

## Summary of Suggestions of ICAI considered in the Income-tax Act, 2025

Sl. No.	Clause No. of the Income-tax Bill, 2025	ICAI's Suggestion/Observation in "Memorandum of Suggestions on the Income-tax Bill, 2025" considered in the Income-tax Act, 2025
1.	2(22)(b)	Inclusion in the definition of capital asset, any <b>securities held by an investment fund specified in section 224(10)</b> which has invested such securities in accordance with the provisions of the regulations made under the SEBI, 1992 or under the IFSCA Act 2019.
2.	2(49)	<b>Residuary clause (x) "any other income referred to in section 2(24) of the Income-tax Act, 1961"</b> in the definition of income in the Bill <b>to be omitted</b> , since reading the provisions of the new law with the provisions of the erstwhile law would increase the complexity; and in any case, the definition of income under section 2(49) is an inclusive one.
3.	6(1)	The phrase 'in India' when used after "person" seems to suggest that sub-section (1) is only for determining residential status of a person in India, while the objective is to determine under the Income-tax Act, the <b>residential status in India</b> of every person. The phrase, accordingly, needs to be modified in line with the objective.
4.	6(3)(b)	The usage of phrase "for employment outside India" in the place of "For the purposes of employment outside India" in this section may lead to further litigation, since it may be interpreted to exclude from its scope travel for self-employment, business purposes, or for seeking employment. Therefore, <b>"for the purpose of employment outside India" be reinstated in this provision</b> so that individuals, who are citizens of India, leaving India for self-employment or business purposes or for seeking employment would also be treated as resident only if they are in India for a period of 182 days or more in that tax year.
5.	6(13)	In clause (b), in sub-clause (ii), the citizen of India or person of Indian origin is required to be present for 120 days or more but less than 182 days in the current <b>tax year</b> , for being treated as a not ordinarily resident in India. The reference to "in the tax year" is missing in the sub-clause.
6.	7	Sub-section (2) thereof contains the provisions relating to the time of bringing to tax dividend income which is contained in section 8 of the Income-tax Act, 1961. This does not seem to appropriately fit into this section as sub-section (2) does not sync with the section heading of 'Income deemed to be received'. This may either be brought as a separate section <b>or the heading of the section be modified</b> .
7.	9(5)(b)	Section 9(5)(b)(i) specifies that interest payable by the permanent establishment in India of a non-resident person engaged in the business of banking to the head office or any other permanent establishment of the non-resident outside India would be deemed to accrue or arise in India. Section 9(5)(b)(ii) clarifies that chargeability to tax of interest referred to in (i) is in addition to any income attributable to the permanent establishment in India. The

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		conjunction "and" is required between (i) and (ii) of section 9(5)(b). In the Income-tax Act, 2025, (i) and (ii) have been merged with conjunction "and" in between.
8.	9(6)(a)(iii)(B)	As per this provision in the Bill tabled in the Lok Sabha on 13.2.2025, income by way of royalty payable by a non-resident making or earning any income from any source <b>outside India</b> shall be deemed to accrue or arisen in India. <b>The closing portion should be 'in India' and not 'outside India'</b> , for the income to be deemed to accrue or arise in India in the hands of the non-resident.
9.	9(9)(g)(iv)	As per this provision in the Bill tabled in the Lok Sabha on 13.2.2025, "associated enterprises" shall have the meaning assigned to it in section 159. However, <b>the meaning of associated enterprises is in section 162 and not in section 159</b> . Therefore, the section reference is not correct and requires modification.
10.	9(10)	The word " <b>accrue</b> " has been spelt wrongly as "accure" in clause (b) of sub-section (10), which needs to be corrected.
11.	11(1) read with Schedule III	Income in the nature of perquisite would not be included in the total income of an employee, being an individual, subject to satisfaction of conditions in (a) to (c). The condition in (c) refers to section 200 of the Companies Act, 1956, which prohibited tax-free payments to officers and employees of companies. There is, however, no parallel provision in the Companies Act, 2013. Hence, it was suggested that the <b>condition in clause (c) may be removed</b> .
12.	33(4)	<b>Reference to sub-section (8) can be removed in sub-section (4)</b> , since sub-section (9) contains the specific provision for restricting additional depreciation to 50%, where the asset is acquired and put to use for less than 180 days.
13.	35(b)(i)	The Bill mentions that where tax is deducted and paid during any subsequent year, deduction will be allowed in the year when the tax is paid. The phrase in section 35(b)(i)(A) can be <b>redrafted for clarity to cover the situation where tax is deducted during the subsequent year and where tax is deducted during the relevant tax year but deposited after the specified due date in the subsequent year</b> .
14.	35(d)	Clause (d) of Section 35 containing disallowance of consideration paid or payable to a non-resident for a specified service on which equalization levy is deductible but not deducted/remitted before the due date, <b>may be omitted consequent to removal of equalization levy on specified service</b> .

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15.	37(1)	This section does not contain the phrase " <b>a deduction otherwise allowable under the Act</b> " (which is present in section 43B of the Income-tax Act, 1961), which may imply that deductions which are not otherwise allowable under the Act can also be allowed on actual payment. The absence of this phrase "a deduction otherwise allowable under the Act" in the Bill may result in extensive litigation. Therefore, this phrase be re-instated.
16.	41	This section provides for the written down value of depreciable asset. In order to ensure consistency, "at the beginning of the tax year in which such transfer took place" may be substituted with the following phrase may be added " <b>in the immediately preceding tax year as reduced by the depreciation actually allowed</b> in relation to the said preceding tax year" in cases where a holding company transfers block of asset to subsidiary company and vice versa and amalgamating company to the amalgamated company.
17.	45(2)(c)	For deduction in case of expenditure incurred by a company engaged in certain businesses (like bio-technology), the words ' <b>on scientific research</b> ' needs to be included so that only such expenditure qualifies for deduction.
18.	46(9)	Sub-section (9)(b) suggests that if the specified asset is used for the period exceeding 8 years then there is a non compliance, which is not the intention. There is a <b>violation when the specified asset is used for a purpose other than the specified business during the period specified in clause (a)</b> . The wordings have to be changed accordingly.
19.	47(1)	The phrase " <b>notified as per the guidelines</b> issued by the Board" be re-worded as " <b>notified by the Board</b> in this behalf in accordance with the guidelines" to convey the correct intent.
20.	58(2)	The presumptive rate of 6% should apply on the <b>turnover received through banking channels in the tax year as well as in the subsequent year till the due date u/s 139(1)</b> .
21.	62(2)(d)	This section contains the provisions in relation to maintenance of books of account. The limit of turnover/gross receipts in clause (d) of sub-section (2) in case of individual or HUF <b>should be Rs.25 lakh and not Rs.2.50 lakh</b> .
22.	64	This section is on "Facilitating payments in electronic modes". Section 187 of the Income-tax Bill, 2025 is on similar lines of section 269SU of the Income-tax Act, 1961. <b>Since the requirement and condition of both the sections of the Income-tax Bill, 2025 i.e., sections 187 and 64 are the same, section 64 may be removed.</b>

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23.	66(15)	The reference of "National Housing Bank" was in existing clause (b) of section 43D of the Income-tax Act, 1961. This clause has been omitted by the Finance (No. 2), Act, 2024. Hence, <b>clause (15) containing the meaning of "National Housing Bank" may be removed from section 66.</b>
24.	66(28)	The term "rent" is not used in section 35(b)(i) of Income-tax Bill, 2025 as it is not relevant since the phrase "any sum payable" is used in this section. Hence, <b>clause (28) containing the meaning of rent can be removed from section 66.</b>
25.	66(45)	The term "work" is not used in section 35(b)(i) of Income-tax Bill, 2025 as it is not relevant since the phrase "any sum payable" is used in the section. Hence, <b>clause (45) containing the meaning of work can be removed from section 66.</b>
26.	67(1)	Section 67(1) is the charging section in capital gains, which brings to tax any profits or gains arising from the transfer of a capital asset effected in a tax year, save as otherwise provided in sections 82, 83, 84, 86, 87, 88 and 89. Section 67(1) may be reworded <b>to include section 85</b> in the list of sections mentioned therein, since section 85 also contains an exemption provision akin to other sections between sections 82 to 89.
27.	70(2)	In line with current provisions in clause (b) of Explanation to section 47 of the Income-tax Act, 1961 wherein the <b>terminal date for transfer of assets has been extended from 2025 to 2030</b> , a consequential amendment may be made in the definition of "relocation" in section 70(2) of the Income-tax Bill, 2025, to mean transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund <b>on or before the 31st March, 2030.</b>
28.	74(1)	Section 74(1) provides that for a capital asset forming part of a block of assets on which depreciation has been allowed, the provisions of sections 72 and 73 shall be subject to the provisions of sub-sections (2), (3) and (4). However, there is no sub section (4) in section 74. Therefore, <b>section 74(1) can be subject to the provisions of sub-sections (2) and (3).</b>
29.	74(3)(b)	Since section 74(2) states that excess shall be deemed to be <b>"capital gains arising from the transfer of short term capital assets"</b> , similar language may be used in section 74(3)(b) in the place of "short-term capital gains".
30.	99(1)(a)(i)	Section 99(1)(a)(i), containing the clubbing provisions in respect of income of spouse, uses the word <b>"exclude" instead of "include", which conveys the converse meaning</b> , which needs to be corrected.

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31.	99(5)(b)	In this provision containing the clubbing provisions of income of a minor child, reference has wrongly been made to <b>sub-section 1(d) instead of sub section 1(c)</b> , which needs to be corrected.
32.	103	This provision brings to tax unexplained investment. It was suggested that, in the opening part the phrase " <b>where the investment is found recorded</b> " <b>may be deleted</b> .
33.	104(1)	This provision brings to tax unexplained asset. It was suggested that the phrase " <b>where the asset is found recorded</b> " <b>may be deleted</b> .
34.	122	There is an inadvertent typographical error here that may be <b>rectified from section 121 to section 122</b> .
35.	124	The section heading is "Deduction in respect of employer contribution to pension scheme of Central Government. Sub-section (1) of section 124 provides deduction in respect of employer contribution to pension scheme of Central Government. Sub-section (3) and (4) provide deduction for assessee's contribution to pension scheme of Central Government in his account and minor's account, respectively. Therefore, <b>the heading of this section should be suitably modified</b> . Also, addition of the words " <b>by such individual</b> " in sub-section (3) would clarify that the limit of Rs.50,000 is only in respect of own contribution to pension fund.
36.	183	This section contains the application of the provisions of Chapter XI on GAAR. It was suggested that the opening sentence is incomplete and is not conveying the desired meaning without the words " <b>shall apply</b> ". Hence, it needs to be redrafted to include these words.
37.	185(1)	Since receipt of loan or deposit or specified sum is allowed in any of the modes mentioned in clauses (a) to (d) of sub-section (1), it is necessary to use the word " <b>or</b> " after each of the clauses (a), (b) and (c) to convey the correct intent of the provision. Accordingly, the word " <b>or</b> " may be inserted after clause (a) as well as clause (b) in sub-section (1).
38.	186(1)	Since receipt is allowed in any of the modes mentioned in clauses (i) to (iv) of sub-section (1), it is necessary to use the word "or" after each of the clauses (i), (ii) and (iii) to convey the correct intent of the provision. Word " <b>or</b> " may be inserted after clause (i) as well as in clause (ii) in the exceptions stated in sub-section (1)
39.	188	Since the section covers mode of repayment of certain loans, deposits as well as specified advances, reference to " <b>specified advances</b> " to be included in the section heading "Mode of repayment of certain loans or deposits".

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40.	194(2)	In this section, income from horse race is taxable, and therefore, the term "horse race" needs to be defined. Section 115(4)(c) defines the term "race horse" not "horse race". The term "horse race" is defined under section 94(6). Accordingly, section 194(2)(d) may be <b>amended to give reference of section 94(6) instead of section 115.</b>
41.	200(1)	Under the provisions of the Income-tax Act, 1961, deductions in respect of additional employee cost u/s 80JJAA and inter corporate dividends u/s 80M are permitted even if the company opts for the special tax regime under section 115BAA. The corresponding clause 200 in the Income-tax Bill, 2025 containing the special tax regime for domestic companies, however, permits deduction only in respect of additional employee cost under section 146 and not inter corporate dividends under section 148. Reference to section 148 needs to be included in section 200(1)(a)(ii) which should read as " <b>Chapter VIII other than the provisions of section 146 and 148</b> ".
42.	206(2)	As per section 115JEE(1) of the Income-tax Act, 1961, the provisions of Chapter XII-BA would apply to a person who has claimed deduction under any section included in Chapter VI-A under the heading "Deductions in respect of certain incomes" or section 10AA or section 35AD. This provision is not present in section 206 of the Income-tax Bill, 2025, due to which the scope of applicability of AMT provisions may be considerably expanded. <b>Provision akin to section 115JEE(1) of the Income-tax Act, 1961 needs to be included in section 206.</b>
43.	214	This provision deals with investment income and long-term capital gains from a foreign exchange asset, which is a specified asset acquired in convertible foreign exchange by a non-resident Indian. Hence, there is no need to <b>specify the rate for long-term capital gains from any asset other than specified asset in this provision.</b> This may be considered to be removed.
44.	223(2)	This section provides that subject to the provisions of sections 196 and 197, the total income of a business trust shall be charged to tax at the maximum marginal rate. Capital gains on transfer of long-term capital assets referred to in section 198 also has to be charged to tax at the rate of 12.5% and not at MMR. However, there is no reference to section 198 in section 223(2). Accordingly, <b>reference to section 198 to be added.</b>
45.	232(23)	This section contains certain conditions for applicability of tonnage tax scheme. The term 'inland vessel' has been substituted with 'new inland vessel' in other provisions of this Part. However, the use of the term ' <b>new inland vessel</b> ' in this particular clause is not required and may constitute an apparent discrepancy.
46.	235(a)	Use of the word "new" with "inland vessel" is not needed while defining "bareboat charter", as the word "new" is not used with "ship". The <b>use of "new" with "inland vessel" may result in interpretational issues.</b>

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47.	239(3)(a)	This section contains the provisions relating to instructions to subordinate authorities. Reference to the <b>sections 288 and 408</b> of the Income-tax Bill, 2025, may also be included in section 239, since the corresponding existing sections of the Income-tax Act, 1961 have been included in section 119 of the said Act.
48.	247(9)	Section 247(9) may be redrafted to correct typographical errors and to ensure that the provision appropriately refers to a ' <b>valuer</b> ' and to laws ' <b>in force</b> ' instead of 'value' and 'enforce'.
49.	252(1)(e)	Section 252 contains the power to call for information. The real intention of clause (e) of section 252(1) is that the limit of more than Rs.10000 applies to all types of payments enumerated in clause (e) and not to only annuity taxable under the head 'salaries. Therefore, <b>bracketing of the phrase '(not being any annuity taxable under the head "Salaries")'</b> is suggested in consonance with the language of para 9.10 of CBDT circular no. 551 dated 23.01.1990 explaining the amendments by Direct Tax Laws (Amendment) Act, 1987.
50.	263(1)(a)(ix)	Clause 263 (1)(a)(ix) requires a person who intends to make a claim of refund under Chapter XX to file return of income for the tax year on or before the due date i.e., 31st July/ 31st October/ 30th November, as the case may be, of the financial year succeeding the relevant tax year. This implies that refund cannot be claimed by filing a belated return on or before 31st December of the financial year succeeding the relevant tax year. This being a stringent condition imposed vide the new bill, it was suggested that <b>sub-clause (ix) may be removed from section 263(1)(a).</b>
51.	263(1)(b)	The table specifying the due dates for filing return of income requires clarity. For example, in case of a company which is required to furnish transfer pricing audit report, whether due date would be as per Sl. No. 1 or Sl. No. 4. Therefore, it was suggested that the order of presentation may be modified, and suitable exclusions be added in 2, 3 and 4 for greater clarity. <b>The entry at Table: Sl.No. 4 may be placed at Sl. No.1 for clarity. Thereafter, Sl. No.2 to 4 to exclude the assessee covered in Sl. No.1. The modified table was suggested, which has been incorporated in the Income-tax Act, 2025.</b>
52.	267	As per section 263(6)(c)(iv), no person can furnish an updated return if an updated return has already been furnished and as such section 267(12) cannot be acted upon and is infructuous. Therefore, <b>section 267(12) may be omitted.</b>
53.	279(1)	This section is on income escaping assessment. In section 279(1), the bracket opened should be appropriately closed to ensure grammatical accuracy and proper statutory referencing.



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54.	282(1)(b)	Sub-section (1) contains the time limit for issuing notice under section 280. Insertion of the words ' <b>in his possession</b> ' in section 282(1)(b) was suggested to ensure that the Assessing Officer forms a belief regarding income escaping assessment based on specific material evidence in his possession, thereby conforming to the principles of reasonableness and objective satisfaction as mandated under the provisions of the Act.
55.	285(2)	Section 285 contains other provisions. It was suggested that the word ' <b>may</b> ' be substituted with ' <b>shall</b> ' in sub-section (2), thereby making it mandatory for the Assessing Officer to drop the proceedings upon a valid claim made by the assessee.
56.	292	The section-heading to be changed to "Assessment of <b>total undisclosed income</b> as a result of search" and the words "total income" in sub-sections (1) and (7) be substituted with "total undisclosed income".
57.	293(1)	Reference may be made to <b>total undisclosed income</b> in the section heading and in the opening part of sub-section (1). Also, clause (b) be substituted in line with the amendments made by the Finance Act, 2025 in section 158BB of Income-tax Act, 1961
58.	293(6)	<b>This sub-section may be omitted.</b> The corresponding provisions have now been omitted in section 293 of the Income-tax Act, 2025.
59.	294(1)	Section 294 contains the procedure of block assessment. It was suggested that the notice should require filing of return, setting forth his <b>undisclosed income for the block period</b> (instead of total income, including undisclosed income, for the block period).
60.	294(1)(a)	It was suggested that clause (v) may be inserted in section 294(1)(a) to provide that the <b>time allowed for furnishing a return under this clause may be extended by a further period of thirty days</b> in certain specified cases.
61.	294(1)(b)	There are two typographical errors in clause (b), where <b>the references to sections '287 and 288' should be substituted with 'sections 277 and 278'</b> , as the provisions relating to 'method of accounting in certain cases' and 'taxability of certain income' are dealt with under sections 277 and 278, respectively.
62.	294(1)(c)	<b>Sub-clause (ii) of section 294(1)(c) may be omitted</b> and consequently the sub-clause (i) may be merged with the opening part of section 294(1)(c).



