

LOK SABHA

THE FINANCE BILL, 2023
(As introduced in Lok Sabha)

Notice of Amendments

Sl. No.	Name of Member and text of Amendment	Clause No.
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SMT. NIRMALA SITHARAMAN:

1. Page 1, *for lines 6 and 7, substitute-* 1

"(2) Save as otherwise provided in this Act,-

(a) sections 2 to 122 shall come into force on the 1st day of April, 2023;

(b) sections 123 to 144B shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.". 2

2.	Page 16, <i>after line 12, insert—</i> "Provided further that where the total income of a person, being a specified fund referred to in clause (c) of the <i>Explanation</i> to clause (4D) of section 10 of the Income-tax Act, includes any income under clause (a) of sub-section (1) of section 115AD of the Income-tax Act, the advance tax computed on that part of income shall not be increased by any surcharge;".	2
3.	Page 20, <i>after line 15, insert—</i> "Provided also that in the case of a specified fund, referred to in clause (c) of the <i>Explanation</i> to clause (4D) of section 10 of the Income-tax Act, whose income is chargeable to tax under sub-section (1A) of section 115BAC and where such income includes any income under clause (a) of sub-section (1) of section 115AD of the Income-tax Act, the advance tax computed on that part of income shall not be increased by any surcharge;".	2
4.	Page 23, <i>after line 24, insert—</i> "Provided further that nothing contained in this sub-section shall apply in respect of income-tax as specified in sub-section (9), calculated on income, referred to in clause (a) of sub-section (1) of section 115AD of the Income-tax Act, of specified fund referred to in clause (c) of the <i>Explanation</i> to clause (4D) of section 10 of the Income-tax Act.". 2	

*The President has in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution recommended to Lok Sabha the moving of the amendments.

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5.	Page 24, after line 24, insert— ‘(ca) in clause (37A), in sub-clause (ii), after the figures and letter “194B,” the figures and letters “194BA,” shall be inserted;’.	3
6.	Page 25, for lines 35 to 38, substitute— “(ba) for clause (4G), the following clauses shall be substituted with effect from the 1st day of April, 2024, namely:— ‘(4G) any income received by a non-resident from,— (i) portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident; or (ii) such activity carried out by such person, as may be notified by the Central Government in the Official Gazette, in an account maintained with an Offshore Banking Unit in any International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India. <i>Explanation.</i> —For the purposes of this clause, “portfolio manager” shall have the same meaning as assigned to it in clause (z) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021, made under the International Financial Services Centres Authority Act, 2019; (4H) any income of a non-resident or a Unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA engaged primarily in the business of leasing of an aircraft, by way of capital gains arising from the transfer of equity shares of domestic company, being a Unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, engaged primarily in the business of lease of an aircraft which has commenced operations on or before the 31st day of March, 2026; Provided that the provisions of this clause shall apply for capital gains arising from the transfer of equity shares of such	5

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<p>domestic company in a previous year relevant to an assessment year falling within the—</p> <p>(a) period of ten assessment years beginning with the assessment year relevant to the previous year in which the domestic company has commenced operations; or</p> <p>(b) period of ten assessment years beginning with the assessment year commencing on the 1st day of April, 2024, where the period referred to in clause (a) ends before the 1st day of April, 2034.</p> <p><i>Explanation.—For the purposes of this clause, "aircraft" means an aircraft or a helicopter, or an engine of an aircraft or a helicopter, or any part thereof; .".</i></p>	
7. Page 30, after line 32, insert—	5
'(ha) in clause (23FE), in the opening paragraph, for the word "interest", the words, brackets and figures "interest, any sum referred to in clause (xii) of sub-section (2) of section 56" shall be substituted with effect from the 1st day of April, 2024; .'	
8. Page 30, after line 33, insert—	5
<p>"(ia) for clause (26AAA), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1990, namely:—</p> <p>'(26AAA) in case of an individual, being a Sikkimese, any income which accrues or arises to him—</p> <p>(a) from any source in the State of Sikkim; or</p> <p>(b) by way of dividend or interest on securities.</p> <p><i>Explanation.—For the purposes of this clause "Sikkimese" shall mean—</i></p> <p>(i) an individual, whose name is recorded in the register maintained under the Sikkim Subjects Regulation, 1961 read with the Sikkim Subject Rules, 1961 (hereinafter referred to as the "Register of Sikkim Subjects"), immediately before the 26th day of April, 1975; or</p> <p>(ii) an individual, whose name is included in the Register of Sikkim Subjects by virtue of the Government of India Order No. 26030/36/90-</p>	

