

LOK SABHA

FINANCE BILL, 2016

[As introduced in Lok Sabha]

Notice of Amendments

Sl. No.	Name of Member and text of Amendment	Clause No.
SHRI ARUN JAITLEY:		
1.	Page 6, after line 9, insert— ‘(e) in clause (42A), after the second proviso and before Explanation 1, the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:— ‘Provided also that in the case of a share of a company (not being a share listed in a recognised stock exchange in India), the provisions of this clause shall have effect as if for the words "thirty-six months", the words "twenty-four months" had been substituted.’.’	3
2.	Page 6, omit line 32 to 39.	7
3.	Page 6, omit line 46 to 51.	7
4.	Page 9, after line 43, insert— “(3) Where, in a previous year, any deduction has been claimed and granted to the assessee under sub-section (1), and, subsequently, there is failure to comply with any of the provisions of this section, then,— (a) the deduction shall be deemed to have been wrongly allowed; (b) the Assessing Officer may, notwithstanding anything contained in this Act, re-compute the total income of the assessee for the said previous year and make the necessary rectification; (c) the provisions of section 154 shall, so far as may be, apply and the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the failure to comply with the provisions of this section takes place.”	16
5.	Page 10, line 7, after “employed by the assessee”, insert “or payable in such manner as may be prescribed.”.	16
6.	Page 10, for lines 42 and 43, substitute— Amendment of section 35CCC. ‘19. In section 35CCC of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:— ‘Provided that for the assessment year beginning on or after the 1st day of April, 2021, the provisions of this sub-section shall have effect as if for the words “a sum equal to one and one-half times of”, the words “a sum equal to” had been substituted.’.	19

*The President has in pursuance of clause (1) of article 117 and clause (1) of article 274 of the Constitution recommended to Lok Sabha the moving of the amendments.

Sl. No.	Name of Member and text of the Amendment	Clause No.
7.	Page 13, <i>after</i> line 14, <i>insert</i> —	29A (New)
'Amendment of section 49.	29A. In section 49 of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of April, 2017, namely:— "(5) Where the capital gain arises from the transfer of an asset declared under the Income Declaration Scheme, 2016, and the tax, surcharge and penalty have been paid in accordance with the provisions of the Scheme on the fair market value of the asset as on the date of commencement of the Scheme, the cost of acquisition of the asset shall be deemed to be the fair market value of the asset which has been taken into account for the purposes of the said Scheme.".	
8.	Page 16, line 18, <i>after</i> "company", <i>insert</i> "or a limited liability partnership".	41
9.	Page 16, <i>after</i> line 26, <i>insert</i> —	41
6 of 2009.	'(iii) "limited liability partnership" means a partnership referred to in clause (n) of sub-section (1) of section (2) of the Limited Liability Partnership Act, 2008.'	
10.	Page 16, line 44, <i>omit</i> ", in accordance with such guidelines as may be prescribed".	43
11.	Page 16, line 49, <i>for</i> "on which the project", <i>substitute</i> "on which the building plan of such housing project".	43
12.	Page 17, <i>for</i> lines 3 and 11, <i>substitute</i> — "(d) the project is on a plot of land measuring not less than— (i) one thousand square metres, where the project is located with in the cities of Chennai, Delhi, Kolkata or Mumbai or within the distance, measured aerially, of twenty-five kilometres from the municipal limits of these cities; or (ii) two thousand square metres, where the project is located in any other place; (da) the project is the only housing project on the plot of land as specified in clause (d); (e) the built-up area of the residential unit comprised in the housing project does not exceed— (i) thirty square metres, where the project is located within the cities of Chennai, Delhi, Kolkata or Mumbai or within the distance, measured aerially, of twenty-five kilometres from the municipal limits of these cities; or (ii) sixty square metres, where the project is located in any other place;".	43
13.	Page 17, line 19, <i>for</i> "within the area", <i>substitute</i> "within the distance, measured aerially,".	43
14.	Page 17, line 22, <i>for</i> "area other than the areas", <i>substitute</i> "place other, than the place".	43