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63.	295	The amendments made by Finance Act, 2025 in section 158BD of Income-tax Act, 1961 may be incorporated in Section 295 of Income-tax Bill, 2025.
64.	296	This section provides for the time limit for completion of block assessment. <b>The word "month" may be substituted with "quarter"</b> in sub-sections (1) and (5), so that the limitation period will be reckoned from the end of the quarter. Also, it was suggested that in sub-section (3), reference should be of <b>assessment/reassessment of "total undisclosed income" instead of "total income"</b> .
65.	298(1)	This section is on levy of interest and penalty in certain cases. In sub-section (1), reference should be to <b>"return of undisclosed income"</b> instead of "return of total income".
66.	335	In the definition of "regular income", in clauses (a) and (b), the term <b>"receipts" be replaced with "income"</b> .
67.	337	This section contains the provisions in relation to specified income of a registered non-profit organization. 5% of "such" donations is a drafting error as such donations refer to anonymous donations and not total donations. Also, 5% of anonymous donations will always be lower than the amount of anonymous donations. The <b>5% exclusion has to be computed with respect to total donations</b> , and not such donations, which imply anonymous donations.
68.	337	Amounts received by <b>Religious cum Charitable trusts may also be excluded</b> from the scope of anonymous donations included in specified income.
69.	349	This section contains the requirement of filing return of income of a registered non-profit organization. It was suggested that <b>reference of section 263(2) is required</b> so as to enable furnishing its return online and in the manner as prescribed under 263(2).
70.	383(2)	The requirement to make the application for advance ruling <b>in quadruplicate</b> in section 383(2) may be removed since these applications are made via e-mail.
71.	390(4)	Sub-section (4) uses the term <b>"tax collection"</b> to describe the payment of tax in addition to other modes of tax collection. It may be more accurate and consistent to use <b>"recovery"</b> as used in sections like section 226 of the Income-tax Act, 1961 and Section 416 of the Income-tax Bill, 2025.
72.	393(1)	The opening para of section 393(1) requires deduction of tax at source on the entire amount of such income or

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	Opening para	sum, where the amount or aggregate of amounts exceeds the threshold limit specified in column D at the rate specified in column D, subject to the provisions of sub-sections (6), (8) and (9).  However, in Sl. No.8(ii) in the Table, in respect of any sum for purchase of any goods, the rate of tax is to be applied on such sum exceeding Rs.50 lakh. <b>This contradicts the opening statement requiring deduction of tax at source on the entire amount, where the amount or aggregate of amounts exceeds the threshold limit.</b>
73.	393(1)	In the table in section 393(1), in Sl. No. 4, Column B, sl. No.(ii), there is <b>duplication of reference to (Table: Sl. No.4) of Schedule V, which needs to be removed.</b>
74.	393(1)	In the table in section 393(1), in Sl. 6(iii), in respect of payments for fees for professional and technical services, royalty etc., it is suggested that <b>independent threshold limit be provided for each category (a) to (e)</b> in line with section 194J of the Income-tax Act, 1961.
75.	393(3)	Sections 448 and 476 make reference to Note 3 in Table in section 393(3). However, <b>there is no Note in Table in section 393(3)</b> in the Income-tax Bill, 2025 tabled on 13.2.2025. Notes have now been included in the Income-tax Act, 2025.
76.	402(3)	Section 402(3) defines "an incorrect claim apparent from any information in the statement" only with reference to TDS statements and not TCS statements. In Section 402(3), there is no reference in respect of TCS as was in section 206CB of the Income-tax Act, 1961 for an incorrect claim apparent from any information in the statement under section 397(3)(d). <b>Accordingly, Section 402(3) has to be amended to include reference to TCS statements.</b>
77.	416(5)	Section 416 provides for the other modes of recovery. In sub-section (5)(h), reference to statement under " <b>clause (g) above</b> " is missing and needs to be included.
78.	433	This section requires furnishing of return as per section 263 for claim of refund <b>under this Part</b> . Since Chapter XX has no 'Parts', <b>the word "Chapter" may be used in place of "Part"</b> .
79.	436	This section states that in a claim <b>under this Part</b> , it shall not be open to the assessee to question the correctness of assessment etc. Since Chapter XX has no 'Parts', the words "this chapter" may be used instead of "this Part".
80.	437(7)	Section 437 is on interest on refunds. It was suggested that, to eliminate interpretational issues, the phrase " <b>as</b>

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		<b>the case may be</b> " may be inserted in sub-section (7) which provides for exclusion of period of delay attributable to the assessee or the deductor, from the period for which interest is payable under this section.
81.	437(9)	Sub-section (9) provides that where, as a result of an order under certain sections, the amount on which interest was payable under sub-section (1) has been increased or reduced, the interest shall be increased or reduced accordingly. Reference of sub-section (3) seems to be an inadvertent omission in sub-section (9), and the same may be included after "under sub-section (1)".
82.	441	As per section 470, no penalty shall be imposed on a person or assessee, if he proves that there was reasonable cause for the said failure. On proving reasonable cause, no penalty would be levied; thus, <b>the word "may" be used in place of "shall"</b> in section 441 providing for levy of penalty for certain failure.
83.	443(5)	Sub-section (5) of section 443 provided that the provisions of sections 471 and 472 shall as far as may be, apply in relation to the penalty referred to in this section. Section 471 [Procedure (including giving reasonable opportunity of being heard)] and 472 [Time limit for imposing penalties] are applicable for all penalties under this chapter. Thus, <b>inclusion of specific sub-section (5) may not be required.</b>
84.	444	<b>The numbering of sub-section (1) has been inadvertently omitted</b> , the same may be included. In sub-section (2) reference of sub-section (1) has been made but presently there is no numbering of sub-section (1) to Section 444 due to this inadvertent omission.
85.	449	There is no sub-section in this section, still number (1) is written, which can be removed. The number (1) may be removed since there is no other sub-section in this section.
86.	456	Reference to the provision in the Income-tax Act, 1961 is not required. Therefore, reference to section 9A(5) of the Income-tax Act, 1961 to be removed.
87.	478(4)	In clause (d) word "may" be replaced with the word " <b>will</b> ", so that only if any person causes any other circumstance to exist which <b>will</b> have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof, it would constitute a willful attempt to evade tax, penalty or interest chargeable or imposable under the Act.

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88.	491(1)	This section provides that previous sanction of the Principal Commissioner or Commissioner or Joint Commissioner (Appeals) or Commissioner (Appeals) is required for initiating prosecution proceedings. <b>As per the hierarchy, Commissioner (Appeals) to be mentioned before Joint Commissioner (Appeals).</b>
89.	499(4)(a)	The meaning of assets is given in clause (a) of section 499(4). It was suggested that 'and' may be added before the last item, namely virtual digital asset, for consistent structuring.
90.	501(1)	Under section 282 of the Income-tax Act 1961, "The service of a notice, or summon, or requisition, or order, or any other communication" was referred to as communication under the section. Since the bracketed portion is missing in section 501 of the Income-tax Bill, 2025, the use of the word "communication" under 501(2) may not serve the intended purpose. Accordingly, section 501(1) has to be redrafted to include the bracketed portion <b>(hereafter in this section referred to as "communication")</b> .
91.	506	This section contains the provisions for furnishing of information or documents by an Indian concern in certain cases. There is reference to section 9(9)(a) in the first part of the section and reference to "under the said clause" in the later part. Thus, there is mentioning of "under the said clause" in the latter part of the section, without any clause being referred to earlier in the section. There is need for alignment in both parts.
92.	511(4)	In clause (c), the absence of "of the country or territory" after systemic failure makes the sentence incomplete and may create a disconnect between this paragraph and the definition of "systemic failure" provided under 511(10). Therefore, <b>"of the country or territory" may be included after "systemic failure" in clause (c).</b>
93.	515(4)	In clause (b), <b>the reference to Section 275(1)(ii) to be corrected as section 271(1)(ii).</b> There is no clause (ii) under 275(1) of the Income-tax Act, 1961.

The above suggestions are presented in detail in the tabular presentation below showing the provision as per the Income-tax Bill, 2025 tabled in the Parliament on 13.2.2025, the suggestion given along with rationale in the Memorandum of Suggestions on the Income-tax Bill, 2025 sent by ICAI on 21.4.2025 and the manner in which the suggestions/observations have been considered in the Income-tax Act, 2025. The page number of the suggestion/observation in the Memorandum of Suggestions on the Income-tax Bill, 2025 has also been given in the tabular presentation for reference.

### Suggestions of ICAI considered in the Income-tax Act 2025

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
1.	2(22)	<p><b>Definition</b></p> <p><b>(22) "capital asset"</b> means—</p> <p>(a) property of any kind held by an assessee, whether or not connected with his business or profession;</p> <p><b>(b) any securities held by a Foreign Institutional Investor or held by an investment fund specified in section 224(10)(a) which has invested in such securities as per the regulations made under the Securities and Exchange Board of India Act, 1992;</b></p> <p><b>(c)....</b></p>	<p>It was suggested that investment fund specified in section 224(10) be included in the definition of capital asset in line with the amendment by the Finance Act, 2025 in section 2(14)(b) of the Income-tax Act, 1961.</p> <p>Accordingly, it was suggested that section 2(22)(b) of Income-tax Bill, 2025 be amended as follows:</p> <p><b>(b) any securities held by—</b></p> <p>(i) 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; or</p> <p><b>(ii) an investment fund specified in sub-section (10) of section 224 which has invested such securities in accordance with the provisions of the regulations made under the Securities and Exchange Board of India Act, 1992 or under the International Financial Services Centers Authority Act 2019,</b></p>	17-18	<p>This suggestion has been considered and section 2(22) now reads as follows -</p> <p>(22) "capital asset" means—</p> <p>(a) property of any kind held by an assessee, whether or not connected with his business or profession;</p> <p><b>(b) any securities held by—</b></p> <p>(i) 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; or</p> <p><b>(ii) an investment fund specified in section 224(10)(a) which has invested such securities in accordance with the provisions of the regulations made under the Securities and Exchange Board of India Act, 1992 or under the International Financial Services Centers Authority Act, 2019</b></p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
2.	2(49)	<p>(49) "income" includes—</p> <p>(a) profits and gains;</p> <p>(b) dividend;</p> <p>(c) ...</p> <p>(d)....</p> <p>(e)....</p> <p><b>(x) any other income referred to in section 2(24) of the Income-tax Act, 1961,</b></p>	<p>There is a residuary sub-clause (x) referring to "any other income referred to in section 2(24) of the Income-tax Act, 1961". Reading the provisions of the new law with the provisions of the erstwhile law would increase the complexity. In any case, the definition of income under section 2(49) is an inclusive definition.</p> <p><b>Therefore, it was suggested that sub-clause (x) be omitted.</b></p>	3-4	This suggestion has been considered and <b>sub-clause (x) referring to the definition of income under the Income-tax Act, 1961 has been omitted from section 2(49).</b>
3.	6(1)	<p><b>Residence in India</b></p> <p>(1) For the purposes of this Act, residence of a <b>person in India</b> shall be determined as per this section.</p>	<p>The phrase 'in India' when used after "person" seems to suggest that sub-section (1) is only for determining residential status of a person in India, while the objective is to determine under the Income-tax Act, the <b>residential status in India of every person.</b></p>	44	<p>This suggestion has been considered and section 6(1) now reads as follows:</p> <p>6. (1) For the purposes of this Act, <b>residential status in India</b> in a tax year <b>of a person</b> shall be determined as per the provisions of this section.</p>
4.	6(3)(b)	<p>(3) The provisions of sub-section (2)(b) shall not apply in the case of an individual who is a citizen of India and leaves India in any tax year—</p> <p>(a) as a member of the crew of an</p>	<p>"For the purposes of employment outside India" is being substituted by "for employment outside India". This may lead to further litigation, since it may be interpreted to exclude from its scope travel for</p>	46	<p>This suggestion has been considered and section 6(3)(b) now reads as follows:</p> <p>6(3) The provisions of sub-section (2)(b) shall not apply in the case of an individual who is</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		<p>Indian ship, as defined in section 3(18) of the Merchant Shipping Act, 1958; or</p> <p>(b) <b>for employment outside India.</b></p>	<p>self-employment, business purposes, or for seeking employment.</p> <p><b>It was suggested that “<u>for the purpose of employment</u>” be reinstated in this provision in the place of “for employment outside India”.</b></p>		<p>a citizen of India and leaves India in any tax year—</p> <p>(a) as a member of the crew of an Indian ship, as defined in section 3(18) of the Merchant Shipping Act, 1958; or</p> <p>(b) for <b><u>the purposes of employment outside India.</u></b></p>
5.	6(13)	<p>(13) A person is not ordinarily resident in India in any tax year, if that person is—</p> <p>(a) an individual who has been, or a Hindu undivided family, whose manager has been—</p> <p>...</p> <p>...</p> <p>(b) a citizen of India or a person of Indian origin,—</p> <p>(i)...</p> <p>(ii) who has been in India cumulatively for one hundred and twenty days or more but less than one hundred and eighty-two days; or</p> <p>(c)..</p>	<p>In clause (b), in sub-clause (ii), the citizen of India or person of Indian origin is required to be present for 120 days <b>in <u>the tax year</u></b>. This is not coming out in the sub-clause.</p>	49	<p>This suggestion has been considered and sub-clause (ii) of clause (b) now reads as follows:</p> <p>A person is not ordinarily resident in India in any tax year, if that person is—</p> <p>(a) .....</p> <p>(b) a citizen of India or a person of Indian origin,—</p> <p>(i) ...</p> <p>(ii) who has been in India cumulatively for one hundred and twenty days or more but less than one hundred and eighty-two days <b>during <u>the tax year</u></b>;</p>



Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
6.	7	<b>Income deemed to be received</b> The section heading is "Income deemed to be received"	<b>Heading of Section 7 is 'Income deemed to be received'</b> Sub-section (1) thereof specifies the incomes which shall be deemed to the received in the tax year Sub-section (2) thereof contains the provisions relating to the time of bringing to tax dividend income which is contained in section 8 of the Income-tax Act, 1961. This does not seem to appropriately fit into this section as sub-section (2) does not sync with the section heading of 'Income deemed to be received'. This may either be brought as separate section or <b>heading of section be modified.</b>	52	This observation has been considered and the section heading has been changed to <b>"Income deemed to be received and dividend deemed to be income in a tax year"</b> .
7.	9(5)(b)	<b>Income deemed to accrue or arise in India.</b> (a) Income by way of interest payable by – (i)... (ii).... (iii) a non-resident, if it is in respect of any debt incurred, or moneys borrowed and used, for the	The conjunction ' <b>and</b> ' is required between (i) and (ii) of 9(5)(b) -. (b) for the purposes of clause (a)(iii),— (i) any interest payable by the permanent establishment in India of a non-resident person engaged in the business of banking, to the head office or any other permanent establishment or any other part of	55	<b>This suggestion has been considered and both (i) and (ii) of section 9(5)(b) have been merged as (i) with the conjunction "and" in between them in the Income-tax Act, 2025 -</b> (b) for the purposes of clause (a),— (i) any interest payable by the permanent establishment

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		<p>purposes of a business or profession carried on by such non-resident in India,</p> <p>shall be deemed to accrue or arise in India.</p> <p><b>(b) for the purposes of clause (a)(iii),—</b></p> <p>(i) any interest payable by the permanent establishment in India of a non-resident person engaged in the business of banking, to the head office or any other permanent establishment or any other part of such non-resident outside India shall be deemed to accrue or arise in India;</p> <p>(ii) shall be chargeable to tax in addition to any income attributable to the permanent establishment in India; ...</p>	<p>such non-resident outside India shall be deemed to accrue or arise in India; <b>and</b></p> <p>(ii) shall be chargeable to tax in addition to any income attributable to the permanent establishment in India;</p>		<p>in India of a non-resident person engaged in the business of banking, to the head office or any other permanent establishment or any other part of such non-resident outside India shall be deemed to accrue or arise in India <b>and</b> shall be chargeable to tax in addition to any income attributable to such permanent establishment in India;</p>
8.	9(6)(a)(iii)(B)	<p><b>Income deemed to accrue or arise in India.</b></p> <p>(6)(a) Income by way of royalty payable by—</p> <p>(i)....</p> <p>(ii)....</p> <p>(iii) a non-resident, if the royalty is payable in respect of any right,</p>	<p>In sub-clause (iii) (B), the closing portion should be 'in India' and not 'outside India', for the income by way of royalty to be deemed to accrue or arise in India in the hands of the non-resident.</p> <p>Sub-clause (iii)(B) to be reworded as follows –</p> <p>(B) making or earning any income</p>	56-57	<p>This suggestion has been considered and sub-clause (iii) (B) of section 9(6)(a) now reads as follows:</p> <p>(iii)(B) making or earning any income by such non-resident from any source <b>in India.</b></p>

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		property or information used or services utilised for the purposes of— (A) a business or profession carried on by the non-resident in India; or (B) making or earning any income from any source <b>outside India</b> .  shall be deemed to accrue or arisen in India.	from any source outside <b>in India</b> ,		
9.	9(9)(g) (iv)	<b>Income deemed to accrue or arise in India</b>  (iv) in sub-clause (iii), "associated enterprises" shall have the meaning assigned to it <b>in section 159.</b>	The meaning of associated enterprises is <b>in section 162</b> and <b>not</b> section 159. Therefore, the reference given in sub-clause (iv) is not correct and requires modification.  Sub-clause (iv) may be modified as follows –  (iv) in sub-clause (iii), "associated enterprises" shall have the meaning assigned to it in <del>section 159</del> <b>section 162.</b>	72	This suggestion has been considered and section 9(10)(g)(iv) of the Income-tax Act, 2025 reads as follows -  (iv) in this clause, "associated enterprises" shall have the meaning assigned to it in <b>section 162.</b>
10.	9(10)	<b>Income deemed to accrue or arise in India</b>  (10) Income arising outside India, in the nature of a sum referred to in section 2(49)(u), paid by a person resident in India,-  (a) to a non-resident, not being a company, or to a foreign company;	The word "accrue" has been spelt wrongly in sub-section (10), which needs to be corrected.  Sub-section (10) may be reworded as follows –  (10) Income arising outside India, in the nature of a sum referred to in section 2(49)(u), paid by a	77	This suggestion has been considered and sub-section (8) of the Income-tax Act, 2025 reads as follows -  (8) Income arising outside India, in the nature of a sum referred to in section 2(49)(u), paid by a person resident in India,—

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		or (b) to a person not ordinarily resident in India under section 6(13), shall be deemed to <b>accure</b> or arise in India	person resident in India,- (a) to a non-resident, not being a company, or to a foreign company; or (b) to a person not ordinarily resident in India under section 6(13), shall be deemed to <b>accure accrue</b> or arise in India		(a) to a non-resident, not being a company, or to a foreign company; or (b) to a person not ordinarily resident in India under section 6(13), shall be deemed to <b>accrue</b> or arise in India.
11.	11(1) read with Schedule III	<b>Incomes not included in total income.</b> (1) In computing the total income of any person for a tax year under 10 this Act, any income enumerated in Schedules II, III, IV, V, and VI shall not be included, subject to fulfilment of conditions specified therein.  <b>Schedule III</b>  As per serial no 10 in Schedule III, income in the nature of perquisite would not be included in the total income of an employee, being an individual, if the following conditions are fulfilled –  (a) Such perquisite is not provided for by way of monetary payment, within the	The condition in (c) refers to section 200 of the Companies Act, 1956, which prohibited tax-free payments to officers and employees of companies. <b>There is, however, no parallel provision in the Companies Act, 2013. Hence, the condition in clause (c) may be removed.</b>	82-83	This suggestion has been considered and clause (c) in column D of the table corresponding to S. No 10 in Schedule III has been removed.

