

## LOK SABHA

## FINANCE BILL, 2015

[As introduced in Lok Sabha]

## Notice of Amendments

Sl. No.	Name of the Member and text of Amendment	Clause No.
SHRI ARUN JAITLEY:		
1.	Page 6, after line 8, insert— <p>‘(ba) in clause (24), after sub-clause (xvii), the following sub-clause shall be inserted, namely:—</p> <p>“(xviii) assistance in the form of a subsidy or grant or cash incentive or duty drawback or waiver or concession or reimbursement (by whatever name called) by the Central Government or a State Government or any authority or body or agency in cash or kind to the assessee other than the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset in accordance with the provisions of <i>Explanation 10</i> to clause (1) of section 43;”.</p>	3
2.	Page 6, for lines 11 to 16, substitute— <p>‘(d) in clause (42A), in the <i>Explanation 1</i>, in clause (1), after sub-clause (hc), the following sub-clauses shall be inserted, namely:—</p> <p>“(hd) in the case of a capital asset, being a unit or units, which becomes the property of the assessee in consideration of a transfer referred to in clause (xviii) of section 47, there shall be included the period for which the unit or units in the consolidating scheme of the mutual fund were held by the assessee;</p> <p>(he) in the case of a capital asset, being share or shares of a company, which is acquired by the non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the period shall be reckoned from the date on which a request for such redemption was made;”.</p>	3
3.	Page 6, line 28, omit the words “at any time”.	4
4.	Page 8, after line 37, insert— <p>“Provided that the conditions specified in clause (e), (f) and (g) shall not apply in case of an investment fund set up by the Government or the Central Bank of a foreign State or a sovereign fund, or such other fund as</p>	6

\*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.

<i>Sl. No.</i>	<i>Name of Member and text of Amendment</i>	<i>Clause No.</i>
	the Central Government may subject to conditions, if any, by notification in the Official Gazette, specify in this behalf."	
5.	Page 9, <i>after</i> line 5, <i>insert</i> — “(7A) The provisions of this section shall be applied in accordance with such guidelines and in such manner as the Board may prescribe in this behalf.”	6
6.	Page 9, lines 38 and 39, <i>after</i> “the Securities and Exchange Board of India Act, 1992”, <i>insert</i> “and the Securities Contracts (Regulation) Act, 1956”.	7
7.	Page 9, lines 41 and 42, <i>after</i> “the Securities and Exchange Board of India Act, 1992”, <i>insert</i> “and the Securities Contracts (Regulation) Act, 1956”.	7
8.	Page 10, <i>for</i> lines 1 and 2 <i>substitute</i> — “(b) any recognised stock exchange being a shareholder in such recognised clearing corporation or a contributor to the Core Settlement Guarantee Fund; and  (c) any clearing member contributing to the Core Settlement Guarantee Fund;”	7
9.	Page 11 lines 22 and 23, <i>for</i> “the State of Andhra Pradesh or in the State of Telangana”, <i>substitute</i> “the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal”.	10
10.	Page 11, line 32 <i>for</i> “the State of Andhra Pradesh or in the State of Telangana”, <i>substitute</i> “the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal”.	11
11.	Page 12, <i>after</i> line 16, <i>insert</i> — Amendment of section 36. ‘12A. In section 36 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—  (a) in clause (iii), in the proviso, the words “for extension of existing business or profession” shall be omitted;  (b) in clause (vii), after the proviso, the following proviso shall be inserted, namely:—  “Provided further that where the amount of such debt or part thereof has been taken into account in computing the income of the assessee of the previous year in which the amount of such debt or part thereof becomes irrecoverable or of an earlier previous year on the basis of income computation and disclosure standards notified under sub-section (2) of section 145 without recording the same in the accounts, then, such debt or part thereof shall be allowed in the previous year in which such debt or part thereof becomes irrecoverable and it shall be deemed that such debt or part thereof has been written off as irrecoverable in the accounts for the purposes of this clause.”;  (c) after clause (xvi), the following clause shall be inserted, namely:—  “(xvii) the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar for purchase of sugarcane at a price which is equal to or less than the price fixed or approved by the Government.”.	12A (New)

