


 (पी. चिदम्बरम)
 (P. CHIDAMBARAM)
 वित्त मन्त्री
 Finance Minister

THE FINANCE BILL, 2013
 (As introduced in the Lok Sabha)
Notice of Amendments

S No.	Name of the Member and Text of Amendments	Clause No			
	SHRI P. CHIDAMBARAM				
1.	Page 2, line 31 for "194LC", substitute "194LC, 194LD".	2			
2.	Page 6, after line 13, insert—	New clause 3A.			
	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Substitution of reference of certain expression by other expression.</td> <td>'3A. In the Income-tax Act, for the expression "the Foreign Exchange Regulation Act, 1973", wherever it occurs, the expression "the Foreign Exchange Management Act, 1999" shall be substituted.'</td> <td>46 of 1973. 42 of 1999.</td> </tr> </table>	Substitution of reference of certain expression by other expression.	'3A. In the Income-tax Act, for the expression "the Foreign Exchange Regulation Act, 1973", wherever it occurs, the expression "the Foreign Exchange Management Act, 1999" shall be substituted.'	46 of 1973. 42 of 1999.	
Substitution of reference of certain expression by other expression.	'3A. In the Income-tax Act, for the expression "the Foreign Exchange Regulation Act, 1973", wherever it occurs, the expression "the Foreign Exchange Management Act, 1999" shall be substituted.'	46 of 1973. 42 of 1999.			
3.	Page 8, after line 11, insert— '(VIA) in clause (48), for the words "sale of crude oil to any person", the words "sale of crude oil, any other goods or rendering of services, as may be notified by the Central Government in this behalf, to any person" shall be substituted with effect from the 1 st day of April, 2014;'.	4			
4.	Page 9, after line 35, insert—	New clause 7A.			
Amendment of section 43.	'(7A) In section 43 of the Income-tax Act, in clause (5), with effect from the 1 st day of April, 2014, (I) in the proviso,— (A) in clause (d), after the words "a recognised stock exchange;"; the word "or" shall be inserted; (B) after clause (d), the following clause shall be inserted, namely:— "(e) an eligible transaction in respect of trading in commodity derivatives carried out in a recognised association;"; (II) the <i>Explanation</i> shall be numbered as " <i>Explanation 1</i> " thereof and in the <i>Explanation 1</i> as so renumbered, for the words "this clause", the word, brackets and letter				

“clause (d)” shall be substituted;

(III) after *Explanation 1* as so renumbered, the following *Explanation* shall be inserted, namely:

Explanation 2.— For the purposes of clause (c), the expressions—

(i) “commodity derivative” shall have the meaning as assigned to it in Chapter VII of the Finance Act, 2013;

(ii) “eligible transaction” means any transaction,—

(A) carried out electronically on screen-based systems through member or an intermediary, registered under the bye-laws, rules and regulations of the recognised association for trading in commodity derivative in accordance with the provisions of the Forward Contracts (Regulation) Act, 1952 and the rules, regulations or bye-laws made or directions issued under that Act on a recognised association; and

(B) which is supported by a time stamped contract note issued by such member or intermediary to every client indicating in the contract note, the unique client identity number allotted under the Act, rules, regulations or bye-laws referred to in sub-clause (A), unique trade number and permanent account number allotted under this Act;

(iii) “recognised association” means a recognised association as referred to in clause (j) of section 2 of the Forward Contracts (Regulation) Act, 1952 and which fulfils such conditions as may be prescribed and is notified by the Central Government for this purpose;.’

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5.

Page 12, after line 27, insert —

“(ba) in sub-section (4), for the words “a certificate, containing such particulars as may be prescribed, of his being a resident”, the words “a certificate of his being a resident” shall be substituted:’

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6.

Page 12, for lines 30 to 32, substitute

“(5) The assesseo referred to in sub-section (4) shall also

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	provide such other documents and information, as may be prescribed.”.	
7.	Page 12, <i>after line 38, insert</i> — (ba) in sub-section (4), for the words “a certificate, containing such particulars as may be prescribed, of his being a resident”, the words “a certificate of his being a resident” shall be substituted;’.	22
8.	Page 12, <i>for lines 41 to 43, substitute</i> “(5) The assessee referred to in sub-section (4) shall also provide such other documents and information, as may be prescribed.”.	22
9. Amendment of Section 115A.	Page 16, <i>for lines 17 to 23, substitute</i> — ‘25. In section 115A of the Income-tax Act, in sub-section (1), with effect from the 1 st day of April, 2014, - (I) in clause (a),— (A) after sub-clause (iiaa), the following sub-clause shall be inserted, namely:- “(iiab) interest of the nature and extent referred to in section 194LD; or”; (B) in item (BA), after the words, brackets, figures and letters “sub-clause (iiaa)”, the words, brackets, figures and letters “or sub-clause (iiab)” shall be inserted; (C) in item (D), for the words, brackets, figures and letters “sub-clause (iiaa)”, the words, brackets, figures and letters “sub-clause (iiaa), sub-clause (iiab)” shall be substituted; (II) in clause (b), for sub-clauses (A), (AA), (B) and (BB), the following sub-clauses shall be substituted, namely:- “(A) the amount of income-tax calculated on the income by way of royalty, if any, included in the total income, at the rate of twenty-five per cent.; (B) the amount of income-tax calculated on the income by way of fees for technical services, if any, included in the total income, at the rate of twenty-five per cent.; and”;	25