Sl. No.	Name of Member and text of the Amendment	Clause No.
15.	Page 17, line 24, <i>for</i> "undertaking which", <i>substitute</i> "assessee who".	43
16.	Page 17, line 33, <i>omit</i> "under any scheme for the housing".	43
17.	Page 17, line 41, <i>for</i> "by the Central Government", <i>substitute</i> "to approve the building plan by or under any law for the time being in force".	43
18.	Page 17, line 44, <i>for</i> "dwelling", <i>substitute</i> "residential".	43
19.	Page 17, line 45, <i>for</i> "specify", <i>substitute</i> "approve".	43
20.	Page 19, line 3, <i>for</i> "clause (viii)", <i>substitute</i> "clause (x)".	46
21.	Page 19 <i>after</i> line 21, <i>insert</i> —	47A (New)
Amendment of section 111A.	<p>47A. In section 111A of the Income-tax Act with effect from the 1st day of April 2017,—</p> <p>(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—</p> <p>"Provided further that nothing contained in clause (b) shall apply to a transaction undertaken on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.";</p> <p>(ii) for the <i>Explanation</i> below sub-section (3), the following shall be substituted, namely:—</p> <p>'<i>Explanation.</i>—For the purposes of this section,—</p> <p>(a) "equity oriented fund" shall have the meaning assigned to it in the <i>Explanation</i> to clause (38) of section 10;</p> <p>(b) "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;</p> <p>(c) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of the <i>Explanation</i> 1 to sub-section (5) of section 43.'.</p>	28 of 2005
22.	Page 19, <i>for</i> lines 35 and 36, <i>substitute</i> —	49
	"(b) the company is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it; and".	
23.	Page 19, <i>for</i> lines 51 to 53, <i>substitute</i> —	49
	<p>"(4) Nothing contained in this section shall apply unless the option is exercised by the person in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the first of the returns of income which the person is required to furnish under the provisions of this Act:</p> <p>Provided that once the option has been exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year."</p>	

<i>Sl. No.</i>	<i>Name of Member and text of the Amendment</i>	<i>Clause No.</i>
24.	Page 20, <i>for</i> lines 5 to 7, <i>substitute</i> ,— <p>"income in aggregate exceeding ten lakh rupees, by way of dividends declared, distributed or paid by a domestic company or companies, the income-tax payable shall be the aggregate of—</p> <p>(a) the amount of income-tax calculated on the income by way of such dividends in aggregate exceeding ten lakh rupees, at the rate of".</p>	50
25.	Page 20, <i>after</i> line 29, <i>insert</i> ,— <p>"(3) The eligible assessee may exercise the option for taxation of income by way of royalty in respect of a patent developed and registered in India in accordance with the provisions of this section, in the prescribe manner, on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the relevant previous year.</p> <p>(4) Where an eligible assessee opts for taxation of income by way of royalty in respect of a patent developed and registered in India for any previous year in accordance with the provisions of this section and the assessee offers the income for taxation for any of the five assessment years relevant to the previous year succeeding the previous year not in accordance with the provisions of sub-section (1), then, the assessee shall not be eligible to claim the benefit of the provisions of this section for five assessment years subsequent to the assessment year relevant to the previous year in which such income has not been offered to tax in accordance with the provisions of sub-section (1)."</p>	52
26.	Page 20, line 31, <i>for</i> "the expenditure incurred by the assessee", <i>substitute</i> "at least seventy-five per cent. of the expenditure incurred in India by the eligible assessee".	52
27.	Page 21, lines 42 and 43, <i>omit</i> ", on or after the 1st day of April, 2016".	53
28.	Page 24, <i>after</i> line 30, <i>insert</i> — <p>"Provided that so much of the accreted income as is attributable to the following asset and liability, if any related to such asset shall be ignored for the purposes of sub-section (1), namely:—</p> <p>(i) any asset which is established to have been directly acquired by the trust or institution out of its income of the nature referred to in clause (1) of section 10;</p> <p>(ii) any asset acquired by the trust or institution during the period beginning from the date of its creation or establishment and ending on the date from which the registration under section 12AA became effective, if the trust or institution has not been allowed any benefit of sections 11 and 12 during the said period:</p> <p>Provided further that where due to the first proviso to sub-section (2) of section 12A, the benefit of sections 11 and 12 have been allowed to the trust or the institution in respect of any previous year or years beginning prior to the date from which the registration under section 12AA is effective, then for the purposes of clause (ii) of the first proviso, the registration shall be deemed to have become effective from the first day of the earliest previous year:".</p>	60