<i>Sl. No.</i>	<i>Name of Member and text of Amendment</i>	<i>Clause No.</i>
12.	Page 13, after line 10, insert— (1A) after sub-section (2AB), the following sub-section shall be inserted, namely:— (2ABB) Where the capital asset, being share or shares of a company, is acquired by a non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the cost of acquisition of the share or shares shall be the price of such share or shares prevailing on any recognised stock exchange on the date on which a request for such redemption was made. <i>Explanation.</i> —For the purposes of this sub-section, "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of the <i>Explanation 1</i> to sub-section (5) of section 43.	14
13.	Page 13, line 30, for "in addition to the deduction allowed under sub-section (1)", substitute "whether or not any deduction is allowed under sub-section (1)".	17
14.	Page 13, for line 43, substitute— (A) for the words "fifteen thousand rupees", wherever they occur, the words "twenty-five thousand rupees" shall be substituted; (AA) for the words "twenty thousand rupees", wherever they occur, the words "thirty thousand rupees" shall be substituted; (AAA) in sub-section (2), after clause (b), the following shall be inserted, namely:—	18
15.	Page 14, omit lines 26 to 29.	18
16.	Page 16, for lines 33 to 37, substitute— (fb) the amount or amounts of expenditure relatable to income accruing or arising to an assessee, being a foreign company, from,— (A) the capital gains arising on transactions in securities; or (B) the interest, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII, if the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (1); or (fc) the amount representing notional loss on transfer of a capital asset, being share or a special purpose vehicle to a business trust in exchange of units allotted by that trust referred to in clause (xvii) of section 47 or the amount representing notional loss resulting from any change in carrying amount of said units or the amount of loss on transfer of units referred to in clause (xvii) of section 47; or; (aa) after clause (j), the following clause shall be inserted, namely:— (k) the amount of gain on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a	29

Sl. No.	Name of Member and text of Amendment	Clause No.
	value other than the cost through profit or loss account, as the case may be;".	
17.	<p>Page 16, for lines 42 to 47, substitute—</p> <p>"(iid) the amount of income accruing or arising to an assessee, being a foreign company, from,—</p> <p style="padding-left: 40px;">(A) the capital gains arising on transactions in securities; or</p> <p style="padding-left: 40px;">(B) the interest, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII,</p> <p>if such income is credited to the profit and loss account and the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (I); or</p> <p style="padding-left: 40px;">(iie) the amount representing,—</p> <p style="padding-left: 80px;">(A) notional gain on transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by that trust referred to in clause (xvii) of section 47; or</p> <p style="padding-left: 80px;">(B) notional gain resulting from any change in carrying amount of said units; or</p> <p style="padding-left: 80px;">(C) gain on transfer of units referred to in clause (xvii) of section 47,</p> <p>if any, credited to the profit and loss account; or</p> <p style="padding-left: 40px;">(iif) the amount of loss on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through profit or loss account, as the case may be;".</p>	29
18.	<p>Page 16, for lines 49 to 51, substitute—</p> <p style="padding-left: 40px;">'Explanation 4.—For the purposes of sub-section (2), the expression "securities" shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.'</p>	29
19.	Page 17, omit lines 1 and 2.	29
20.	<p>Page 18, for line 21, substitute—</p> <p style="padding-left: 40px;">(I) in sub-section (I),—</p> <p style="padding-left: 80px;">(A) for fourth proviso, the following provisos shall be substituted, namely:—</p> <p style="padding-left: 120px;">"Provided also that a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6, who is not required to furnish a return under this sub-section and who at any time during the previous year,—</p> <p style="padding-left: 160px;">(a) holds, as a beneficial owner or otherwise, any asset (including any financial interest in any entity)</p>	34