Amendment of section 115AD.	<p>25A. In section 115AD, in sub-section (1), in item (i), with effect from the 1st day of April, 2014, the following proviso shall be inserted, namely:—</p> <p>“Provided that the amount of income-tax calculated on the income by way of interest referred to in section 194LD shall be at the rate of five per cent.”.</p>	New clause 25A.
10.	Page 19, after line 5, insert—	New clause 31A.
Amendment of section 138.	<p>‘31A. In section 138 of the Income-tax Act, in sub-section (1), in clause (a), in sub-clause (i), for the words, figures, brackets and letter “section 2(d) of the Foreign Exchange Regulation Act, 1947”, the words, brackets, letter and figures “clause (n) of section 2 of the Foreign Exchange Management Act, 1999” shall be substituted.’</p>	7 of 1947. 42 of 1999.
11.	Page 21, for line 8, substitute—	37
	<p>‘37. In section 153 of the Income-tax Act,—</p> <p>(I) in sub-section (1), for the third proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2012, namely:—</p> <p>‘Provided also that in case the assessment year in which the income was first assessable is the assessment year commencing on the 1st day of April, 2009 or any subsequent assessment year and during the course of the proceeding for the assessment of total income, a reference under sub-section (1) of section 92CA is made, the provisions of clause (a) shall, notwithstanding anything contained in the first proviso, have effect as if for the words “two years”, the words “three years” had been substituted.’;</p>	
	<p>(II) in sub-section (2), for the fourth proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2012, namely:</p> <p>‘Provided also that where the notice under section 148 was served on or after the 1st day of April, 2010 and during the course of the proceeding for the assessment or reassessment or recomputation of total income, a reference</p>	

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	<p>under sub-section (1) of section 92CA is made, the provisions of this sub-section shall, notwithstanding anything contained in the second proviso, have effect as if for the words "one year", the words "two years" had been substituted.;</p>	
	<p>(III) in sub-section (2A), for the fourth proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2012, namely:—</p> <p>‘Provided also that where the order under section 254 is received by the Chief Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Commissioner on or after the 1st day of April, 2010, and during the course of the proceeding for the fresh assessment of total income, a reference under sub-section (1) of section 92CA is made, the provisions of this sub-section shall, notwithstanding anything contained in the second proviso, have effect as if for the words "one year", the words "two years" had been substituted.;</p>	
	(IV) in <i>Explanation 1</i> ,—:	
12.	Page 21, for line 31, substitute—	38
	<p>‘38. In section 153B of the Income-tax Act, in sub-section (1),—</p> <p>(a) for the fourth proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2012, namely:—</p> <p>‘Provided also that in case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2009 or any subsequent financial year and during the course of the proceeding for the assessment or reassessment of total income, a reference under sub-section (1) of section 92CA is made, the provisions of clause (a) or clause (b) of this sub-section shall, notwithstanding anything contained in clause (i) of the second proviso, have effect as if for the words "two years", the words "three years" had been</p>	

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	substituted:—	
	<p>(b) for the sixth proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2012, namely:—</p> <p>Provided also that in case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2009 or any subsequent financial year and during the course of the proceeding for the assessment or reassessment of total income, in case of other person referred to in section 153C, a reference under sub-section (1) of section 92CA is made, the period of limitation for making the assessment or reassessment in case of such other person shall, notwithstanding anything contained in clause (ii) of the second proviso, be the period of thirty-six months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or twenty-four months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later.’;</p>	
	(c) in the <i>Explanation</i> ,—’.	
13.	Page 22, <i>after</i> line 22, <i>insert</i> —	42
	“(3) The provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section.”.	
14.	Page 22, <i>for</i> lines 28 to 42, <i>substitute</i> —	43
Amendment of clause 43.	<p>‘43. After section 194LC of the Income-tax Act, with effect from the 1st day of June, 2013, the following section shall be inserted, namely:—</p> <p>“194LD. (1) Any person who is responsible for paying to a person being a Foreign Institutional Investor or a Qualified Foreign Investor, any income by way of interest referred to in sub-section (2). 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</p>	Insertion of new section 194LD
Income by way of interest on certain bonds and Government securities.		