<i>Sl. No.</i>	<i>Name of Member and text of the Amendment</i>	<i>Clause No.</i>
29.	Page 24, line 31, <i>for</i> "Provided that", <i>substitute</i> "Provided also that".	60
30.	page 24, <i>for</i> lines 51 and 52, <i>substitute</i> — "(i) the date on which,— (a) the period for filing appeal under section 253 against the order cancelling the registration expires and no appeal has been filed by the trust or the instituion; or (b) the order in any appeal, confirming the cancellation of the registration, is received by the trust or institution, in a case referred to in clause (i) of sub-section (3);".	60
31.	Page 25, <i>for</i> lines 1 and 2, <i>substitute</i> — "(iii) the date on which,— (a) the period for filing appeal under section 253 against the order rejecting the application expires and no appeal has been filed by the trust or the institution; or (b) the order in any appeal, confirming the cancellation of the application, is received by the trust or institution, in a case reffered to in sub-clause (b) of clause (ii) of sub-section (3);".	60
32.	Page 25, <i>after</i> line 21, <i>insert</i> .— "(iii) registration under section 12AA shall include any registration obtained under section 12A as it stood before its amendment by the Finance (No. 2) Act, 1996.".	60 33 of 1996.
33.	Page 26, <i>for</i> lines 41 to 43, <i>substitute</i> — '(II) for sub-section (ID), the following sub-section shall be substituted, namely:— "(ID) Notwithstanding anything contained in sub-section (I), the processing of a return shall not be necessary before the expiry of the period specified in the second proviso to sub-section (I), where a notice has been issued to the assessee under sub-section (2): Provided that such return shall be processed before the issuance of an order under sub-section (3).";'.	66
34.	Page 31, <i>after</i> line 38, <i>insert</i> — "Provided that where the payee is a non-resident (not being a company) or a foreign company, no deductiton shall be made in respect of any income that is not chargeable to tax under the provisions of the Act.".	81
35.	Page 32, <i>omit</i> lines 24 to 28.	86
36.	Page 32, <i>after</i> line 41, <i>insert</i> — "(1F) Every person, being a seller, who receives any amount as consideration for sale of a motor vehicle of the value exceediong ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one per cent. of the sale consideration as income-tax.".	86

<i>Sl. No.</i>	<i>Name of Member and text of the Amendment</i>	<i>Clause No.</i>
37.	Page 32, for lines 42 and 43, substitute,— <div style="margin-left: 40px;">(iv) after sub-section (11), in the <i>Explanation</i>,— <div style="margin-left: 40px;">(A) in clause (aa), in sub-clause (ii), after the word, brackets, figure and letter "sub-section (1D)", the words, brackets, figure and letter "or sub-section (1F)" shall be inserted; <div style="margin-left: 40px;">(B) in clause (c), after the word "sold", the words, brackets, figure and letter "or services referred to in sub-section (1D) are provided" shall be inserted.'</div> </div> </div>	86
38.	Page 35, line 34, for "may direct", substitute "may, during the course of any proceedings under this Act, direct".	96
39.	Page 35, for lines 49 and 50, substitute,— <div style="margin-left: 40px;">"(f) the amount of deemed total income reassessed as per the provisions of section 115JB or section 115JC, as the case may be, is greater than the deemed total income assessed or reassessed immediately before such reassessment; <div style="margin-left: 40px;">(g) the income assessed or reassessed has the effect of reducing the loss or converting such loss into income."</div> </div>	96
40.	Page 36, line 48, for "Commissioner or the Commissioner (Appeals)", substitute "Commissioner (Appeals) or the Commissioner or the Principle Commissioner".	96
41.	Page 37, for lines 25 to 28, substitute— <div style="margin-left: 40px;">"(10) The tax payable in respect of the under-reported income shall be— <div style="margin-left: 40px;">(a) where no return of income has been furnished and the income has been assessed for the first time, the amount of tax calculated on the under-reported income as increased by the maximum amount not chargeable to tax as if it were the total income; <div style="margin-left: 40px;">(b) where the total income determined under clause (a) of sub-section (1) of section 143 or assessed, reassessed or recomputed in a preceding order is a loss, the amount of tax calculated on the under-reported income as if it were the total income; <div style="margin-left: 40px;">(c) in any other case, determined, in accordance with the formula— <div style="margin-left: 40px;">(X—Y) <div style="margin-left: 40px;">where, <div style="margin-left: 40px;">X = the amount of tax calculated on the under-reported income as increased by the total income determined under clause (a) of sub-section (1) of section 143 or total income assessed, reassessed or recomputed in a preceding order as if it were the total income; and <div style="margin-left: 40px;">Y = the amount of tax calculated on the total income determined under clause (a) of sub-section (1) of section 143 or total income assessed, reassessed or recomputed in a preceding order."</div> </div> </div> </div> </div> </div></div></div>	96