Sl. No.	Name of Member and text of Amendment	Clause No.
	<p>located outside India or has signing authority in any account located outside India; or</p> <p>(b) is a beneficiary of any asset (including any financial interest in any entity) located outside India, shall furnish, on or before the due date, a return in respect of his income or loss for the previous year in such form and verified in such manner and setting forth such other particulars as may be prescribed:</p> <p>Provided also that nothing contained in the fourth proviso shall apply to an individual, being a beneficiary of any asset (including any financial interest in any entity) located outside India where, income, if any, arising from such asset is includible in the income of the person referred to in clause (a) of that proviso in accordance with the provisions of this Act:";</p> <p>(B) after explanation 3, the following Explanations shall be inserted, namely:—</p> <p><i>Explanation 4.</i>—For the purposes of this section "beneficial owner" in respect of an asset means an individual who has provided, directly or indirectly, consideration for the asset for the immediate or future benefit, direct or indirect, of himself or any other person.</p> <p><i>Explanation 5.</i>—For the purposes of this section "beneficiary" in respect of an asset means an individual who derives benefit from the asset during the previous year and the consideration for such asset has been provided by any person other than such beneficiary.:</p> <p>(1A) in sub-section (4C), in clause (e),—</p>	
21.	<p>Page 18, after line 31, insert—</p> <p>(III) in sub-section (6), for the words "assets of the prescribed nature, value and belonging to him", the words "assets of the prescribed nature and value, held by him as a beneficial owner or otherwise or in which he is a beneficiary" shall be substituted.:</p>	34
22.	<p>Page 23, after line 26, insert—</p> <p>(c) where, as a result of an order under sub-section (6B) of section 245D, the amount on which interest was payable under clause (b) has been increased or reduced, as the case may be, the interest shall be increased or reduced accordingly.:";</p>	56
23.	<p>Page 24, after line 50, insert—</p> <p>Amendment of section 245-O. '61A. In section 245-O of the Income-tax Act, in sub-section (3), for clause (d), the following clause shall be substituted, namely:—</p> <p>"(d) a law Member from the Indian Legal Service, who is, or is qualified to be, an Additional Secretary to the Government of India.".</p>	61A (New)
24.	<p>Page 35, line 28, for "where such service tax", substitute "where service tax".</p>	111

<i>Sl. No.</i>	<i>Name of Member and text of Amendment</i>	<i>Clause No.</i>
25.	Page 35, line 29, <i>after</i> "shall be payable", <i>insert</i> "and proceedings in respect of such service tax and interest shall be deemed to have been concluded;".	111
26.	Page 35, <i>for</i> lines 33 to 38, <i>substitute</i> — <p>"(2) Where the amount of penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over and above the amount as determined under sub-section (2) of section 73, the time within which the reduced penalty is payable under clause (ii) of the proviso to sub-section (1) in relation to such increased amount of penalty shall be counted from the date of the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be."</p>	111
27.	Page 35, <i>after</i> line 46, <i>insert</i> — <p>"Provided that in respect of the cases where the details relating to such transactions are recorded in the specified record for the period beginning with the 8th April, 2011 upto the date on which the Finance Bill, 2015 receives the assent of the President (both days inclusive), the penalty shall be fifty per cent. of the service tax so determined."</p>	112
28.	Page 35, line 47, <i>for</i> — <p>"Provided that where such service tax", <i>substitute</i> "Provided further that where service tax".</p>	112
29.	Page 35, line 49, <i>after</i> "such service tax", <i>insert</i> "and proceedings in respect of such service tax, interest and penalty shall be deemed to be concluded."	112
30.	Page 35, <i>for</i> line 53, <i>substitute</i> — <p>"Provided also that the benefit of reduced penalty under the second proviso shall be available."</p>	112
31.	Page 36, <i>after</i> line 1, <i>insert</i> — <p>"<i>Explanation.</i>—For the purposes of this sub-section, "specified records" means records including computerised data as are required to be maintained by an assessee in accordance with any law for the time being in force or where there is no such requirement, the invoices recorded by the assessee in the books of accounts shall be considered as the specified records."</p>	112
32.	Page 36, <i>for</i> lines 2 to 7, <i>substitute</i> — <p>"(2) Where the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, modifies the amount of service tax determined under sub-section (2) to section 73, then the amount of penalty payable under sub-section (1) and the interest payable thereon under section 75 shall stand modified accordingly, and after taking into account the amount of service tax so modified, the person who is liable to pay such amount of service tax, shall also be liable to pay the amount of penalty and interest so modified.</p> <p>(3) Where the amount of service tax or penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over and above the amount as determined under sub-section (2) of section 73, the time within which the interest and the reduced penalty is payable under clause (ii) of the second proviso to sub-section (1) in relation to such increased amount of service tax shall be counted from the date of</p>	112