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	<p>other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.</p> <p>(2) The income by way of interest referred to in sub-section (1) shall be the interest payable on or after the 1st day of June, 2013 but before the 1st day of June, 2015 in respect of investment made by the payee in—</p> <p>(i) a rupee denominated bond of an Indian company ; or (ii) a Government security:</p> <p>Provided that the rate of interest in respect of bond referred to in clause (i) shall not exceed the rate as may be notified by the Central Government in this behalf .</p> <p><i>Explanation.</i>—For the purpose of this section,—</p> <p>(a) “Foreign Institutional Investor” shall have the meaning assigned to it in clause (a) of the Explanation to section 115AD;</p> <p>(b) “Government security” shall have the meaning assigned to it in clause (b) of section 2 of the Securities Contracts(Regulation) Act,1956;</p> <p>(c) “Qualified Foreign Investor” shall have the meaning assigned to it in the Circular, No. Cir/IMD/DF/14/2011, dated the 9th August, 2011, as amended from time to time, issued by the Securities and Exchange Board of India, under section 11 of the Securities and Exchange Board of India Act, 1992.”.</p>	<p>42 of 1956.</p> <p>15 of 1992.</p>
15.	In page 22, after line 42, insert—	Insertion of new clauses 43A, 43B, 43C, 43D and 43E.
Amendment of section 195.	<p>‘43A. In section 195 of the Income-tax Act, in sub-section (1), after the word, figures and letters “section 194LC”, the words, figures and letters “or section 194LD” shall be inserted with effect from the 1st day of June, 2013;</p>	
Amendment of section 196D.	<p>43B. In section 196D of the Income-tax Act, in sub-section (1), for the words, brackets, letters and figures “any income in respect of securities referred to in clause (a) of sub-section (1) of section 115AD is payable”, the words, brackets, letters and figures “any income in respect of securities referred to in clause (a) of sub-section (1) of section 115AD, not being income by way of interest referred to in section 194 LD, is payable” shall be</p>	

Amendment of section 204	<p>substituted with effect from the 1st day of June, 2013;</p> <p>43C. In section 204, -</p> <p>(A) in clause (iia), for the words "authorised dealer", the words "authorised person" shall be substituted;</p> <p>(B) In the <i>Explanation</i>, for clause (b), the following clause shall be substituted, namely:-</p> <p>"(b) "authorised person" shall have the meaning assigned to it in clause (c) of section 2 of the Foreign Exchange Management Act, 1999.;"</p>	42 of 1999.
Amendment of section 206AA.	<p>43D. In section 206AA of the Income-tax Act, after sub-section (6), the following sub-section shall be inserted with effect from the 1st day of June, 2013, -</p> <p>"(7) The provisions of this section shall not apply in respect of payment of interest, on long-term infrastructure bonds, as referred to in section 194LC, to a non-resident, not being a company, or to a foreign company.;"</p>	
Amendment of section 206C.	<p>43E. In sub-section (1D) of section 206C of the Income-tax Act, the brackets and words "(excluding any coin or any other article weighing ten grams or less)" shall be omitted with effect from the 1st day of June, 2013.;"</p>	
16.	Page 23, <i>after</i> line 35, <i>insert</i> —	New clause 46A.
Amendment of section 252.	<p>'46A. In section 252 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted with effect from the 1st day of June, 2013, namely:—</p> <p>"(3) The Central Government shall appoint—</p> <p>(a) a person who is a sitting or retired Judge of a High Court and who has completed not less than seven years of service as a Judge in a High Court; or</p> <p>(b) the Senior Vice-President or one of the Vice-Presidents of the Appellate Tribunal.</p> <p>to be the President thereof.";</p>	
17.	Page 32, <i>for</i> lines 4 to 7, <i>substitute</i> —	93
Special provision for taxable services provided by Indian Railways	<p>"99. (1) Notwithstanding anything contained in section 66, as it stood prior to the 1st day of July, 2012, or in section 66B, no service tax shall be levied or collected in respect of taxable</p>	<p><i>Devi</i></p>

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	<p>services provided by the Indian Railways during the period prior to the 1st day of October, 2012.</p> <p>(2) No refund shall be made of service tax paid in respect of taxable services provided by the Indian Railways during the said period prior to the 1st day of October, 2012.”.</p>	
<p>18.</p>	<p>Page 50, <i>after</i> line 6, <i>insert</i> --</p> <p>“(1A) in Chapter 8, --</p> <p>(a) in tariff item 0801 32 10, for the entry in column (4), the entry “70%” shall be substituted;</p> <p>(b) in tariff item 0801 32 20, for the entry in column (4), the entry “70%” shall be substituted;</p> <p>(c) in tariff item 0801 32 90, for the entry in column (4), the entry “70%” shall be substituted;”.</p>	<p>THE THIRD SCHEDULE.</p>
<p>FB-Official Amendments 4/29/2013 9:14 AM</p>		