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		<p>meaning of section 17(1);</p> <p>(b) the tax on such income actually paid by his employer, at the option of the employer, on behalf of such employee; <b>and</b></p> <p><b>(c) such perquisite is paid irrespective of section 200 of the Companies Act, 1956.</b></p>			
12.	33(4)	<p><b>Deduction for depreciation.</b></p> <p>(4) The deduction under this section shall be restricted to 50% of the prescribed rate, if such asset, being asset referred to in sub-sections <b>(1), (2) and (8) is—</b></p> <p>(a) acquired by the assessee during the tax year; and</p> <p>(b) put to use for the purposes of business or profession for less than one hundred and eighty days in that tax year.</p>	<p><b>Reference to sub-section (8) can be removed in sub-section (4),</b> since sub-section (9) contains the specific provision for restricting additional depreciation to 50%, where the asset is acquired and put to use for less than 180 days.</p>	130-131	This suggestion has been considered and reference to sub-section (8) has been removed in section 33(4).
13.	35(b)(i)	<p><b>Amounts not deductible in certain circumstances.</b></p> <p>Irrespective of any other provision of Chapter IV-D, the following amounts shall not be allowed as deduction in computing the income chargeable under the head "Profits and gains of business or</p>	<p>The current provisions of the Income-tax Act, 1961 are clear that deduction would not be allowed in the relevant previous year if –</p> <p><b>(i) Deduction is during the subsequent year</b></p> <p><b>(ii) Deduction is during the relevant previous year but</b></p>	139-140	<p>This suggestion has been considered and in section 35(b)(i)(A) now reads as follows –</p> <p>(A) where in respect of any such sum, tax is deducted <b>in any subsequent year, or is deducted during the tax</b></p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		<p>profession":—</p> <p>(b)(i) 30% of any sum payable to a resident on which tax is deductible at source under Chapter XIX-B and during the tax year, such tax has not been deducted or after deduction, has not been paid up to the due date specified in section 263(1), where—</p> <p><b>(A) tax is deducted and paid during any subsequent tax year,</b> deduction of such sum shall be allowed as a deduction in computing the income in any subsequent tax year, in which such tax has been paid;</p>	<p><b>deposit is after the due date.</b></p> <p>The Bill mentions that where tax is deducted and paid during any subsequent year, deduction will be allowed in the year when the tax is paid. The phrase in section 35(b)(i)(A) can be redrafted for clarity to cover the situations in (i) and (ii) above.</p>		<p><b>year but paid after the due date specified in section 263(1),</b> 30% of such sum shall be allowed as a deduction in computing the income of the tax year, in which such tax has been paid;</p>
14.	35(d)	<p><b>Amounts not deductible in certain circumstances.</b></p> <p>(d)(i) any consideration paid or payable to a non-resident for a specified service on which equalisation levy is deductible under Chapter VIII of the Finance Act, 2016 and such levy has not been deducted or, after deduction, has not been paid up to the due date specified in section 263(1);</p> <p>(ii) deduction of such consideration shall be allowed in any subsequent</p>	<p>Clause (d) of section 35 may be omitted consequent to the amendment made by the Finance Act, 2025 removing equalization levy on specified service.</p>	147	<p>This suggestion has been considered and clause in section 35 containing the disallowance in respect of consideration paid/payable on which equalization levy has not been deducted/remitted has been omitted.</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		tax year, in which such levy has been paid;			
15.	37(1)	<p><b>Certain deductions allowed on actual payment basis only.</b></p> <p>(1) The following sums payable, as specified in sub-section (2), shall be allowed as deduction while computing the income chargeable under section 26 only in the tax year in which such sums are actually paid irrespective of</p>	<p>Section 43B of the Income-tax Act, 1961 which provides for certain deductions to be allowed only on actual payment starts with "Notwithstanding anything contained in any other provision of this Act, a deduction <b>otherwise allowable under this Act in respect of....</b>". The portion in bold is significant since it underlines that only if a deduction is otherwise allowable under the Act, the same would be allowed on actual payment as per section 43B. The corresponding section 37 of the Income-tax Bill 2025, however, does not mention "a deduction otherwise allowable under the Act". This may imply that deductions which are not otherwise allowable under the Act) can also be allowed on actual payment. The removal of this phrase "a deduction otherwise allowable under the Act" may result in extensive litigation.</p> <p>The opening part of sub-section (1) may be reworded as given below -  (1) The following sums payable, as specified in sub-section (2), <b>which are otherwise allowable as</b></p>	155-157	<p>This suggestion has been considered and section 37(1) now reads as follows:</p> <p>37. (1) The sums payable, as specified in sub-section (2), <b>which are otherwise allowable as a deduction under this Act</b>, shall be allowed as a deduction while computing the income chargeable under section 26 only in the tax year in which such sums are actually paid irrespective of—</p>



Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025			ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
					<b>deduction</b> , shall be allowed as deduction while computing the income chargeable under section 26 only in the tax year in which such sums are actually paid irrespective of—		
16.	41	<b>Written down value of depreciable asset</b> (1) For the purposes of different provisions for computation of income under the head "Profits and gains of business or profession", written down value for the tax year shall be as mentioned in column C of the Table below:-					
		A	B	C			
		4	Where any block of asset is transferred by— (a)(i) a holding company to its subsidiary company; or	Written down value in the hands of the transferee company or amalgamated company is the same as written down value in the	There is no "WDV at the beginning of the tax year". In order to ensure consistency, "at the beginning of the tax year in which such transfer took place" in column (C) may be worded as follows –  <b>"in the immediately preceding tax year as reduced by the depreciation actually allowed in relation to the said preceding tax year"</b>	173	This suggestion has been considered and sub-section (2) has been inserted. (2) Where any block of assets is transferred by— (a) a holding company to its subsidiary company and the conditions of section 70(1)(c) are satisfied; (b) a subsidiary company to its holding company and the

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025		ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
			(ii) a subsidiary company to its holding company and the conditions of section 70(1)(c) and (d) are satisfied; or (b) amalgamating company to the amalgamated company being an Indian company	hands of transferor company or amalgamating company, as the case may be, at the beginning of the tax year in which such transfer took place.		conditions of section 70(1)(a) are satisfied; or  (c) amalgamating company to the amalgamated company, being an Indian company  then, the actual cost of the block of assets, irrespective of anything contained in section 39, in the hands of transferee company or amalgamated company, as the case may be, shall be the same as written down value of the block of asset as in the case of the transferor company or the amalgamating company <b>in the immediately preceding tax year as reduced by depreciation actually allowed in respect of that block of asset in relation to that tax year.</b>
17.	45(2)(c)	<b>Expenditure on scientific research.</b> (c)(i) A deduction shall be allowed under sub-section (1), in respect of any expenditure incurred (not being expenditure in the nature of cost of any land or building) by a company engaged in the business		The words ' <b>on scientific research</b> ' needs to be included in (2)(c)(i). (c)(i) A deduction shall be allowed under sub-section (1), in respect of any expenditure <b><u>on scientific research</u></b> incurred (not being expenditure in the nature of cost of	179-180	This suggestion has been considered and section 45(2)(i) now reads as follows -  (i) A deduction shall be allowed in respect of any expenditure <b><u>on scientific research</u></b> incurred (not being expenditure in the nature of cost of any land or

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		of— (A) bio-technology; or (B) manufacture or production of any article or thing, which is not specified in Schedule XIII, on in-house research and development facility as approved by the prescribed authority, subject to the conditions and manner, as prescribed;	any land or building) by a company engaged in the business of— (A) bio-technology. (B) manufacture or production of any article or thing, which is not specified in Schedule XIII,		building) by a company engaged in the business of— (A) bio-technology; or (B) manufacture or production of any article or thing, which is not specified in Schedule XIII, on in-house research and development facility as approved by the prescribed authority, subject to the conditions and manner, as may be prescribed.
18.	46(9)	<b>Capital expenditure of specified business.</b> (9) Any asset for which a deduction is claimed and allowed under this section— (a) shall be used only for the specified business for a period of eight years beginning with the tax year in which such asset is acquired or constructed; (b) is used for the purpose and period other than that referred to in clause (a), and is not chargeable to tax under section 26(2)(k), then the total amount of deduction so claimed and allowed in one or more tax years, as reduced by the amount of depreciation allowable	Sub-section (9) suggests that if the specified asset is used for the period exceeding 8 years, then, there is a non-compliance, which is not the intention. Sub-section (9) may be reworded as given below – (9) Any asset for which a deduction is claimed and allowed under this section— (a) shall be used only for the specified business for a period of eight years beginning with the tax year in which such asset is acquired or constructed; (b) <del>is used for the purpose and period other than that referred to in clause (a)</del> <b>is used for a</b>	183-184	This suggestion has been considered and section 46(9)(b) now reads as follows - <b>(b) is used for the purpose other than specified business during the period referred to in clause (a)</b> and is not chargeable to tax under section 26(2)(k), then the total amount of deduction so claimed and allowed in one or more tax years, as reduced by the amount of depreciation allowable under section 33, as if no deduction under this section was allowed, shall be the income chargeable under the head "Profits and gains of business or profession" of the tax year in which the asset is so used.

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		under section 33, as if no deduction under this section was allowed, shall be the income chargeable under the head "Profits and gains of business or profession" of the tax year in which the asset is so used.	<b>purpose other than the specified business during the period specified in clause (a),</b> and is not chargeable to tax under section 26(2)(k), then the total amount of deduction so claimed and allowed in one or more tax years, as reduced by the amount of depreciation allowable under section 33, as if no deduction under this section was allowed, shall be the income chargeable under the head "Profits and gains of business or profession" of the tax year in which the asset is so used.		
19.	47(1)	<p><b>Expenditure on agricultural extension project and skill development project.</b></p> <p>(1) Any expenditure (excluding cost of any land or building) incurred, on—</p> <p>(a) agricultural extension project by any assessee; or</p> <p>(b) any skill development project by a company, shall be allowed as a deduction, in the tax year in which such expenditure is incurred provided such project is <b>notified as per the guidelines issued by the Board.</b></p>	<p>The phrase "notified as per the guidelines issued by the Board" is prone to different interpretations.</p> <p>It may be replaced with "<b>notified by the Board</b> in this behalf in accordance with the guidelines as may be prescribed".</p>	185-186	<p>This suggestion has been considered and section 47(1) now reads as follows -</p> <p>(1) Any expenditure (excluding cost of any land or building) incurred, on—</p> <p>(a) agricultural extension project by any assessee; or</p> <p>(b) any skill development project by a company,</p> <p>shall be allowed as a deduction, in the tax year in which such expenditure is incurred provided such project is <b>notified by the Board</b> as per the guidelines issued by it.</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
20.	58(2)	<p><b>Special provision for computing profits and gains of business profession on presumptive basis in case of certain residents.</b></p> <p>Column E of the Table in section 58(2) providing for the manner of computation of deemed profits and gains of specified business referred to Sl. No. 1 of an eligible assessee, reads as follows -</p> <p>(A)(i) 6% of total turnover or gross receipts realised in specified banking or online mode; and</p> <p>(ii) 8% of total turnover or gross receipts realised in any mode other than specified banking or online mode; or</p> <p>(B) profit claimed to have been actually earned, whichever is higher.</p>	<p>Section 44AD of the Income-tax Act, 1961 prescribes that the rate of 6% would apply on the turnover received through banking channels till the due date u/s 139(1).</p> <p>Therefore, in column E of the table, A(i) should be 6% of total turnover or gross receipts received in specified banking or online mode on or <b>before the due date u/s 263(1)</b></p>	225-226	<p>This suggestion has been considered and the phrase "<b>or before the due date specified in section 263(1)</b>" has been included in Column E of the table in section 58(2), against Sl. No. (1), implying that the rate of 6% would apply to total turnover/gross receipts received before the due date specified in section 263(1).</p>
21.	62(2)(d)	<p><b>Maintenance of books of account.</b></p> <p>(2) The conditions in respect of persons referred to in sub-section (1)(b) shall be the following:—</p> <p>(a)..</p> <p>(b)..</p> <p>(c)..</p> <p>(d) in case of an individual or Hindu undivided family, clauses (a) and</p>	<p>The limit of turnover/gross receipts in clause (d) of sub-section (2) in case of individual or HUF <b>would be Rs.25 lakh</b> and not Rs.2.50 lakh.</p> <p>Clause (d) may be redrafted as follows - (d) in case of an individual or Hindu undivided family, clauses (a) and (b) shall be modified to the extent of income from such</p>	255-256	<p>This suggestion has been considered and section 62(2)(d) now reads as under:</p> <p>(d) in case of an individual or Hindu undivided family, clauses (a) and (b) shall be modified to the extent of income from such business or profession exceeding ₹ 250000 and its total sales, turnover or gross receipts</p>

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		(b) shall be modified to the extent of income from such business or profession exceeding two lakh and fifty thousand rupees and its total sales, turnover or gross receipts from such business or profession exceeding <b>two lakh and fifty thousand rupees</b>	business or profession exceeding two lakh and fifty thousand rupees and its total sales, turnover or gross receipts from such business or profession exceeding <del>two lakh and fifty thousand rupees</del> <b>twenty-five lakh rupees</b>		from such business or profession exceeding <b>twenty-five lakh rupees</b>
22.	64	<b>Facilitating payments in electronic modes.</b> Any person carrying on business with total sales, turnover, or gross receipts exceeding fifty crore rupees in the preceding tax year shall provide facility for accepting payments through prescribed electronic methods, in addition to any other electronic payment methods, already offered.	Section 187 of the Income-tax Bill, 2025 is on similar lines of section 269SU of the Income-tax Act, 1961. Since the requirement and condition of both the sections of the Income-tax Bill, 2025 i.e., sections 187 and 64 are the same, section 64 may be removed.	267	This suggestion has been considered and this section containing the provisions for facilitating payments in electronic modes has been omitted in the Income-tax Act, 2025.
23.	66(15)	<b>Interpretation</b> "National Housing Bank" means the National Housing Bank established under section 3 of the National Housing Bank Act, 1987;	The reference of " <b>National Housing Bank</b> " was in existing section 43D clause (b) which was omitted by the Finance (No. 2), Act, 2024. Hence, this definition can be removed from section 66.	270	This suggestion has been considered and this clause containing the meaning of "National Housing Bank" has been omitted from section 66.
24.	66(28)	"Rent", for the purposes of section 35(b)(i), shall have the meaning assigned to it in section 402(29).	The term " <b>rent</b> " is not used in section 35(b)(i) of Income-tax Bill, 2025 as it is not relevant since the phrase "any sum payable" is used in this section. Hence, this	270	This suggestion has been considered and this clause containing the meaning of "rent" has been omitted from section 66.