<i>Sl. No.</i>	<i>Name of Member and text of the Amendment</i>	<i>Clause No.</i>
42.	page 37, for line 33, substitute— "Assessing Officer, the Commissioner (Appeals), the Commissioner or the Pricipal Commissioner, as the case may be."	96
43.	Page 37., line 37, after "under section 276C", insert "or section 276CC".	97
44.	Page 37, line 49, after "under section 276C", insert "or section 276CC".	97
45.	Page 40, after line 6, insert— 'Amendment of section 276C. 106A. In section 276C of the Income-tax Act, with effect from the 1st day of April, 2017, in sub-section (1),— (a) in the opening portion, for the world "imposable", the worlds "imposable, or under-reports his income," shall be substituted; (b) in clause (i) after the words "amount sought to be evaded", the worlds "or tax on under-reported income" shall be substituted.'	106 A (New)
46.	Page 43, omit lines 39 and 40.	112
47.	Page 58, line 11, after "and of section", insert "119, section 138 and section".	192

NEW DELHI;
April 29, 2016
Vaisakha 9, 1938 (Saka)

ANOOP MISHRA
Secretary General

LOK SABHA

FINANCE BILL, 2016

[As introduced in Lok Sabha]

Notice of Motions under Rule 388

<i>Sl. No.</i>	<i>Name of Member and text of Motion</i>	<i>Clause No.</i>
SHRI ARUN JAITLEY:		
48.	"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No. 7* to the Finance Bill, 2016 and that this amendment may be allowed to be moved."	29A (New)
49.	"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No. 21* to the Finance Bill, 2016 and that this amendment may be allowed to be moved."	47A (New)
50.	"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No. 45* to the Finance Bill, 2016 and that this amendment may be allowed to be moved."	106A (New)

*Vide Amendments list No. 1 circulated on 29.4.2016.

NEW DELHI;
April 29, 2016

Vaisakha 9, 1938 (Saka)

ANOOP MISHRA
Secretary General

LOK SABHA

FINANCE BILL, 2016

(As introduced in Lok Sabha)

Notice of Amendments

<i>Sl. No.</i>	<i>Name of the Member and text of Amendment</i>	<i>Clause No.</i>
SHRI ARUN JAITLEY:		
51.	Page 64, for lines 27 to 30, substitute— ‘(iv) after clause (cccc), the following clause shall be <i>inserted</i> , namely:— ‘(cccci) “Policy Rate” means the rate for repo-transactions under sub-section (12AB) of section 17;’.	218
52.	Page 65, for line 25, substitute— “(b) Governor of the Reserve Bank of India or his representative (not below the rank of Deputy Governor) — member;”.	219
53.	Page 65, line 30, after “prescribed”, insert “by the Central Government”.	219
54.	Page 65, line 35, after “prescribed”, insert “by the Central Government”.	219
55.	Page 67, line 45, for “sub-section (4)”, substitute “sub-section (3)”	219

NEW DELHI;
May 4, 2016

Vaisakha 14, 1938 (Saka)

ANOOP MISHRA
Secretary General

* The President has in pursuance of clause (1) of article 117 and clause (1) of article 274 of the Constitution recommended to Lok Sabha the moving of the amendments.

LOK SABHA

FINANCE BILL, 2016

(As introduced in Lok Sabha)

Notice of Amendment

<i>Sl. No.</i>	<i>Name of the Member and text of Amendment</i>	<i>Clause No.</i>
SHRI RABINDRA KUMAR JENA:		
56.	Page 49, omit line 44.	146

NEW DELHI;
May 4, 2016
Vaisakha 14, 1938 (Saka)

ANOOP MISHRA
Secretary General