, letter and figure "or shall be construed to affect any restriction of transferability of Government securities contained in any notification issued under clause (f) of section 2 in respect of such securities" after the words "upon the Bank".

It is also proposed to omit sub-sections (1) and (2) of section 31 of the Act.

It is also proposed to omit the words "and the terms and conditions subject to which" in clause (a) of sub-section (2) of section 32 of the Act.

Clause 140 of the Bill also seeks to repeal the Public Debt Act, 1944 and provide saving clause thereto.

MEMORANDUM REGARDING DELEGATED LEGISLATION

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

Clause 3 of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions. It, *inter alia,* seeks to amend clause (22) of the said section. It is proposed to insert the *Explanation* of 'group entity', 'principal entity' and 'parent entity' in *Explanation* 3, in clause (d) of the said *Explanation*. It seeks to empower the Board to make rules regarding the conditions which the said entities are required to satisfy.

Clause 9 of the Bill seeks to amend clause (2) of section 17 of the Income-tax Act relating to "salary", "perquisite" and "profits in lieu of salary" defined.

It is proposed to amend paragraph (c) of sub-clause (iii) of clause (2) to empower the Board for making rules to determine the amount.

In clause (2), it is further proposed to amend the proviso occurring after sub-clause (viii) of clause (vi), in the long line, in clause (B) to empower the Board for making rules to determine the amount.

Clause 11 of the Bill seeks to insert a new section 44BBD in the Income-tax Act relating to special provisions for computing profits and gains of non-residents engaged in the business of providing services or technology, for setting up an electronics manufacturing facility or in connection with manufacturing or providing electronic goods, article or things in India.

It, *inter alia,* empowers the Board to make rules prescribing the conditions which the resident company are required to satisfy in this behalf.

Clause 21 of the Bill seeks to amend section 92CA of the Income-tax Act relating to reference to Transfer Pricing Officer.

It is proposed to insert a new sub-section (3B) in the said section so as to provide that the arm's length price being determined in relation to the international transaction or the specified domestic transaction under sub-section (3) for any previous year shall apply to similar international transaction or the specified domestic transaction for two consecutive previous years immediately following such previous year, on fulfilment of the conditions, specified therein. Clause (b) of the said sub-section empowers the Board to make rules on such option or options which are to be exercised. Clause (c) of the said sub-section empowers the Board to make rules providing the conditions subject to which option or options exercised by the assessee will be declared by the Transfer Pricing Officer as valid option.

Clause 88 of the Bill seeks to insert a new section 18A in the Customs Act, relating to voluntary revision of entry, post clearance. Sub-section (1) of the said section 18A seeks to empower the Government to provide by rules the form and manner and the time within which entry in relation to the goods may be revised by the importer or exporter, post clearance.

Clause 122 of the Bill seeks to amend sub-section (2) of section 38 of the Central Goods and Services Tax Act to empower the Government to provide by rules other details to be made available in the statement.

Clause 127 of the Bill seeks to insert a new section 148A in the Central Goods and Services Tax Act, relating to track and trace mechanism for certain goods. Sub-section (2) of the said section 148A seeks to empower the Government to provide by rules a system for enabling affixation of unique identification marking and for electronic storage and access of information and the person through whom such system may be provided. It further seeks to empower the Government to provide by rules the Unique Identification marking for goods including the information to be recorded therein.

Sub-section (3) of the said section 148A seeks to empower the Government to provide by rules, the information to be contained in, and the manner of affixing on the goods and packages a unique identification marking under clause (a), the form and manner and the time for furnishing information and details and maintaining records or documents under clause (b), the time within which and the form and manner in which other details shall be furnished under clause (c) and the amount to be paid under clause (d) of the said sub-section.

2. The matters in respect of which rules may be made and matters of procedure and details and it is not practicable to provide for them in the Bill itself. The delegation of legislative powers is, therefore, of a normal character.

LOK SABHA

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to give effect to the financial proposals of the Central Government for the financial year 2025-2026.

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