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
			definition can be removed from section 66.		
25.	66(45)	" <b>Work</b> ", for the purposes of section 35(b)(i), shall have the meaning assigned to it in section 402(47).	The term " <b>work</b> " is not used in section 35(b)(i) of Income-tax Bill, 2025 as it is not relevant since the phrase "any sum payable" is used in the section. Hence, this definition can be removed from section 66.	281	This suggestion has been considered and this clause containing the meaning of "work" has been omitted from section 66.
26.	67(1)	<b>Capital gains</b> 67. (1) Any profits or gains arising from the transfer of a capital asset effected in a tax year shall, save as otherwise provided in <b>sections 82, 83, 84, 86, 87, 88 and 89</b> , be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of the tax year in which the transfer took place.	It is suggested that section 67(1) may be reworded <b>to include section 85</b> in the list of sections mentioned therein, since section 85 also contains an exemption provision. <b>"Capital gains.</b> 67. (1) Any profits or gains arising from the transfer of a capital asset effected in a tax year shall, save as otherwise provided in <b>sections 82, 83, 84, 85, 86, 87, 88 and 89</b> , be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of the tax year in which the transfer took place."	282	This suggestion has been considered and section 67(1) now reads as follows – 67. (1) Any profits or gains arising from the transfer of a capital asset effected in a tax year shall, save as otherwise provided in sections 82, 83, 84, <b>85</b> , 86, 87, 88 and 89, be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of the tax year in which the transfer took place.
27.	70(2)	<b>Transactions not regarded as transfer</b>	In line with current provisions in clause (b) of Explanation to section 47 of the Income-tax Act, 1961,	285	This suggestion has been considered and the time limit for the transfer of assets has been



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		In section 70(2)(5)(b), "relocation" means transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund <b>on or before the 31st March, 2025</b> , where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund to—	wherein the period has been extended from 2025 to <b>2030</b> , the terminal date for transfer of assets may be extended to 31 <sup>st</sup> March, 2030 in section 70(2)(5)(b).  It is suggested that the language of (b) be modified as follows:  "(b) "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 March, <del>2025</del> <b>2030</b> , where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund to—"		extended to 31st March, 2030.  In section 70(2), in the table, in Sl. No.5,  <b>(b)</b> "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 March, <b>2030</b> , where consideration for such transfer is discharged in the form of share or unit or interest in the resulting fund to—
<b>28.</b>	74(1)	<b>Special provision for computation of capital gains in case of depreciable assets</b>  Irrespective of anything contained in section 2(101), for a capital asset forming part of a block of assets on which depreciation has been allowed under this Act or under the Income-tax Act, 1961 or under the Indian Income-tax Act, 1922, the provisions of sections 72 and 73 shall be subject to the provisions of <b>sub-sections (2), (3) and (4).</b>	There is no sub-section (4) in section 74. Therefore, section 74(1) can be subject to the provisions of <b>sub-sections (2) and (3).</b>  Sub-section (1) may be redrafted as follows –  74. (1) Irrespective of anything contained in section 2(101), for a capital asset forming part of a block of assets on which depreciation has been allowed under this Act or under the Income-tax Act, 1961 or under the Indian Income-tax Act, 1922, the provisions of sections 72 and 73 shall be subject to the	287	This suggestion has been considered and section 74(1) now reads as follows -  74. (1) Irrespective of anything contained in section 2(101), for a capital asset forming part of a block of assets on which depreciation has been allowed under the Indian Income-tax Act, 1922 or under the Income-tax Act, 1961 or under this Act, the provisions of sections 72 and 73 shall be subject to the provisions of <b>sub-sections (2) and (3).</b>

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			provisions of sub-sections <del>(2), (3) and (4)</del> <b>(2) and (3)</b> .		
29.	74(3)(b)	<p><b>Special provision for computation of capital gains in case of depreciable assets</b></p> <p>(3) If any block of assets ceases to exist for the reason that all the assets in that block are transferred during the tax year, then,—</p> <p>(a) the cost of acquisition of the block of assets shall be the written down value of the block of assets at the beginning of the tax year, as increased by the actual cost of any asset falling within that block of assets, acquired by the assessee during the tax year; and</p> <p>(b) the income received or accruing as a result of such transfer or transfers shall be deemed to be <b>short-term capital gains</b>.</p>	<p>Since section 74(2) states that excess shall be deemed to be "capital gains arising from the transfer of short-term capital assets", similar language may be used in section 74(3)(b).</p> <p>Section 74(3)(b) may be reworded as given below –</p> <p>(b) the income received or accruing as a result of such transfer or transfers shall be deemed to be <del>short term</del> <b>capital gains arising from the transfer of short-term capital assets</b>.</p>	288	<p>This suggestion has been considered and section 74(3) now reads as follows:</p> <p>(3) If any block of assets ceases to exist for the reason that all the assets in that block are transferred during the tax year, then,—</p> <p>(a) ....; and</p> <p>(b) the income received or accruing as a result of such transfer or transfers shall be deemed to be <b>capital gains arising from the transfer of short term capital assets</b>.</p>
30.	99(1)(a)(i)	<p><b>Income of individual to include income of spouse, minor child, etc.</b></p> <p>(1) The total income of any individual, for a tax year, shall include the income arising directly or indirectly,—</p> <p>(a) to the spouse,—</p>	<p>Section 99(1)(a)(i) uses the words "but shall not exclude" instead of "but shall not include", which conveys the converse meaning.</p> <p>The sub-section may be redrafted as follows –</p> <p>(1) The total income of any individual, for a tax year, shall include the income arising directly</p>	339-340	<p>This suggestion has been considered and section 99 now reads as follows:</p> <p>(1) The total income of any individual, for a tax year, shall include the income arising directly or indirectly,—</p> <p>(a) to the spouse of such</p>

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		(i) by way of salary, commission, fees or any other form of remuneration, whether in cash or kind, from a concern in which such individual has a substantial interest <b>but shall not exclude</b> income solely attributable to the application of technical or professional knowledge, experience and professional qualification of the spouse;	or indirectly,— (a) to the spouse,— (i) by way of salary, commission, fees or any other form of remuneration, whether in cash or kind, from a concern in which such individual has a substantial interest <b>but shall not include</b> exclude income solely attributable to the application of technical or professional knowledge, experience and professional qualification of the spouse;		individual,— (i) by way of salary, commission, fees or any other form of remuneration, whether in cash or kind, from a concern in which such individual has a substantial interest <b>but shall not include</b> income solely attributable to the application of technical or professional knowledge, experience and professional qualification of the spouse;
31.	99(5)(b)	<b>Income of individual to include income of spouse, minor child, etc.</b> (5) In this section,— (a) .....,— (b) <b>for sub-section (1)(d)</b> , income of minor child shall be included—	Reference has wrongly been made to sub-section 1(d) instead of sub section 1(c).	345	This observation has been considered and section 99(5) now reads as follows: (5) For the purposes of this section,— (a) .....,— (b) <b>for sub-section (1)(c)</b> , income of minor child shall be included—
32.	103	<b>Unexplained investment</b> Where in any tax year, any investment has been made by the assessee which is not recorded in the books of account, if any, maintained by such assessee, or,	In the opening part the phrase <b>"where the investment is found recorded"</b> may be deleted.	351	This suggestion has been considered and section 103 now reads as follows:  103. Where in any tax year, any investment has been made by the assessee which is not

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		<p>the Assessing Officer finds that the amount of such investment exceeds the <b>amount recorded in such books of account where the investment is found recorded, and</b> the assessee—</p> <p>(a) offers no explanation about the nature and source of such investment, or such excess amount, as the case may be; or</p> <p>(b) the explanation offered by the assessee, is not satisfactory in the opinion of the Assessing Officer, then, the value of such investment, or such excess amount, as the case may be, shall be deemed to be the income of the assessee of that tax year.</p>			<p>recorded in the books of account, if any, maintained by such assessee, or, the Assessing Officer finds that the amount of such investment exceeds the <b>amount recorded in such books of account and</b></p> <p>(a) the assessee offers no explanation about the nature and source of such investment, or such excess amount, as the case may be; or</p> <p>(b) the explanation offered about the nature and source of such investment by the assessee, is not satisfactory in the opinion of the Assessing Officer,</p> <p>then, the value of such investment, or such excess amount, as the case may be, shall be deemed to be the income of the assessee of that tax year.</p>
33.	104(1)	<p><b>Unexplained asset</b></p> <p>(1) Where in any tax year, any asset has been found to be owned by or belonging to the assessee which is not recorded in the books</p>	The phrase " <b>where the asset is found recorded</b> " may be deleted.	352	<p>This suggestion has been considered and section 104(1) now reads as follows:</p> <p>(1) Where in any tax year, any asset has been found to be</p>

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		<p>of account, if any, maintained by such assessee, or the Assessing Officer finds that the amount of such asset exceeds <b>the amount recorded in such books of account where the asset is found recorded</b>, and the assessee—</p> <p>(a) offers no explanation about the nature and source of acquisition of such asset, or such excess amount, as the case may be; or</p> <p>(b) the explanation offered by the assessee, is not satisfactory in the opinion of the Assessing Officer, then, the value of such asset, or such excess amount, as the case may be, shall be deemed to be the income of the assessee of the tax year in which such asset has been found to be owned by, or belonging to, the assessee.</p>			<p>owned by or belonging to the assessee which is not recorded in the books of account, if any, maintained by such assessee, or the Assessing Officer finds that the amount of such asset exceeds <b>the amount recorded in such books of account and—</b></p> <p>(a) the assessee offers no explanation about the nature and source of acquisition of such asset, or such excess amount, as the case may be; or</p> <p>(b) the explanation offered about the nature and source of acquisition of such asset by the assessee, is not satisfactory in the opinion of the Assessing Officer, then, the value of such asset, or such excess amount, as the case may be, shall be deemed to be the income of the assessee of the tax year in which such asset has been found to be owned by, or belonging to, the assessee.</p>
34.	122	<b>Deductions to be made in computing total income</b>	There is an inadvertent typographical error here that may be rectified from 121 to 122 in the	363	This suggestion has been considered and the reference is now given to section 122

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		<b>121.</b> (1) In computing the total income of an assessee, the deductions specified in this Chapter shall be allowed from his gross total income, as per and subject to the provisions of this Chapter.	Income-tax Bill, 2025. Section No. "121" be substituted with "122" <del>121</del> <b>122</b> (1) In computing the total income of an assessee, the deductions specified in this Chapter shall be allowed from his gross total income, as per and subject to the provisions of this Chapter.		instead of section 22(1). Section 122(1) now reads as follows: <b>122.</b> (1) In computing the total income of an assessee, the deductions specified in this Chapter shall be allowed from his gross total income, as per and subject to the provisions of this Chapter.
35.	124	<b>Deduction in respect of Employer contribution to pension scheme of Central Government</b> (3) An assessee referred to in sub-section (1), or any other assessee, being an individual, shall be allowed a deduction in computation of his total income of the whole of the amount paid or deposited in the tax year in his account under a pension scheme notified or as notified by the Central Government, which shall not exceed fifty thousand rupees.	The heading of this section is "Deduction in respect of Employer's contribution to pension scheme of Central Government". Sub-section (1) of section 124 provides deduction in respect of employer contribution to pension scheme of Central Government. Sub-section (3) and (4) provide deduction for assessee's contribution to pension scheme of Central Government in his account and minor's account, respectively. Therefore, <b>the heading of this section should be suitably modified.</b> Also, sub-section (3) intends to restrict assessee's contribution to Rs.50,000. However, the language is not clear and may be interpreted to mean both assessee's and	365-366	This suggestion has been considered and now section 124 reads as follows- <b><u>Deduction in respect of employer and assessee contribution to pension scheme of Central Government</u></b> (3) An assessee referred to in sub-section (1), or any other assessee, being an individual, shall be allowed a deduction not exceeding ₹ 50000 in computation of his total income of the whole of the amount paid or deposited in the tax year <b>by such individual</b> in the tax year in his account under a pension scheme notified or as may be

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			<p>employer's contribution.</p> <p>The addition of the words "<b>by such individual</b>" in sub-section (3) would clarify that the limit of Rs.50,000 is only in respect of own contribution to pension fund.</p> <p>Sub-section (3) may be reworded as below to reflect the correct intent –</p> <p>(3) An assessee referred to in sub-section (1), or any other assessee, being an individual, shall be allowed a deduction in computation of his total income of the whole of the amount paid or deposited <b>by such individual</b> in the tax year in his account under a pension scheme notified or as notified by the Central Government, which shall not exceed fifty thousand rupees.</p>		notified by the Central Government.
36.	183	<p><b>Application of this Chapter</b></p> <p>The provisions of this Chapter—</p> <p>(a) in addition to, or in lieu of, any other basis for determination of tax liability;</p> <p>(b) as per such guidelines and subject to such conditions, as prescribed.</p>	<p>The sentence is incomplete and is not conveying the desired meaning without the words "shall apply". Hence, it needs to be redrafted to include these words.</p> <p>Section 183 to be redrafted as follows –</p> <p>The provisions of this Chapter</p>	516	<p>This suggestion has been considered and the phrase "shall apply" has been inserted in the opening sentence of section 183.</p> <p>Section 183 now reads as follows:</p> <p>183. The provisions of this</p>



Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
			<p><b>shall apply —</b></p> <p>(a) in addition to, or in lieu of, any other basis for determination of tax liability;</p> <p>(b) as per such guidelines and subject to such conditions, as prescribed.</p>		<p>Chapter <b>shall apply—</b></p> <p>(a) in addition to, or in lieu of, any other basis for determination of tax 15 liability;</p> <p>(b) as per such guidelines and subject to such conditions, as prescribed.</p>
37.	185(1)	<p><b>Mode of taking or accepting certain loans, deposits and specified sum</b></p> <p>(1) No person shall take or accept from another person any loan or deposit or specified sum, except through—</p> <p>(a) an account payee cheque;</p> <p>(b) account payee bank draft;</p> <p>(c) electronic clearing system through a bank account; or</p> <p>(d) any other prescribed electronic mode,</p> <p>if,—</p> <p>(i) the amount or the aggregate amount of such loan, deposit, or specified sum; or</p> <p>(ii) the amount or the aggregate amount of any previously taken or accepted loan or deposit or</p>	<p>Since receipt of loan or deposit or specified sum is allowed in any of the modes mentioned in clauses (a) to (d) of sub-section (1), it is necessary to use the word "<b>or</b>" after each of the clauses (a), (b) and (c) to convey the correct intent of the provision.</p> <p>Accordingly, the word "<b>or</b>" may be inserted after clause (a) as well as clause (b) in sub-section (1):</p> <p>The opening para be redrafted as follows –</p> <p>(1) No person shall take or accept from another person any loan or deposit or specified sum, except through—</p> <p>(a) an account payee cheque; <b>or</b></p> <p>(b) account payee bank draft; <b>or</b></p> <p>(c) electronic clearing system</p>	519-520	<p>This suggestion has been considered and section 185(1) now reads as follows -</p> <p>185. (1) No person shall take or accept from another person any loan or deposit or specified sum, except through—</p> <p>(a) an account payee cheque; <b>or</b></p> <p>(b) account payee bank draft; <b>or</b></p> <p>(c) electronic clearing system through a bank account; or</p> <p>(d) any other prescribed electronic mode,</p> <p>if,—</p> <p>(i) the amount or the aggregate amount of such loan, deposit, or specified sum; or</p> <p>(ii) the amount or the aggregate</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		specified sum by such person from such another person, which is remaining unpaid, whether due for repayment or not, as on the date of taking or accepting such amount as referred to in clause (i); or  (iii) the aggregate of the amounts referred to in of clauses (i) and (ii), is twenty thousand rupees or more.	through a bank account; or  (d) any other prescribed electronic mode,		amount of any previously taken or accepted loan or deposit or specified sum by such person from such another person, which is remaining unpaid, whether due for repayment or not, as on the date of taking or accepting such amount as referred to in clause (i); or  (iii) the aggregate of the amounts referred to in clauses (i) and (ii),  is ₹ 20000 or more.
38.	186(1)	<b>Mode of undertaking transactions</b>  (1) No person shall receive two lakh rupees or more— (a) in aggregate from a person in a day; or (b) in respect of a single transaction; or (c) in respect of transactions relating to one event or occasion from a person, except through— (i) an account payee cheque; (ii) account payee bank draft; (iii) electronic clearing system	Since receipt is allowed in any of the modes mentioned in clauses (i) to (iv) of sub-section (1), it is necessary to use the word "or" after each of the clauses (i), (ii) and (iii) to convey the correct intent of the provision.  Word " <b>or</b> " may be inserted after clause (i) as well as in clause (ii) in the exceptions stated in sub section (1), which is reproduced hereunder - "except through— (i) an account payee cheque; <b>or</b> (ii) account payee bank draft; <b>or</b> (iii) electronic clearing system	525	This suggestion has been considered and section 186(1) now reads as follows -  (1) No person shall receive an amount of ₹ 200000 or more— (a) in aggregate from a person in a day; or (b) in respect of a single transaction; or (c) in respect of transactions relating to one event or occasion from a person, except through— (i) an account payee cheque; <b>or</b> (ii) account payee bank draft; <b>or</b> (iii) electronic clearing system

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		through a bank account; or (iv) any other electronic mode, as prescribed.	through a bank account; or (iv) Any other electronic mode, as prescribed.		through a bank account; or (iv) any other electronic mode, as may be prescribed.
39.	188	<b>Mode of repayment of certain loans or deposits</b>	Since the section covers mode of repayment of certain loans, deposits as well as specified advance, <b>reference to "<u>specified advance</u>" to be included in the section heading."</b>	527-528	This suggestion has been considered and the term 'specified advances' has been included in the section heading. Section 188 now reads as follows: "Mode of repayment of certain loans or deposits and <b>specified advances</b> "
40.	194(2)	<b>Tax on certain incomes</b> (2) In this section,— (d) "horse race" shall have the meaning assigned to it in section 115;	Section 115(4)(c) defines the term "race horse" not "horse race" In this section, income from horse race is taxable, thus the term "horse race" needs to be defined. The term "horse race" is defined u/s 94(6). Accordingly, sub-section (2)(d) may be amended to give reference of section 94(6) instead of section 115. Clause (d) of sub section (2) may be substituted as follows: (d) "horse race" shall have the meaning assigned to it in section <del>115</del> <b>94(6)</b> .	539	This suggestion has been considered and <b>section 194(2) now reads as follows:</b> (2) In this section,— (d) "horse race" shall have the meaning assigned to it in <b>section 94(6)</b> ;