<i>Sl. No.</i>	<i>Name of Member and text of Amendment</i>	<i>Clause No.</i>
	the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be."	
33.	Page 36, <i>for</i> lines 19 to 23, <i>substitute</i> — <p>"(2) In cases where show cause notice has been issued under sub-section (1) of section 73 or under the proviso thereto, but no order has been passed under sub-section (2) of section 73 before the date on which the Finance Bill, 2015 receives the assent of the President, the period of thirty days for the purpose of closure of proceedings on the payment of service tax and interest under clause (i) of the proviso to sub-section (1) of section 76 or on the payment of service tax, interest and penalty under clause (i) of the second proviso to sub-section (1) of section 78, shall be counted from the date on which the Finance Bill, 2015 receives the assent of the President."</p>	113
34.	Page 45, <i>after</i> line 3, <i>insert</i> — <p>"Provided that such deemed recognized stock exchanges shall not carry out any activity other than the activities of assisting, regulating or controlling the business of buying, selling or dealing in commodity derivatives till the said deemed recognized stock exchanges are specifically permitted by the Securities and Exchange Board of India:</p> <p>Provided further that a person buying or selling or otherwise dealing in commodity derivatives as a commodity derivatives broker, or such other intermediary who may be associated with the commodity derivatives market, immediately before the transfer and vesting of rights and assets to the Securities and Exchange Board of India for which no registration certificate was necessary prior to such transfer, may continue to do so for a period of three months from such transfer or, if he has made an application for such registration within the said period of three months, till the disposal of such application."</p>	158
35.	Page 46, <i>omit</i> line 28.	160
36.	Page 46, <i>omit</i> lines 31 and 32.	160
37.	Page 46, line 40, <i>for</i> "but does not include securities", <i>substitute</i> ,— <p>"but does not include securities as referred to in sub-clauses (A), (B) and (C) of clause (ac)".</p>	160
38.	Page 47, <i>omit</i> lines 5 to 11.	160
39.	Page 47, <i>for</i> lines 21 to 23, <i>substitute</i> — <p>Amendment of Section 18A. "161. In section 18A of the Securities Contracts Act,—  <i>(i)</i> in clause (b), for the words "stock exchange, ", the words "stock exchange; or" shall be substituted;  <i>(ii)</i> after clause (b) as so amended, and after the long line, the following clause shall be inserted, namely:—  "(c) between such parties and on such terms as the Central Government may, by notification in the official Gazette, specify,".</p>	161
40.	Page 48, <i>after</i> line 27, <i>insert</i> — 166A (New) <p>Amendment of Section 13. 166A. In section 13 of the Foreign Exchange Act, after sub-section (1), the following sub-section shall be inserted. namely:—</p>	166A (New)

<i>Sl. No.</i>	<i>Name of Member and text of Amendment</i>	<i>Clause No.</i>
	<p>"(1A) If any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, of the aggregate value exceeding the threshold prescribed under the proviso to sub-section (1) of section 37A, he shall be liable to a penalty up to three times the sum involved in such contravention and confiscation of the value equivalent, situated in India, of the foreign exchange, foreign security or immovable property.</p> <p>(1B) If the Adjudicating Authority, in a proceeding under sub-section (1A) deems fit, he may, after recording the reasons in writing, recommend for the initiation of prosecution and if the Director of Enforcement is satisfied, he may, after recording the reasons in writing, may direct prosecution by filing a Criminal Complaint against the guilty person by an officer not below the rank of Assistant Director.</p> <p>(1C) If any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, of the aggregate value exceeding the threshold prescribed under the proviso to sub-section (1) of section 37A, he shall be, in addition to the penalty imposed under sub-section (1A), punishable with imprisonment for a term which may extend to five years and with fine.</p> <p>(1D) No court shall take cognizance of an offence under sub-section (1C) of section 13 except as on complaint in writing by an officer not below the rank of Assistant Director referred to in sub-section (1B)."</p>	
41.	<p>Page 48, after line 49 insert—</p> <p>"(4) The order of the Competent Authority confirming seizure of equivalent asset shall continue till the disposal of adjudication proceedings and thereafter, the Adjudicating Authority shall pass appropriate directions in the adjudication order with regard to further action as regards the seizure made under sub-section (1):</p> <p>Provided that if, at any stage of the proceedings under this Act, the aggrieved person discloses the fact of such foreign exchange, foreign security or immovable property and brings back the same into India, then the Competent Authority or the Adjudicating Authority, as the case may be, on receipt of an application in this regard from the aggrieved person, and after affording an opportunity of being heard to the aggrieved person and representatives of the Directorate of Enforcement, shall pass an appropriate order as it deems fit, including setting aside of the seizure made under sub-section (1).</p> <p>(5) Any person aggrieved by any order passed by the Competent Authority may prefer an appeal to the Appellate Tribunal.</p> <p>(6) Nothing contained in section 15 shall apply to this section."</p>	168

NEW DELHI;  
 April, 29, 2015  
 Vaisakha 9, 1937 (Saka)

ANOOP MISHRA  
 Secretary General