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41.	200(1)	<p><b>Tax on income of certain domestic companies</b></p> <p>(1) Irrespective of anything contained in this Act but subject to the provisions of Parts A, B and this Part, other than sections 199 and 201, the income-tax payable for a tax year shall be at the rate of 22%, at the option of a person being a domestic company, in respect of the total income of such person computed in the following manner:— (a) without any deduction under—</p> <p>(i) sections 45(2)(c) and 47(1)(b); or</p> <p>(ii) Chapter VIII other than the provisions of section 146; or</p> <p>(iii) sections specified in section 205(1)(a) to (g);</p>	<p>Under the provisions of the Income-tax Act, 1961, deductions in respect of additional employee cost u/s 80JJAA and inter corporate dividends u/s 80M are permitted even if the company opts for the special tax regime under section 115BAA.</p> <p>The corresponding clause 200 in the Income-tax Bill, 2025 containing the special tax regime for domestic companies, however, permits deduction only in respect of additional employee cost under section 146 and not inter corporate dividends under section 148. Reference to section 148 needs to be included in section 200(1)(a)(ii) which should read as "<b>Chapter VIII other than the provisions of section 146 and 148</b>".</p> <p>Otherwise, it would result in the dividend income being taxed in the hands of the company declaring the dividend, the company receiving the dividend and the shareholders.</p>	557-558	<p>This suggestion has been considered and section 200(1) now reads as follows:</p> <p>(1) .....—</p> <p>(a) without any deduction under—</p> <p>(i) section 45(2) or 47(1)(b); or</p> <p>(ii) <b>Chapter VIII other than provisions of section 146 or 148; or</b></p> <p>(iii) sections specified in section 205(1)(a) to (g);</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
42.	206(2)	<b>Special provision for minimum alternate tax and alternate minimum tax.</b>	<p>As per section 115JEE(1) of the Income-tax Act, 1961, the provisions of Chapter XII-BA would apply to a person who has claimed deduction under any section included in Chapter VI-A under the heading "Deductions in respect of certain incomes" or section 10AA or section 35AD.</p> <p>This provision is not present in clause 206 of the Income-tax Bill, 2025, due to which the scope of applicability of AMT provisions may be considerably expanded.</p>	594-596	<p>This suggestion has been considered and now (c) has been inserted in section 206(2), which reads as follows -</p> <p>(c) The provisions of this sub-section shall apply to a person who has claimed any deduction under any section (other than section 149) included in Chapter VIII-C or section 46.</p> <p><b>Note</b> - Chapter VIII-C contains the deductions in respect of certain incomes and section 46 contains the provision for investment linked tax deduction for specified business.</p>
43.	214	<b>Tax on investment income and long-term capital gains</b> <p>The income-tax payable, on the total income of an assessee, being a non-resident Indian, which includes income specified in column B of the Table below, shall be the aggregate of the amounts mentioned in column C thereof</p>	<p>The income from any asset other than specified asset (income/capital gains) are not dealt with in these provisions which pertain to investment income and long-term capital gains of a foreign exchange asset, which is a specified asset acquired in convertible foreign exchange by a non-resident Indian. Hence, specifying rate for such income under this provision is not required. This may be considered to be removed.</p>	613	<p>This suggestion has been considered and section 214 now reads as follows-</p> <p>214. The income-tax payable, on the total income of an assessee, being a non-resident Indian, which includes income specified in column B of the Table below, shall be the aggregate of income-tax computed at the rate specified in column C applied on the corresponding income specified</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025			ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025																		
		<table><tr><th>Sl. No.</th><th>Income</th><th>Income tax payable</th></tr><tr><td>A</td><td>B</td><td>C</td></tr><tr><td>1</td><td>Income from investment or income from long-term capital gains of an asset other than a specified asset</td><td>20%</td></tr></table>	Sl. No.	Income	Income tax payable	A	B	C	1	Income from investment or income from long-term capital gains of an asset other than a specified asset	20%			<p>In table, at S No. 1, the phrase can be reworded as follows –</p> <p><del>Income from investment or income from long-term capital gains of an asset other than a specified asset</del></p>		<p>in Column B.</p> <p><b>Table</b></p> <table><tr><th>Sl. No.</th><th>Income</th><th>Rate of Income-tax payable</th></tr><tr><td>A</td><td>B</td><td>C</td></tr><tr><td>1</td><td><b>Income from investment</b></td><td>20%</td></tr></table>	Sl. No.	Income	Rate of Income-tax payable	A	B	C	1	<b>Income from investment</b>	20%
Sl. No.	Income	Income tax payable																							
A	B	C																							
1	Income from investment or income from long-term capital gains of an asset other than a specified asset	20%																							
Sl. No.	Income	Rate of Income-tax payable																							
A	B	C																							
1	<b>Income from investment</b>	20%																							
44.	223(2)	<p><b>Tax on income of unit holder and business trust</b></p> <p>(1).....;</p> <p>(2) Subject to the provisions of sections <b>196 and 197</b>, the total income of a business trust shall be charged to tax at the maximum marginal rate.</p>			<p>Capital gains on transfer of long-term capital assets referred to in section 198 also has to be charged to tax at the rate of 12.5% and not at MMR. However, there is no reference to section 198 in section 223(2). Accordingly, reference to Section 198 to be added.</p> <p>Sub-section (2) of section 223 may be reworded as follows –</p> <p>(2) Subject to the provisions of sections <b>196, and 197 and 198</b> the total income of a business trust shall be charged to tax at the maximum marginal rate.</p>	619	<p>This suggestion has been considered and section 223(2) now reads as follows-</p> <p>(2) Subject to the provisions of sections <b>196, 197 and 198</b>, the total income of a business trust shall be charged to tax at the maximum marginal rate.</p>																		

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
45.	232(23)	<p><b>Certain conditions for applicability of tonnage tax scheme</b></p> <p>(23) Where a qualifying company continues to operate a ship or <b>new inland vessel</b>, as the case may be, which temporarily ceases to be a qualifying ship, such ship or inland vessel, as the case may be shall not be deemed as a qualifying ship for the purposes of this Part.</p>	<p>The discrepancy may have arisen due to the substitution of the term 'inland vessel' with 'new inland vessel' in other provisions of this Part. However, the use of the term 'new inland vessel' in this clause may not be appropriate and may constitute an apparent discrepancy.</p> <p>Clause (23) of section 233 may be amended as under:</p> <p>Where a qualifying company continues to operate a ship or <del>new</del> <b>inland vessel</b>, as the case may be, which temporarily ceases to be a qualifying ship, such ship or inland vessel, as the case may be, shall not be deemed as a qualifying ship for the purposes of this Part.</p>	623	<p>This suggestion has been considered and section 223(23) now reads as follows-</p> <p>(23) Where a qualifying company continues to operate a ship or inland vessel, as the case may be, which temporarily ceases to be a qualifying ship, such ship or inland vessel, as the case may be, shall not be deemed as a qualifying ship for the purposes of this Part.</p>
46.	235(a)	<p><b>Interpretation</b></p> <p>In this Part,—</p> <p>(a) "bareboat charter" means hiring of a ship or inland vessel, as the case may be, for a stipulated period on terms which give the charterer possession and control of the ship or <b>new inland vessel</b>, as the case may be, including the right to appoint the master and crew;</p>	<p>Use of the word "new" with "inland vessel" is not needed as the word "new" is not used with "ship". The use of "new" with "inland vessel" may result in interpretational issues.</p> <p>It is suggested that section 235(a) may be amended as under:</p> <p>(a) "bareboat charter" means hiring of a ship or inland vessel, as the case may be, for a stipulated period on terms which give the</p>	624	<p>This suggestion has been considered and section 235(a) now reads as follows-</p> <p><b>235. Interpretation</b></p> <p>For this purposes of this Part, -</p> <p>(a) "bareboat charter" means hiring of a ship or inland vessel, as the case may be, for a stipulated period on terms which give the charterer possession and control of the</p>



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			charterer possession and control of the ship or <del>new inland vessel</del> , as the case may be, including the right to appoint the master and crew.		ship or inland vessel, as the case may be, including the right to appoint the master and crew;
47.	239(3)(a)	<p><b>Instructions to subordinate authorities</b></p> <p>(3) Without prejudice to the foregoing power, the Board may,</p> <p>(a) if it considers necessary or expedient so to do for the proper and efficient management of the work of assessment and collection of revenue, issue, from time to time (whether by way of relaxation of any of the provisions of section 263, 270, 271, 279, 280, 287, 298, 398(3), 406, 407, 423, 424, 425, 427, 428, 439, 448, 449 or otherwise), general or special orders in respect of any class of incomes or class of cases,—</p>	<p>Reference to the following Sections of the Income-tax Bill, 2025, may be included in Section 239, since the corresponding existing sections of the Income-tax Act, 1961 have been included in section 119.</p> <p><b>1. Section 288 of the Income-tax Bill, 2025</b> - Other amendments (corresponding to Section 155 of the Income-tax Act, 1961).</p> <p><b>2. Section 408 of the Income-tax Bill, 2025</b> - Instalments of advance tax and due dates (corresponding to section 211 of the Income-tax Act, 1961).</p> <p>It is suggested that section 239(3)(a) may be redrafted as under:</p> <p>(3) Without prejudice to the foregoing power, the Board may,</p> <p>(a) if it considers necessary or expedient so to do for the proper and efficient management of the work of assessment and collection of revenue, issue, from time to time</p>	629-630	<p>This suggestion has been considered and section 239(3)(a) now reads as follows—</p> <p>(3) Without prejudice to the generality of the foregoing power, the Board may,—</p> <p>(a) if it considers necessary or expedient so to do for the proper and efficient management of the work of assessment and collection of revenue, issue, from time to time (whether by way of relaxation of any of the provisions of section 263, 270, 271, 279, 280, 287, <b>288</b>, 298, 398(3), 406, 407, <b>408</b>, 423, 424, 425, 427, 428, 439, 448, 449 or otherwise), general or special orders in respect of any class of incomes or class of cases,—</p>



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			(whether by way of relaxation of any of the provisions of section 263, 270, 271, 279, 280, 287, <del>288</del> , 298, 398(3), 406, 407, <del>408</del> , 423, 424, 425, 427, 428, 439, 448, 449 or otherwise), general or special orders in respect of any class of incomes or class of cases -		
48.	247(9)	<b>Search and seizure</b> (9) The authorized officer may, during the course of the search or seizure, or within sixty days from the date on which the last of the authorizations for search was executed, make a reference to a Valuation Officer, or any person registered as a <b>value</b> under section 514, or any person or entity registered by or under any law <b>enforce</b> , requiring him to—	Section 247(9) may be redrafted to correct typographical errors and to ensure that the provision appropriately refers to a 'valuer' and to laws 'in force'. Section 247(9) can be re-drafted as under: The authorised officer may, during the course of the search or seizure, or within sixty days from the date on which the last of the authorisations for search was executed, make a reference to a Valuation Officer, or any person registered as a <del>value</del> <b>valuer</b> under section 514, or any person or entity registered by or under any law <del>enforce</del> <b>in force</b> , requiring him to—	648-649	This suggestion has been considered and section 247(9) now reads as follows- (9) The authorised officer may, during the course of the search or seizure, or within sixty days from the date on which the last of the authorisations for search was executed, make a reference to a Valuation Officer, or any person registered as a <b>valuer</b> under section 514, or any person or entity registered by or under any law <b>in force</b> , as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed in this regard, requiring him to—
49.	252(1)(e)	<b>Power to call for information</b>	The real intention of clause (e) of section 252(1) is that the limit of	660	This suggestion has been considered and section 252(1)

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		<p>(1).....;</p> <p>(e) assessee to furnish a statement of the names and addresses of all persons to whom he has paid in any tax year, rent, interest, commission, royalty or brokerage, or any annuity, not being any annuity taxable under the head "Salaries" amounting to more than ten thousand rupees, or such higher amount as prescribed, together with particulars of all such payments made.</p>	<p>more than Rs.10000 applies to all types of payments enumerated in clause (e) and not to only annuity taxable under the head 'salaries. This bracketing is in consonance with the language of para 9.10 of CBDT circular no. 551 dated 23.01.1990 explaining the amendments by Direct Tax Laws (Amendment) Act, 1987.</p> <p>Clause (e) of section 252(1) can be drafted as: -</p> <p>(e) assessee to furnish a statement of the names and addresses of all persons to whom he has paid in any tax year, rent, interest, commission, royalty or brokerage, or any annuity <b>(not being any annuity taxable under the head "Salaries")</b>, amounting to more than ten thousand rupees, or such higher amount as prescribed, together with particulars of all such payments made;</p>		<p>now reads as follows-</p> <p>(e) assessee to furnish a statement of the names and addresses of all persons to whom he has paid in any tax year, rent, interest, commission, royalty or brokerage, or any annuity <b>(not being any annuity taxable under the head "Salaries")</b>, amounting to more than Rs.10000, or such higher amount as prescribed, together with particulars of all such payments made;</p>
50.	263(1) (a)(ix)	<p><b>Filing return of income and processing</b></p> <p>(1)(a) The following persons shall furnish a return of income for the tax year under this Act, on or</p>	<p>Clause 263(1)(a)(ix) requires a person who intends to make a claim of refund under Chapter XX to file return of income for the tax year on or before the due date i.e., 31st July/31st October/ 30th November, as the case may be, of the financial</p>	673	<p>This suggestion has been considered and the requirement contained in (ix) to file return on or before the due date for a person who intends to make a claim of refund under Chapter</p>

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		before the due date: - (i) ... (ii) ... (iii) ... (iv) ... (v) ... (vi) ... (vii) ... (viii) ...  (ix) a person who intends to make a claim of refund under Chapter XX;	year succeeding the relevant tax year. This implies that refund cannot be claimed by filing a belated return on or before 31st December of the financial year succeeding the relevant tax year. This is a stringent condition imposed vide the new bill.  While section 270 permits granting of refund due on processing of a return filed on time and a return filed belatedly, section 263(1)(a) contains the requirement to file a return on or before due date where a person intends to make a claim for refund.  It is suggested that sub-clause (ix) may be omitted.  <del>(ix) a person who intends to make a claim of refund under Chapter XX;</del>		XX has been removed from section 263(1)(a).									
51.	263(1)(b)	<b>Return of income</b>  (b) for the purposes of this section, “due date” means the date of the financial year succeeding the relevant tax year as mentioned in the corresponding entry of column C of the Table below in respect of the persons mentioned in column B of the said Table below:	The current table requires clarity. For example, in case of a company which is required to furnish Transfer Pricing Audit report, whether due date would be as per Sl. No. 1 or Sl. No. 4.  Therefore, the order of presentation may be modified, and suitable exclusions be added in 2, 3 and 4 for greater clarity. The entry at Table: Sl. No. 4 may be placed at Sl. No.1 for clarity. Thereafter, Sl. No.2 to 4 to	678-680	This suggestion has been considered and the table in section 263(1)(c) now reads as follows: <table><tr><td>Sl. No.</td><td>Person</td><td>Due date</td></tr><tr><td>A</td><td>B</td><td>C</td></tr><tr><td>1</td><td>Assessee, including the</td><td>30th Novem-</td></tr></table>	Sl. No.	Person	Due date	A	B	C	1	Assessee, including the	30th Novem-
Sl. No.	Person	Due date												
A	B	C												
1	Assessee, including the	30th Novem-												

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		Sl. No.	Person	Due date	exclude the assessee covered in Sl. No.1.  It is suggested that in Table at Sl. No. 4 (due date for filling of ITR) may be suitably amended as under:			partners of the firm or the spouse of such partner (if section 10 applies to such spouse), who is required to be furnished a report referred to in section 172	ber
		A	B	C					
		1	Company	31st October					
		2	Person (other than a company) whose accounts are required to be audited under this Act or under any other law in force.	31st October					
		3	Partner of a firm whose accounts are required to be audited under this Act or under any other law in force; or the spouse of such partner (if section 10 applies to such spouse)	31st October					
		4	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse), who is required to furnish a report referred to in	30th November					
		Sl. No.	Person	Due date					
		A	B	C					
		1	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse), who is required to be furnished a report referred to in section 172	30th November					
		2	Company <b>(in cases other than those mentioned in Sl. No. 1)</b>	31st October					
		3	Person (other than a company) whose accounts whose accounts are required to be audited under this Act or under any other law in force <b>(in cases other than those mentioned in Sl. No. 1)</b>	31st October					
		2	Company (in cases other than those mentioned in Sl. No. 1)	31st October					
		3	Person (other than a company) whose accounts are required to be audited under this Act or under any other law in force (in cases other than those mentioned in Sl. No. 1)	31st October					
		4	Partner of a firm whose accounts are required to be audited under this Act or	31st October					

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			section 172		4	Partner of a firm whose accounts are required to be audited under this Act or under any other law in force; or the spouse of such partner (if section 10 applies to such spouse) <b>(in cases other than those mentioned in Sl. No.1)</b>	31st October			under any other law in force; or the spouse of such partner (if section 10 applies to such spouse) (in cases other than those mentioned in Sl. No.1)	
		5	Any other assessee	31st July					5	Any other assessee	31st July
					5	Any other assessee	31st July				
52.	267	<b>Tax on Updated Return</b>  (12) For the purposes of sub-section (11)(c), the interest paid in the earlier return shall be nil if such return is an updated return referred to in sub-section (1).			As per section 263(6)(c)(iv), no person can furnish an updated return if an updated return has already been furnished and as such section 267(12) cannot be acted upon and is infructuous.  It is suggested that <b>section 267(12) may be omitted.</b>			695	This suggestion has been considered and <b>sub-section (12) has been omitted</b> from section 267.		
53.	279(1)	<b>Income escaping assessment</b>  (1) If, in the case of an assessee, any income chargeable to tax has escaped assessment for any tax year (hereinafter referred to as "the relevant tax year" in this section and sections 280 to 286, the Assessing Officer may, subject to the provisions			In section 279(1), the bracket opened should be appropriately closed to ensure grammatical accuracy and proper statutory referencing.  It is suggested that section 279(1) may be amended as under: (1) If, in the case of an assessee, any income chargeable to tax has escaped			752-753	This suggestion has been considered and section 279(1) now reads as follows –  (1) If, in the case of an assessee, any income chargeable to tax has escaped 10 assessment for any tax year (herein and in sections 280 to 286 referred to as the		

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		of sections 280 to 286, for the relevant tax year,—	assessment for any tax year (hereinafter referred to as "the relevant tax year" in this section and sections 280 to 286), the Assessing Officer may, subject to the provisions of sections 280 to 286, for the relevant tax year,—		relevant tax year), the Assessing Officer may, subject to the provisions of sections 280 to 286, -----
54.	282(1)(b)	<p><b>Time limit for notice u/s 280 and 281</b></p> <p>(1) No notice under section 280 shall be issued for the relevant tax year, —</p> <p>(a) if four years and three months have elapsed from the end of the relevant tax year, unless the case falls under clause (b);</p> <p>(b) if four years and three months, but not more than six years and three months, have elapsed from the end of the relevant tax year, unless the Assessing Officer has books of account or other documents or evidence related to any asset or expenditure or transaction or entry which shows that the income chargeable to tax, which has escaped assessment, amounts to or is likely to amount to fifty lakh rupees or more.</p>	<p>The insertion of the words '<b>in his possession</b>' ensures that the Assessing Officer forms a belief regarding income escaping assessment based on specific material evidence in his possession, thereby conforming to the principles of reasonableness and objective satisfaction as mandated under the provisions of the Act.</p> <p>It is suggested that section 282(1)(b) can be amended as under: If four years and three months, but not more than six years and three months, have elapsed from the end of the relevant tax year, unless the Assessing Officer has <b>in his possession</b> books of account or other documents or evidence related to any asset or expenditure or transaction or entry which shows that the income chargeable to tax, which has escaped assessment, amounts to or is likely to amount to fifty lakh rupees or more.</p>	759-760	<p>This suggestion has been considered and section 282(1)(b) now reads as follows –</p> <p>(b) if four years and three months, but not more than six years and three months, have elapsed from the end of the relevant tax year, unless the Assessing Officer has <b>in his possession</b> books of account or other documents or evidence related to any asset or expenditure or transaction or entry which shows that the income chargeable to tax, which has escaped assessment, amounts to or is likely to amount to fifty lakh rupees or more.</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
55.	285(2)	<b>Other provisions</b> (2) The Assessing Officer <b>may</b> drop the proceedings initiated under section 279 on a claim made by the assessee to the effect that—	It is suggested that the word ' <b>may</b> ' be substituted with ' <b>shall</b> ' in section 285(2), thereby making it mandatory for the Assessing Officer to drop the proceedings upon a valid claim made by the assessee.	760-761	This suggestion has been considered and section 285(2) now reads as follows – (2) The proceedings initiated under section 279 <b>shall</b> be dropped on a claim made by the assessee and on his showing to the effect that—
56.	292	<b>Assessment of total income as a result of search</b> (1) Irrespective of any other provision of this Act, where on or after the commencement of this Act, in the case of any person, search is initiated or requisition is made, then, the Assessing Officer shall proceed to assess or reassess the total income of the block period as per this Chapter. (7) The total income pertaining to the block period, as referred to in section 293(5) shall be charged to tax at the rate specified in section 192, irrespective of the tax year or years to which such income pertains.	It is suggested that reference may be made to <b>total undisclosed income</b> in the section heading and the in sub-sections (1) and (7) in line with the amendments made by Finance Act, 2025 in section 158BA(1)/(7) of Income-tax Act, 1961. Accordingly, it is suggested that section 292 may be amended as under: " <b>Assessment of total <u>undisclosed</u> income as a result of search—</b> (1) Irrespective of any other provision of this Act, where on or after the commencement of this Act, in the case of any person, search is initiated or requisition is made, then, the Assessing Officer shall proceed to assess or reassess the total <b><u>undisclosed</u></b> income of the block period as per this Chapter.	763-766	The suggestion has been considered and the heading and relevant sub-sections of section 292 reads as follows – <b>292. Assessment of total <u>undisclosed</u> income as a result of search</b> (1) Irrespective of any other provision of this Act, where on or after the commencement of this Act, in the case of any person, a search is initiated or requisition is made, then, the Assessing Officer shall proceed to assess or reassess the total <b><u>undisclosed</u></b> income of the block period as per provisions of this Part. (7) The total <b><u>undisclosed</u></b> income relating to the block period, as referred to in section 293(7) shall be charged to tax at



Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
			(7) The total <b><u>undisclosed</u></b> income pertaining to the block period, as referred to in section 293(5) shall be charged to tax at the rate specified in section 192, irrespective of the tax year or years to which such income pertains.		the rate specified in section 192 as the income of the block period, irrespective of the tax year or years to which such income relates.
57.	293(1)	<p><b>Computation of <u>undisclosed income</u> of the block period</b></p> <p>(1) The <b><u>total income</u></b> of the block period referred to in section 292(1) shall be the aggregate of the following: —</p> <p>(a) undisclosed income declared in the return furnished under section 294;</p> <p>(b) income assessed under section 270(10) or section 271 or 279 of this Act, or section 153A or 153C of the Income-tax Act, 1961, prior to the date of initiation of search or the date of making of requisition in respect of tax years comprising the block period;</p>	<p>It is suggested that reference may be made to <b><u>total undisclosed income</u></b> in the section heading and in the opening part of sub-section (1) and clause (b) be substituted in line with the amendments made by the Finance Act, 2025 in section 158BB of Income-tax Act, 1961.</p> <p>It is suggested that section 293 may be amended as under:</p> <p><b>Computation of <u>total undisclosed income</u> of the block period</b></p> <p>(1) The <b><u>total undisclosed income</u></b> of the block period referred to in section 292(1) shall be the aggregate of the following:</p> <p>(a) undisclosed income declared in the return furnished under section 294;</p> <p>(b) <b><u>undisclosed income determined by the Assessing Officer</u></b> under sub-section (2).</p>	766-767	<p><b>Computation of <u>total undisclosed income</u> of block period.</b></p> <p>(1) The total <b><u>undisclosed</u></b> income of the block period referred to in section 292(1) shall be the aggregate of the following:—</p> <p>(a) undisclosed income declared in the return furnished under section 294;</p> <p>(b) <b><u>undisclosed income determined by the Assessing Officer</u></b> under sub-section (4).</p> <p>Section 293(4) of the Income-tax Act, 2025 contains the provisions which were in sub-section (2) of section 293 as per the Income-tax Bill, 2025 tabled in the Lok Sabha on 13<sup>th</sup> February, 2025. Therefore, the reference is given to sub-section (4) in this provision.</p>



Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
58.	293(6)	(6) For the purposes of sub-sections (1) and (5), the following shall be ignored: — (a) the undisclosed income declared under sub-section (1)(a) is a loss; or (b) the income disclosed in respect of any tax year comprising the block period is a loss; or (c) the returned income or assessed income under sub-section (1)(b) or (c) is a loss; or (d) the income as determined under of sub-section (1)(d) is a loss.	Sub-section (6) of section 158BB has been omitted by the Finance Act, 2025. Correspondingly, sub-section (6) of section 293 may be omitted in the Income-tax Bill, 2025.	774	This suggestion has been considered and the corresponding provisions have been omitted in section 293 of the Income-tax Act, 2025.
	294	<b>Procedure for block assessment</b>	The amendments made by the Finance Act, 2025 in section 158BC of the Income-tax Act, 1961 may be suitably incorporated in section 294 of the Income-tax Bill, 2025.		These suggestions have been considered and the relevant clauses of sub-section (1) of section 294 of the Income-tax Act, 2025, now read as follows -
59.	294(1)	(1) Where any search has been initiated or requisition is made in the case of any person, then,— (a) the Assessing Officer shall, in respect of such search or requisition, issue a notice to such person, requiring him to furnish within a period specified in the notice, not exceeding sixty days, a return in the form and verified in the manner, as	The closing part of sub-section (1)(a), after the words "as prescribed", to read as follows - <b>setting forth his total income, including the <u>undisclosed income</u>, for the block period, and—</b>	779	(1) Where any search has been initiated or requisition is made in the case of any person, then,— (a) the Assessing Officer shall, in respect of such search or requisition, issue a notice to such person, requiring him to furnish within a period specified in the notice, not exceeding sixty days, a

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		prescribed, <b>setting forth his <u>total income, including the undisclosed income, for the block period, and—</u></b>			return in the form and verified in the manner, as may be prescribed, <b>setting forth his <u>undisclosed income, for the block period, and—</u></b>
60.	294(1)(a)	<p>(i) such return shall be considered as if it was a return furnished under section 263 and thereafter notice under section 270(8) shall be issued;</p> <p>(ii) any return furnished beyond the period allowed in the notice shall not be deemed to be a return under section 259;</p> <p>(iii) no notice under section 280 is required to be issued for the purpose of proceeding under this Chapter;</p> <p>(iv) a person who has furnished a return under this clause shall not be entitled to furnish a revised return;</p>	<p>It is suggested that clause (v) may be inserted in section 294(1):</p> <p>(v) the time allowed for furnishing a return under this clause may be extended by a further period of thirty days, where—</p> <p>(i) in respect of a tax year immediately preceding the tax year in which the search is initiated or requisition is made, the due date for furnishing the return has not expired prior to the date of initiation of such search or requisition;</p> <p>(ii) the assessee was liable for audit under section 63 for such tax year;</p> <p>(iii) the accounts (maintained in normal course) of such tax year have not been audited on the date of issuance of such notice; and</p> <p>(iv) the assessee requests in writing for extension of time for furnishing such return to get such accounts audited;</p>	779-781	<p>This suggestion has been considered and clause (v) has been inserted in section 294(1)(a) as under –</p> <p>(v) the time allowed for furnishing a return under this clause may be extended by a further period of thirty days, where,—</p> <p>(A) in respect of a tax year immediately preceding the tax year in which the search is initiated or requisition is made, the due date for furnishing the return has not expired prior to the date of initiation of such search or requisition;</p> <p>(B) the assessee was liable for audit under section 63 for such tax year;</p> <p>(C) the accounts (maintained in normal course) of such tax year have not been audited on the date of issuance of such notice; and</p> <p>(D) the assessee requests in</p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
					writing for extension of time for furnishing such return to get such accounts audited;
61.	294(1)(b)	(b) the Assessing Officer shall proceed to determine the total income including the undisclosed income of the block period in the manner laid down in section 293 and the provisions of sections 268, 270(8), 270(10), 271, 276, <b><u>287 and 288</u></b> shall, so far as may be, apply;	There are two typographical errors in clause (b), where <b>the references to sections '287 and 288' should be substituted with 'sections <u>277 and 278</u>'</b> , as the provisions relating to 'method of accounting in certain cases' and 'taxability of certain income' are correctly dealt with under sections 277 and 278, respectively.	781-782	This suggestion has been considered and clause (b) now reads as follows:  (b) the Assessing Officer shall proceed to determine the total income including the undisclosed income of the block period in the manner laid down in section 293 and the provisions of sections 268, 270(8), 270(10), 271, 276, <b><u>277 and 278</u></b> shall, so far as may be, apply;
62.	294(1)(c)	(c) the Assessing Officer, on determination of the <b>total income</b> of the block period as per this Chapter, shall pass an order of assessment or reassessment and determine the tax payable by him on the basis of such assessment or reassessment, so, however that— (i) the provisions of section 275 shall not apply in respect of such order; (ii) where the order of assessment or reassessment is made in pursuance of section 295, the block period for such assessment or reassessment shall be the same as that determined	It is suggested that clause (c) of section 294(1) be amended as follows -  (c) the Assessing Officer, on determination of the <b>total undisclosed income</b> of the block period as per this Chapter, shall pass an order of assessment or reassessment and determine the tax payable by him on the basis of such assessment or reassessment, so, however that—  (i) <b>the provisions of section 275 shall not apply in respect of such</b>	782-783	This suggestion has been considered and clause (c) of section 294(1) now reads as follows –  (c) the Assessing Officer, on determination of the <b>total undisclosed income</b> of the block period in accordance with this part, shall pass an order of assessment or reassessment and determine the tax payable by him on the basis of such assessment or reassessment, and <b>the provisions of section 275 shall</b>

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		in respect of the person in whose case search was initiated or requisition was made and proceedings under the said section were initiated due to such search or requisition;	<b>order;</b> <del>(ii) where the order of assessment or reassessment is made in pursuance of section 295, the block period for such assessment or reassessment shall be the same as that determined in respect of the person in whose case search was initiated or requisition was made and proceedings under the said section were initiated due to such search or requisition;</del>		<b>not apply in respect of such order;</b>
63.	295	<b>Undisclosed income of any other person</b>  Where the Assessing Officer is satisfied that any undisclosed income belongs to or pertains to or relates to any person, other than the person with respect to whom search was initiated or requisition was made, then—  (a) any money, bullion, jewellery, virtual digital asset or other valuable article or thing, or assets, or books of account, other documents, or any information contained therein, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person;	It is suggested that section 295 be amended as under:  295(1) Where the Assessing Officer is satisfied that any undisclosed income belongs to or pertains to or relates to any person (herein referred to as the "other person"), other than the person (herein referred to as the "specified person" for the purposes of this section) with respect to whom search was initiated under section 247 or requisition was made under section 248, then any money, bullion, jewellery, virtual digital asset or other valuable article or thing or any books of account or other documents seized or requisitioned or any other material or information relating to the aforesaid	784-788	This suggestion has been largely considered and section 295 now reads as follows –  (1) Where the Assessing Officer is satisfied that any undisclosed income belongs to or pertains to or relates to any person (herein referred to as the other person), other than the person (herein referred to as the specified person) with respect to whom search was initiated under section 247 or requisition was made under section 248, then—  (a) any money, bullion, jewellery, virtual digital asset or other valuable article or thing or any books of account or other

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		and (b) such other person referred to in clause (a) shall be assessed under section 294 and the provisions of this Chapter shall apply accordingly.	undisclosed income shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed under section 294 against such other person and the provisions of this Chapter shall apply accordingly:  (2) (a) where there is one specified person relevant to such other person, the block period for such other person shall be the same as that for the specified person; and  (b) where there is more than one specified persons relevant to such other person, the block period for such other persons shall be the same as that for the specified person in whose case the block period ends on a later date:  (3) In case of such other person, for the purposes of abatement under sub-sections (2) and (3) of section 292, the reference to the date of initiation of the search under section 247 or making of requisition under section 248 shall be construed as reference to the date on which such money, bullion, jewellery, virtual digital asset or other valuable article or thing or any books of account or		documents seized or requisitioned or any other material or information relating to the aforesaid undisclosed income shall be handed over to the Assessing Officer having jurisdiction over such other person; and  (b) Assessing Officer of the other person shall proceed under section 294 against such other person and the provisions of this part shall apply accordingly.  (2) For the purposes of this section,—  (a) where there is one specified person relevant to such other person, the block period for such other person shall be the same as that for the specified person;  (b) where there is more than one specified persons relevant to such other person, the block period for such other person shall be the same as that for the specified person in whose case the block period ends on a later date;  (3) In case of such other person as referred to in sub-section (1), for the purposes or abatement

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			other documents seized or requisitioned or any other material or information relating to the aforesaid undisclosed income were received by the Assessing Officer having jurisdiction over such other person.'		under section 292(2) and (3), the reference to the date of initiation of the search under section 247 or making of requisition under section 248 shall be construed as reference to the date on which such money, bullion, jewellery, virtual digital asset or other valuable article or thing or any books of account or other documents seized or requisitioned or any other material or information relating to the aforesaid undisclosed income were received by the Assessing Officer having jurisdiction over such other person.
64.	296	<b>Time limit for completion of block assessment</b> (1) Irrespective of the provisions of section 296, the order under section 294 shall be passed within twelve months from the end of the <b>month</b> in which the last of the authorisations for search was executed, or requisition was made. (2) Where search was initiated or requisition was made, and during the course of assessment or reassessment of the <b>total income</b>	It is suggested that "month" be replaced with " <b>quarter</b> "; and "total income" be replaced with " <b>total undisclosed income</b> ", in line with the amendments by the Finance Act, 2025 in the Income-tax Act, 1961. It is suggested that following sub-section to section 296 may be amended as under: (1) Irrespective of the provisions of section 296, the order under section 294 shall be passed within twelve months from the end of the <del>month</del>	789-790	These suggestions have been considered and the relevant sub-sections of section 296 have been amended as follows - (1)(a) Irrespective of the provisions of section 286, the order under section 294 shall be passed within twelve months from the end of the <b>quarter</b> in which the last of the authorisations for search was executed, or requisition was made. (b)....

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		<p>of the relevant block period, any reference under section 166(1) is made, the period available for completion of such assessment or reassessment proceeding shall be extended by twelve months.</p> <p>(5) The period of limitation for completion of assessment or reassessment for the block period in the case of the other person referred to in section 295 shall be twelve months from the end of the <b>month</b> in which the notice under section 294 in pursuance of section 295, was issued to such other person.</p> <p>(6) The period available for completion of assessment or reassessment proceeding in respect of the block period in a case referred to in sub-section (5) shall be extended by twelve months, where a reference under section 166(1) is made in such case.</p>	<p><b>quarter</b> in which the last of the authorisations for search was executed, or requisition was made.</p> <p>(3) Where search was initiated or requisition was made, and during the course of assessment or reassessment of the <del>total income</del> <b>total undisclosed income</b> of the relevant block period, any reference under section 166(1) is made, the period available for completion of such assessment or reassessment proceeding shall be extended by twelve months.</p> <p>(5) The period of limitation for completion of assessment or reassessment for the block period in the case of the other person referred to in section 295 shall be twelve months from the end of the <del>month</del> <b>quarter</b> in which the notice under section 294 in pursuance of section 295, was issued to such other person.</p>		<p>(2) Where search was initiated or requisition was made, and during the course of assessment or reassessment of the <b>total undisclosed income</b> of the relevant block period, any reference under section 166(1) is made, the period available for completion of such assessment or reassessment proceeding shall be extended by twelve months.</p> <p>(5) The period of limitation for completion of assessment or reassessment for the block period in the case of the other person referred to in section 295 shall be twelve months from the end of the <b>quarter</b> in which the notice under section 294 in pursuance of section 295, was issued to such other person.</p>
65.	298(1)	<p><b>Levy of interest and penalty in certain cases</b></p> <p>(1) Where the return of <b>total income</b> as required under a notice</p>	<p>It is suggested that section 298(1) may be amended to substitute "total income" with "undisclosed income":</p> <p>(1) Where the return of <del>total income</del> <b>undisclosed income</b> as required under a notice under section</p>	794	<p>This suggestion has been considered and the relevant sub-section of section 298(1) now reads as follows -</p> <p>(1) Where the return of <b>undisclosed income</b> as required</p>



Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		under section 294(1)(a), is not furnished within the period specified in such notice, or is not furnished, then,—	294(1)(a), is not furnished within the period specified in such notice, or is not furnished, then,—		under a notice under section 294(1)(a), is not furnished within the period specified in such notice, or is not furnished, then,—
66.	335	<p><b>Regular Income</b></p> <p>Regular income of any tax year of a registered non-profit organisation means—</p> <p>(a) <b>receipts</b> from any charitable or religious activity, for which it is registered, carried out by such registered non-profit organisation in such tax year;</p> <p>(b) <b>receipts</b>, other than those specified in clause (d), whether capital or revenue, derived from any property or investment held by such registered non-profit organisation in such tax year;</p>	<p>The phrase "receipts, whether capital or revenue" in the definition of regular income, could include capital receipts such as maturity proceeds of investments, which are not income. The term 'Income' specifically refers to the portion of receipts that is earned over and above the value of the initial investment, distinguishing it clearly from capital receipts. Therefore, it is suggested to <b>replace ' receipts' with 'income'</b>, which specifically refers to earnings above the cost principal value of an investment. This change will ensure that only actual income is considered as regular income, avoiding any wrong classification of return of capital as income.</p> <p><b>The term "income" may be used in place of the term "receipts"</b></p>	800-802	<p>This suggestion has been considered and "receipts" has been replaced with "income" section 335 -</p> <p>335. Regular income of any tax year of a registered non-profit organisation means—</p> <p>(a) <b>income</b> from any charitable or religious activity, for which such non-profit organisation is registered, carried out by it in such tax year;</p> <p>(b) <b>income</b> other than income covered in clause (e), derived from any property, deposit or investment held wholly for charitable or religious purposes by such registered non-profit organisation in such tax year;</p>
67. & 68.	337	<p><b>Specified Income</b></p> <p>The specified income of a registered non-profit organisation shall mean</p>	<p>The following suggestions were given –</p> <p>(i) Amounts received by <b>Religious</b></p>	808-809	These suggestions have been considered and column B of Sl. No.1 now reads as follows -



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		the income as specified in column B of the Table below and shall be taxable in the year provided in the column C thereof:—		<b>cum Charitable trusts may also be excluded</b> from the scope of anonymous donations included in specified income..  (ii) 5% of “such” donations is a drafting error as such donations refer to anonymous donations and not total donations. Also, 5% of anonymous donations will always be lower than the amount of anonymous donations. The <b>5% exclusion has to be computed with respect to total donations</b> , and not such donations, which imply anonymous donations.					
		<b>Sl. No.</b>	<b>Specified income</b>		<b>Tax year</b>		<b>Sl. No.</b>	<b>Specified income</b>	<b>Tax year</b>
		A	B		C		A	B	C
		1	Any anonymous donation received by a registered non-profit organisation (other than a registered non-profit organisation created or established wholly for religious purposes) excluding the anonymous donations up to ₹1,00,000 or 5% of the such donations received by it during the tax year, whichever is higher.		Tax year in which such anonymous donation is received.		1	Any anonymous donation received by a registered non-profit organisation <b>other than a registered non-profit organisation created or established, -</b> (i) wholly for religious purposes, or (ii) <b>wholly for charitable and religious purposes</b> (excluding anonymous donation made with a specific direction that such donation is for	Tax year in which such anonymous donation is received.

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
					any university or other educational institution or any hospital; or other medical institution run by such registered non-profit organisation), excluding the anonymous donations up to ₹ 1,00,000 or 5% of <b>the total donations received</b> by it during the tax year, whichever is higher.
69.	349	<b>Return of Income</b> Where the total income of a registered non-profit organisation, without giving effect to the provisions of this Part, exceeds the maximum amount which is not chargeable to income-tax in any tax year, it shall furnish the return of	Reference of <b>section 263(2)</b> is required so as to enable furnishing its return online and in the manner as prescribed u/s 263(2). Also "for such tax year" be substituted by " <b>for that tax year</b> ".	820-822	These suggestions has been considered and section 349 now reads as follows – Where the total income of a registered non-profit organisation, without giving effect to the provisions of this Part, exceeds the maximum amount which is not chargeable to income-tax in any

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		income for such tax year as per the provisions of section 263(1)(a)(iii), within the time limit allowed under sub-section (1)(b) of that section.			tax year, it shall furnish the return of income for <del>that</del> tax year as per the provisions of <b>section 263(1)(a)(iii) and (2)</b> , within the time limit allowed under section 263(1)(c).
70.	383	<b>Application for Advance Ruling</b> (2) The application shall be <b><u>made in quadruplicate</u></b> and be accompanied by a fee of ten thousand rupees or such fee, as prescribed	Rule 44E requiring the application for obtaining advance ruling under section 245Q(1) to be made in the respective forms, Form No.34C/34D/34DA/34E/34EA has deleted the words "in quadruplicate" w.e.f. 5.5.2022. This requirement has been removed in Rule 44E, since the forms have to be sent vide e-mail. However, the same continued in section 245Q(2) of the Income-tax Act, 1961.  <b>The requirement to make the application in quadruplicate in Section 383(2) may be removed.</b>	862	This suggestion has been considered and the <b>requirement of filing an application in quadruplicate has been removed</b> in section 383(2), which now reads as follows –  (2) The application shall be accompanied by a fee, as may be prescribed.
71.	390(4)	<b>Collection and Recovery of Tax</b> <b>A. General</b> (4) The payment of tax referred to in sub-section (1) shall be in addition to any other mode of tax collection to discharge the liability in respect of income assessed for a tax year	Sub-section (4) uses the term " <b>tax collection</b> " to describe the payment of tax in addition to other modes of tax collection. It may be more accurate and consistent to use "recovery" as used in sections like section 226 of the Income-tax Act, 1961 and Section 416 of the Income-tax Bill, 2025. " <b>Recovery</b> " <b>better conveys the mandatory</b>	865-866	This suggestion has been considered and section 390(4) now reads as follows –  (4) The payment of tax referred to in sub-section (1) shall be in addition to any other mode of tax <b>recovery</b> to discharge the liability in respect of income assessed for a tax year.

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
			<p><b>nature of the tax payment and includes both voluntary and involuntary tax payments that are due after assessment.</b></p> <p>Sub-section (4) may be reworded as follows –</p> <p>The payment of tax referred to in sub-section (1) shall be in addition to any other mode of tax <del>collection</del> <b>recovery</b> to discharge the liability in respect of income assessed for a tax year.</p>		
72.	393(1) Opening para	(1) Where any income or sum of the nature specified in column B of the Table below, is credited or paid or distributed by the person specified in column C during the tax year, to a resident, the person responsible for paying shall deduct income-tax,— (a) on the entire amount of such income or sum, where the amount or aggregate of amounts exceeds the threshold limit specified in column D; (b) at the rate specified in column D; (c) at the time of credit of such income or sum to the account of the payee or at the time of its payment in cash or by way of a cheque or a draft or by any other mode, whichever is earlier; and (d) subject to the provisions of sub-sections (4),	<p>The opening para of section 393(1) requires deduction of tax at source on the entire amount of such income or sum, where the amount or aggregate of amounts exceeds the threshold limit specified in column D at the rate specified in column D, subject to the provisions (6), (8) and (9).</p> <p>However, in Sl. No.8(ii) in the Table, the rate of tax is to be applied on such sum exceeding Rs.50 lakh. <b>This contradicts the opening statement requiring deduction of tax at source on the entire amount, where the amount or aggregate of amounts exceeds the threshold limit.</b></p>	968-970	<p>This observation has been considered and the opening para of section 393(1) now reads as follows –</p> <p>393. (1) Where any income or sum of the nature specified in column B of the Table below, is credited or paid or distributed by the person specified in column C during the tax year, to a resident, the person responsible for paying such income or sum shall deduct income-tax,—</p> <p>(a) on the entire amount of such income or sum, where the amount or aggregate of amounts exceeds the threshold limit specified in column D, <b><u>or on sum as per Note 1 for serial number 8(ii),</u></b></p>

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI’s suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI’s MoS	Provision in the Income-tax Act, 2025							
		<p>(5), (6), (8) and (9).</p> <p><b>Sl. No.8(ii) in the Table in section 393(1) reads as follows -</b></p> <table><tr><td>(ii)</td><td>Any sum for purchase of any goods.</td><td>Any person, being a buyer.</td><td>Rate: 0.1% of such sum exceeding ₹ 50,00,000. — — Threshold limit: ₹ 50,00,000.</td></tr></table>	(ii)	Any sum for purchase of any goods.	Any person, being a buyer.	Rate: 0.1% of such sum exceeding ₹ 50,00,000. — — Threshold limit: ₹ 50,00,000.		<p>as the case may be;</p> <p>(b) at the rate specified in column D;</p> <p>(c) at the time of credit of such income or sum to the account of the payee or at the time of its payment in cash or by way of a cheque or a draft or by any other mode, whichever is earlier; and</p> <p>(d) subject to the provisions of sub-sections (4), (5), (6), (8) and (9)</p> <p><b>Sl. No.8(ii) and Note 1 now read as follows -</b></p> <table><tr><td>(ii)</td><td>Any sum exceeding fifty lakh rupees for purchase of any goods.</td><td>Any person, being a buyer.</td><td>Rate: 0.1%  Threshold limit: As per Note 1.</td></tr></table> <p><b>Note 1.—</b></p> <p>(a) The deduction of tax under serial number 8(ii) shall not apply to a transaction on which tax is deductible or collectible under any of the provisions of the Act.</p> <p><b>(b) The tax shall be deducted on the sum exceeding fifty lakh rupees.</b></p>	(ii)	Any sum exceeding fifty lakh rupees for purchase of any goods.	Any person, being a buyer.	Rate: 0.1%  Threshold limit: As per Note 1.
(ii)	Any sum for purchase of any goods.	Any person, being a buyer.	Rate: 0.1% of such sum exceeding ₹ 50,00,000. — — Threshold limit: ₹ 50,00,000.									
(ii)	Any sum exceeding fifty lakh rupees for purchase of any goods.	Any person, being a buyer.	Rate: 0.1%  Threshold limit: As per Note 1.									

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73.	393(1)	<b>Tax to be deducted at source</b> <b>Sl. No.4</b>	There is duplication of reference to (Table :Sl. No.4) of Schedule V which needs to be removed.  Column B of Sl No.(ii) may be reworded as given below –  <table><tr><td>(ii)</td><td>Any distributed income referred to in section 223, referred to in Schedule V <b>(Table: Sl. Nos. 3 and 4) or <del>(Table: Sl. No. 4),</del></b> payable to a unitholder</td><td></td></tr></table>	(ii)	Any distributed income referred to in section 223, referred to in Schedule V <b>(Table: Sl. Nos. 3 and 4) or <del>(Table: Sl. No. 4),</del></b> payable to a unitholder		899	This suggestion has been considered and the duplication of reference to sl. No. 4 has been removed.																	
		(ii)		Any distributed income referred to in section 223, referred to in Schedule V <b>(Table: Sl. Nos. 3 and 4) or <del>(Table: Sl. No. 4),</del></b> payable to a unitholder																					
		<table><tr><th>A</th><th>B</th><th>C</th><th>D</th></tr><tr><td>4</td><td>Income from capital market</td><td></td><td></td></tr><tr><td>(ii)</td><td>Any distributed income referred to in section 223, referred to in Schedule V <b>(Table: Sl. Nos. 3 and 4) or (Table: Sl. No. 4),</b> payable to a unitholder of a Business Trust.</td><td>Any Business Trust.</td><td>Rate: 10%  Threshold limit: Nil</td></tr></table>		A	B	C		D	4	Income from capital market			(ii)	Any distributed income referred to in section 223, referred to in Schedule V <b>(Table: Sl. Nos. 3 and 4) or (Table: Sl. No. 4),</b> payable to a unitholder of a Business Trust.	Any Business Trust.	Rate: 10%  Threshold limit: Nil	<table><tr><th>A</th><th>B</th><th>C</th><th>D</th></tr><tr><td>4</td><td>Income from capital market</td><td></td><td></td></tr><tr><td>(ii)</td><td>Any distributed income referred to in section 223, referred to in Schedule V <b>(Table: Sl. Nos. 3 and 4),</b> payable to a unitholder of a Business Trust.</td><td>Any Business Trust.</td><td>Rate: 10%  Threshold limit: Nil</td></tr></table>	A	B	C	D	4	Income from capital market		
A	B	C	D																						
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A	B	C	D																						
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74.	393(1)	6. Payments to contractors, fees for professional and technical services, etc.	It is suggested that independent threshold limit be provided for each category (a) to (e) in line with section 194J of the Income-tax Act, 1961.	953-954	This suggestion has been considered and independent limits have been provided for each category as below –  6. Payments to contractors, fees for professional and technical services, etc.																				

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		(iii) Any sum by way of—	Rate: (a) 2% of such sum in case of—			(iii) Any sum by way of—	Rate: (a) 2% of such sum in case of—
		(a) fees for professional services; or	(i) fees for technical services (not being a professional services);or			(a) fees for professional services; or	(i) fees for technical services (not being a professional services); or
		(b) fees for technical services; or	(ii) royalty in the nature of consideration for sale, distribution or exhibition of cinematographic films;or			(b) fees for technical services; or (c) remuneration or fees or commission by whatever name called, other than those on which tax is deductible under section 392, to a director of a	(ii) royalty in the nature of consideration for sale, distribution or exhibition of cinematographic films; or (iii) payee, engaged only in the business of operation of call centre; (b) 10% of such sum in cases other than (a)
		(c) remuneration or fees or commission by whatever name called, other than those on which tax is deductible under section 392, to a director of a company; or	(iii) payee, engaged only in the business of operation of call centre;				

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		(d) royalty; or	(b) 10% of such sum in cases other than (a)			company; or (d) royalty; or (e) any sum referred to in section 26(2)(h).		Threshold limit: [for (a) (b), (d) and (e)]: ₹ 50,000. For (c) : Nil
75.	393(3)	The table in Section 393(3) contains the rates and threshold limits in respect of TDS payments to any person, irrespective of whether they are resident or non-resident.		<b>448. Penalty for failure to deduct tax at source.</b> (1) If any person fails to— (a) deduct the whole or in part, the tax as required under Chapter XIX-B; or (b) pay or ensure the payment of, the whole or any part of the tax as required by or under— <b>(i) Note 3 in Table in section 393(3);</b> or (ii) Note 6 to section 393(1) (Table: Sl. No. 8), then, the Assessing Officer may impose on him, a penalty equal to the tax which such person failed to	1237	<b>This observation has been considered and the relevant Notes have been inserted in the Table in section 393(3).</b> <b>Note 1.</b> —For serial number 2, tax shall be deducted— (a) on net winnings in the user account of the payee at the end of the tax year; (b) where there is any withdrawal from user account during the tax year, the tax shall be deducted at the time of such withdrawal on the net winnings comprised in such withdrawal as well as on the remaining amount of net winnings in user account at the end of the tax year,		



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			deduct or pay or ensure payment of, as aforesaid. <b>Likewise, section 476 also makes reference to Note in Table in section 393(3). However, it was pointed out that there was no Note in Table in section 393(3) in the Income-tax Bill, 2025 tabled on 13.2.2025.</b>		where the net winnings in each case is computed in the such manner as may be prescribed. <b>Note 2.</b> —For serial numbers 1 and 2, where the winnings or net winnings, as the case may be,— (a) is wholly in kind; or (b) is partly in kind and partly in cash, but such part in cash is not sufficient to meet the liability of deduction of tax in respect of the whole of such winnings, then, the person responsible for paying shall ensure that the tax required to be deducted has been paid, before releasing the winnings. <b>Note 3.</b> —For serial number 4, the person responsible for making the payment shall deduct tax at the time of credit of such sum or at the time of payment of such sum in cash or by issue of a cheque or a draft or by any other mode, whichever is earlier.
76.	402(3)	<b>Interpretation</b> In this chapter,—	Section 402(3) defines “an incorrect claim apparent from any information in the statement” only with reference	1154-1155	This suggestion has been considered and section 402(3) now reads as follows –

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		<p>(3) "an incorrect claim apparent from any information in the statement" shall mean a claim, on the basis of an entry, in the statement—</p> <p>(a) of an item, which is inconsistent with another entry of the same or some other item in such statement;</p> <p>(b) in respect of rate of deduction of tax at source, where such rate is not as per the provisions of the Act;</p>	<p>to TDS statements and not TCS statements.</p> <p>This phrase was explained separately in the Income-tax Act, 1961 in section 200A and 206CB with reference to TDS and TCS, respectively.</p> <p>In section 402(3), there is no reference in respect of TCS as was in section 206CB of the Income-tax Act, 1961 for an incorrect claim apparent from any information in the statement under section 397(3)(d). Accordingly, Section 402(3) has to be amended to include reference to TCS statements.</p> <p>Section 402(3) to be worded as follows:</p> <p>(3) "an incorrect claim apparent from any information in the statement" shall mean a claim, on the basis of an entry, in the statement—</p> <p>(a) of an item, which is inconsistent with another entry of the same or some other item in such statement;</p> <p>(b) in respect of rate of deduction of tax at source, where such rate is not as per the provisions of the Act;</p> <p><b>(c) in respect of rate of tax collection at source, where such rate is not as per the provisions of the Act;</b></p>		<p>(3) "an incorrect claim apparent from any information in the statement" shall mean a claim, on the basis of an entry, in the statement—</p> <p>(a) of an item, which is inconsistent with another entry of the same or some other item in such statement;</p> <p>(b) in respect of rate of deduction of tax at source <b>or rate of collection of tax at source</b>, where such rate is not as per the provisions of the Act;</p>

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77.	416(5)	<b>Other modes of recovery</b> (5)(h) Where it is discovered that the statement under was false in any material particular, such person shall be personally liable to the Assessing Officer or Tax Recovery Officer to the extent of his own liability to the assessee on the date of the notice, or to the extent of the assessee's liability for any sum due under this Act, whichever is less;	In sub-section (5)(h), reference to statement under " <b>clause (g) above</b> " is missing and needs to be included. Sub-section (5)(h) may be reworded as given below - (h) Where it is discovered that the statement under <b>clause (g) above</b> was false in any material particular, such person shall be personally liable to the Assessing Officer or Tax Recovery Officer to the extent of his own liability to the assessee on the date of the notice, or to the extent of the assessee's liability for any sum due under this Act, whichever is less;	1195	This suggestion has been considered and now clause (h) reads as follows - (h) Where it is discovered that the statement under <b>clause (g)</b> was false in any material particular, such person shall be personally liable to the Assessing Officer or Tax Recovery Officer to the extent of his own liability to the assessee on the date of the notice, or to the extent of the assessee's liability for any sum due under this Act, whichever is less;
78.	433	<b>Chapter XX – Refunds</b> Every claim for refund under this Part shall be made by furnishing return as per section 263.	In the Income-tax Bill, 2025, Chapter XX has no 'Parts'. Thus, in place of the word "part", the word chapter" to be used. This section be substituted as follows: Every claim for refund under this <del>Part</del> <b>Chapter</b> shall be made by furnishing return as per section 263.	1204	This suggestion has been considered and section 433 now reads as follows - Every claim for refund under this <b>Chapter</b> shall be made by furnishing return as per section 263.
79.	436	<b>Correctness of assessment not to be questioned</b> In a claim under <b>this part</b> , it shall not be open to the assessee to	In the Income-tax Bill, 2025, Chapter XX has no 'Parts'. Instead of the words "this part" words " <b>this chapter</b> " may be	1206-1207	This suggestion has been considered and section 436 now reads as follows – In a claim under this <b>Chapter</b> , it

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		question the correctness of any assessment, or other matter decided which has become final and conclusive, or ask for a review of the aforesaid assessment or matter; and the assessee shall not be entitled to any relief on such claim except refund of tax wrongly paid or paid in excess.	substituted.		shall not be open to the assessee to question the correctness of any assessment, or other matter decided which has become final and conclusive, or ask for a review of the aforesaid assessment or matter; and the assessee shall not be entitled to any relief on such claim except refund of tax wrongly paid or paid in excess.
80.	437(7)	<b>Interest on refunds</b> (7) If the proceedings resulting in the refund are delayed for reasons attributable to the assessee or the deductor, whether wholly or in part, the period of the delay so attributable to him shall be excluded from the period for which interest is payable under this section.	To eliminate interpretational issues, the phrase " <b>as the case may be</b> " may be inserted in sub-section (7): (7) If the proceedings resulting in the refund are delayed for reasons attributable to the assessee or the deductor, <b>as the case may be</b> , whether wholly or in part, the period of the delay so attributable to him shall be excluded from the period for which interest is payable under this section.	1207-1208	This suggestion has been considered and section 437(7) now reads as follows - (7) If the proceedings resulting in the refund are delayed for reasons attributable to the assessee or the deductor, <b>as the case may be</b> , whether wholly or in part, the period of the delay so attributable to him shall be excluded from the period for which interest is payable under this section.
81.	437(9)	(9) Where, as a result of an order under section 270(10) or 271 or 279 or 287 or 288 or 359 or 363 or 365(10) or 368 or 377 or 378, the amount on which interest was payable under sub-section (1) has been increased or reduced, the	Reference of sub-section (3) seems to be an inadvertent omission in sub-section (9). In sub-section (9) after the words "sub-section (1)" the word " <b>or (3)</b> " may be inserted.	1208-1209	This suggestion has been considered and section 437(9) now reads as follows - (9) Where, as a result of an order under section 270(10) or 271 or 279 or 287 or 288 or 359 or 363 or 365(10) or 368 or 377 or 378, the amount on which interest was

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		interest shall be increased or reduced accordingly.	Sub-section (9) may be redrafted as follows—  (9) Where, as a result of an order under section 270(10) or 271 or 279 or 287 or 288 or 359 or 363 or 365(10) or 368 or 377 or 378, the amount on which interest was payable under sub-section (1) <b>or (3)</b> has been increased or reduced, the interest shall be increased or reduced accordingly.		payable under sub-section (1) <b>or (3)</b> has been increased or reduced, the interest shall be increased or reduced accordingly.
82.	441	<b>Failure to keep, maintain or retain books of account, documents, etc.</b>  A penalty of twenty-five thousand rupees <b>shall</b> be imposed on a person by the Assessing Officer or the Joint Commissioner (Appeals) or the Commissioner (Appeals), if he fails to—	As per section 470, no penalty shall be imposed on a person or assessee, if he proves that there was reasonable cause for the said failure.  On proving reasonable cause no penalty would be levied; thus, <b>the word "may" be used in place of "shall"</b> .  Section 441 may be reworded as follows—  A penalty of twenty-five thousand rupees <b>shall may</b> be imposed on a person by the Assessing Officer or the Joint Commissioner (Appeals) or the Commissioner (Appeals), if he fails to—	1227-1228	This suggestion has been considered and section 441 now reads as follows -  A penalty of Rs.25000 <b>may</b> be imposed on a person by the Assessing Officer or the Joint Commissioner (Appeals) or the Commissioner (Appeals), if he fails to—
83.	443	<b>Penalty in respect of certain income</b>	Section 471 [Procedure (including giving reasonable opportunity of	1232	This suggestion has been considered and now sub-section

Sl. No.	Clause No. of the Income-tax Bill, 2025	Provision in the Income-tax Bill, 2025 tabled in the Lok Sabha on 13.2.2025	ICAI's suggestion/observation in Memorandum of Suggestions (MoS) on Income-tax Bill, 2025 with rationale	Pg. No. of ICAI's MoS	Provision in the Income-tax Act, 2025
		(5) The provisions of sections 471 and 472 shall as far as may be, apply in relation to the penalty referred to in this section.	being heard)] and 472 [Time limit for imposing penalties] are applicable for all penalties under this chapter. Thus, inclusion of specific sub-section (5) may not be required. <b>Sub-section (5) may be omitted.</b>		(5) has been omitted in section 443.
84.	444	<b>Penalty for false entry, etc., in books of account</b> 444. The Assessing Officer or the Joint Commissioner (Appeals) or the Commissioner (Appeals), may impose a penalty equal to the aggregate amount of false or omitted entry, where during any proceeding under this Act, it is found that in the books of account maintained by any person there is— (a) a false entry; or (b) an omission of any entry which is relevant for computation of total income of such person, to evade tax liability. (2) Without prejudice to sub-section (1), the Assessing Officer or the Joint Commissioner (Appeals) or the Commissioner (Appeals) may impose a penalty equal to the aggregated amount of false or omitted entry, on any other person, who causes the	The numbering of sub-section (1) has been inadvertently omitted, the same may be included. In sub-section (2) reference of sub-section (1) has been made but presently there is no numbering of sub-section (1) to Section 444 due to this inadvertent omission.	1233	This suggestion has been considered and the numbering of sub-section (1) has been included in section 444- <b>(1)</b> The Assessing Officer or the Joint Commissioner (Appeals) or the Commissioner (Appeals), may impose a penalty equal to the aggregate amount of false or omitted entry, where during any proceeding under this Act, it is found that in the books of account maintained by any person there is— (a) a false entry; or (b) an omission of any entry which is relevant for computation of total income of such person, to evade tax liability

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		person referred to in the said sub-section in any manner to make a false entry or omits or causes to omit any entry referred to in that sub-section.			
85.	449	<b>Penalty for failure to collect tax at source</b> 449 (1) If any person fails to collect the whole or in part, the tax as required under Chapter XIX-B, the Assessing Officer may impose on him, a penalty equal to the tax which such person failed to collect.	There is no sub-section in this section, still number (1) is written, which can be removed. The number (1) may be removed since there is no other sub-section in this section.	1239	This suggestion has been considered and the number (1) has been removed. 449. If any person fails to collect the whole or in part, the tax as required under Chapter XIX-B, the Assessing Officer may impose on him, a penalty equal to the tax which such person failed to collect.
86.	456	<b>Penalty for failure to furnish statement or information or document by an eligible investment fund</b> If any eligible investment fund required to furnish a statement or any information or document under section 9(12)(e) [section 9A(5)], fails to do so within the time prescribed under that section, the income-tax authority prescribed under the said section may direct that such fund shall pay, by way of penalty, a sum of five lakh rupees.	Reference to the provision in the Income-tax Act, 1961 is not required. Therefore, reference to section 9A(5) of the Income-tax Act, 1961 to be removed.	1244-1245	This suggestion has been considered and section 456 now reads as follows - If any eligible investment fund required to furnish a statement or any information or document under paragraph 4 of Schedule I fails to do so within the time prescribed under that section, the income-tax authority 45 prescribed under the said section may direct that such fund shall pay, by way of penalty, a sum of five lakh rupees.



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					<b>Note</b> – However, reference has to be to sub-para 4 of para 1 of Schedule I as suggested by ICAI and not para 4 of Schedule I. There is no para 4 in Schedule I.
87.	478(4)	For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act, or the payment thereof, shall include a case where any person—  (a) .... (b)..... (c) (d) causes any other circumstance to exist which <b>may</b> have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.	In clause (d) word “may” should be replaced with the word “will”.  (d) causes any other circumstance to exist which <del>may</del> <b>will</b> have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.	1278	This suggestion has been considered and clause (d) now reads as follows -  (d) causes any other circumstance to exist which <b>will</b> have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.
88.	491(1)	<b>Prosecution to be at instance of Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner</b>  (1) A person shall not be proceeded against for an offence under section 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, or 484 except	As per the hierarchy, Commissioner (Appeals) to be mentioned before Joint Commissioner (Appeals).  Section 491(1) may be redrafted as follows-  (1) A person shall not be proceeded against for an offence under section 473, 474, 475, 476, 477, 478, 479,	1281-1282	This suggestion has been considered and section 491(1) now reads as follows -  (1) A person shall not be proceeded against for an offence under section 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, or 484 except with the

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		with the previous sanction of the Principal Commissioner or Commissioner or <b>Joint Commissioner (Appeals) or Commissioner (Appeals).</b>	480, 481, 482, 483, or 484 except with the previous sanction of the Principal Commissioner or Commissioner or <b>Commissioner (Appeals) or Joint Commissioner (Appeals).</b>		previous sanction of the Principal Commissioner or Commissioner or <b>Commissioner (Appeals) or Joint Commissioner (Appeals).</b>
89.	499(4)(a)	<b>Certain transfers to be void</b> (4) In this section,— (a) "assets" means land, building, machinery, plant, shares, securities and fixed deposits in banks, virtual digital asset, to the extent to which any of the said assets does not form part of the stock-in-trade of the business of the assessee; and	Clause (a) may be modified by adding ' <b>and</b> ' before the last item, namely virtual digital asset for consistent structuring.	1288	This suggestion has been considered and section 499(4)(a) now reads as follows - (4) In this section,— (a) "assets" means land, building, machinery, plant, shares, securities and fixed deposits in banks <b>and</b> virtual digital asset, to the extent to which any of the said assets do not form part of the stock-in-trade of the business of the assessee; and
90.	501(1)	<b>Service of notice, generally</b> (1) The service of a notice, or summon, or requisition, or order, or any other communication, under this Act may be made by delivering or transmitting a copy thereof, to the person therein named— (a) by post or by such courier services as may be approved by the	Under section 282 of the Income-tax Act 1961, "The service of a notice, or summon, or requisition, or order, or any other communication" was referred to as communication under the section. Since the bracketed portion is missing in section 501 of the Income-tax Bill, 2025, the use of the word "communication" under 501(2) may not serve the intended	1292	This suggestion has been considered and section 501(1) now reads as follows - (1) The service of a notice, or summon, or requisition, or order, or any other communication, under this Act ( <b>herein referred to as communication</b> ) may be made by delivering or transmitting

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		Board; or (b) as provided under the Code of Civil Procedure, 1908 for the purposes of service of summons; or (c) in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000; or (d) by any other means of transmission of documents, as prescribed.	purpose. Accordingly, <b>section 501(1) has to be redrafted to include the bracketed portion.</b>  The opening para of section 501(1) may be modified as follows - “(1) The service of a notice, or summon, or requisition, or order, or any other communication, under this Act <b>(hereafter in this section referred to as "communication")</b> may be made by delivering or transmitting a copy thereof, to the person therein named –		a copy thereof, to the person therein named—
91.	506	<b>Furnishing of information or documents by an Indian concern in certain cases</b> Where,— (a) any share of, or interest in, a company or an entity registered or incorporated outside India, derives, directly or indirectly, its value substantially from the assets located in India, as referred to in <b>section 9(9)(a)</b> ; and (b) such company or, entity, holds, directly or indirectly, such assets in India through, or in, an Indian concern,	There is reference to section 9(9)(a) in the first part of the section and reference to “under the said clause” in the later part. Thus, there is mentioning of “under the said clause” in the latter part of the section, without any clause being referred to earlier in the section. There is only reference to section and not clause in the first part.	1295-1296	This observation has been considered and section 506 has been amended by using “section” in the latter part instead of “clause” so that it is meaningful.

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		then, such Indian concern shall, for the determination of any income accruing or arising in India <b>under the said clause</b> , furnish within such period, the information or documents in such manner, as prescribed, to the prescribed income-tax authority.			
92.	511(4)	<p><b>Furnishing of report in respect of international group.</b></p> <p>(4) A constituent entity of an international group, resident in India, other than the entity referred to in sub-section (2), shall furnish the report referred to in the said sub-section, in respect of the international group for a reporting accounting year within the period, as prescribed, if the parent entity is resident of a country or territory,—</p> <p>(a) where the parent entity is not obligated to file the report of the nature referred to in the said sub-section;</p> <p>(b) with which India does not have an agreement providing for exchange of the report of the nature referred to in the said sub-section;</p> <p>(c) where there has been a <b>systemic failure</b> and such failure</p>	<p>In clause (c), the absence of "of the country or territory" after systemic failure makes the sentence incomplete and may create a disconnect between this paragraph and the definition of "systemic failure" provided under 511(10).</p> <p>Accordingly, clause (c) of sub-section (4) may be substituted with the following:</p> <p>(a) where the parent entity is not obligated to file the report of the nature referred to in the said sub-section; or</p> <p>(b) with which India does not have an agreement providing for exchange of the report of the nature referred to in the said sub-section; or</p> <p>(c) where there has been a <b>systemic failure of the country or territory</b> and such failure has been intimated by the prescribed income-tax authority to such</p>	1297-1298	<p>This suggestion has been considered and now section 511(4)(c) reads as follows –</p> <p>(c) where there has been a systemic failure <b>of the country or territory</b> and such failure has been intimated by the prescribed income-tax authority to such constituent entity.</p>

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		has been intimated by the prescribed income-tax authority to such constituent entity.	constituent entity.		
93.	515(4)	<p><b>Appearance by authorised representative.</b></p> <p>(4) No person,—</p> <p>(a) who has been dismissed or removed from Government service; or</p> <p>(b) who has been convicted of an offence connected with any income-tax proceeding or on whom a penalty has been imposed under this Act, except a penalty imposed <u>under section 275(1)(ii)</u> of the Income-tax Act, 1961 or section 465(1)(d); or</p> <p>(c) who has become an insolvent; or</p> <p>(d) who has been convicted by a court for an offence involving fraud, shall be qualified to represent an assessee under sub-section (1), for—</p>	<p>There is no clause (ii) under 275(1) of the Income-tax Act, 1961. In clause (b), the reference to Section 275(1)(ii) to be corrected as section 271(1)(ii).</p> <p>In clause (b), the reference to Section 275(1)(ii) to be corrected as 271(1)(ii).</p> <p>“(4) No person,—</p> <p>(a) who has been dismissed or removed from Government service; or</p> <p>(b) who has been convicted of an offence connected with any income-tax proceeding or on whom a penalty has been imposed under this Act, except a penalty imposed <u>under section 271(1)(ii)</u> section 275(1)(ii) of the Income-tax Act, 1961 or section 465(1)(d); or”</p>	1300-1301	<p>This suggestion has been considered and in clause (b) of section 515(4), reference has been made to section 271(1)(ii).</p> <p>“(4) No person,—</p> <p>(a) who has been dismissed or removed from Government service; or</p> <p>(b) who has been convicted of an offence connected with any income-tax proceeding or on whom a penalty has been imposed under this Act, except a penalty imposed <u>under section 271(1)(ii)</u> or 272A(1)(d) of the Income-tax Act, 1961 or section 465(1)(d) of this Act; or</p> <p>(c) who has become an insolvent; or</p> <p>(d) who has been convicted by a court for an offence involving fraud, shall be qualified to represent an assessee under sub-section (1), for—</p>