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	I.C.I., dated the 7th August, 1990 and Order of even number dated the 8th April, 1991; or (iii) any other individual, whose name does not appear in the Register of Sikkim Subjects, but it is established beyond doubt that the name of such individual's father or husband or paternal grand-father or brother from the same father has been recorded in that register; or (iv) any other individual, whose name does not appear in the Register of Sikkim Subjects but it is established that such individual was domiciled in Sikkim on or before the 26th day of April, 1975; or (v) any other individual, who was not domiciled in Sikkim on or before the 26th day of April, 1975, but it is established beyond doubt that such individual's father or husband or paternal grand-father or brother from the same father was domiciled in Sikkim on or before the 26th day of April, 1975; (ib) after clause (34A), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:— '(34B) any income of a unit of any International Financial Services Centre, primarily engaged in the business of leasing of an aircraft, by way of dividends from a company being a unit of any International Financial Services Centre primarily engaged in the business of leasing of an aircraft. <i>Explanation.-</i> For the purposes of this clause, "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;'. 28 of 2005.	
9.	Page 31, line 3, for "clause shall", substitute "clauses shall"	5
10.	Page 31, after line 22, insert—	5
	'(46B) any income accruing or arising to,— (i) National Credit Guarantee Trustee Company Limited, being a company established and wholly financed by the Central Government for the purposes of operating credit guarantee funds established and wholly financed by the Central Government; or	

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	<p>(ii) a credit guarantee fund established and wholly financed by the Central Government and managed by the National Credit Guarantee Trustee Company Limited; or</p> <p>(iii) Credit Guarantee Fund Trust for Micro and Small Enterprises, being a trust created by the Government of India and the Small Industries Development Bank of India established under sub-section (1) of section 3 of the Small Industries Development Bank of India Act, 1989;.</p>	39 of 1989.
11.	Page 34, line 35, <i>for “, clause (46)”, substitute “, clause (23EC), clause (46)”.</i>	7
12.	Page 34, line 39, <i>for “clause (46)”, substitute “clause (23EC) or clause (46)”.</i>	7
13.	Page 35, line 3, <i>for “clause (46)”, substitute “clause (23EC) or clause (46)”.</i>	7
14.	<p>Page 40, <i>after line 31, insert—</i></p> <p>“(i) for clause (a), the following clause shall be substituted, namely:—</p> <p>‘(a) “original fund” means—</p> <p>(A) a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfils the following conditions, namely:—</p> <ul style="list-style-type: none"> (i) the fund is not a person resident in India; (ii) the fund is a resident of a country or a specified territory with which an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A has been entered into; or is established or incorporated or registered in a country or a specified territory as may be notified by the Central Government in this behalf; (iii) the fund and its activities are subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident; and (iv) fulfils such other conditions as may be prescribed; <p>(B) an investment vehicle, in which Abu Dhabi Investment Authority is the direct or indirect sole shareholder or unit holder or beneficiary or interest holder and such investment vehicle is wholly owned and controlled, directly or indirectly, by the Abu Dhabi Investment Authority or the Government of Abu Dhabi; or</p>	21

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	(C) a fund notified by the Central Government in the Official Gazette in this behalf subject to such conditions as may be specified;’.”.	
15.	Page 40, line 32, for “(i)”, substitute “(ia)”.	21
16.	Page 41, after line 14, insert—	21
	“(c) after clause (xix), the following clause shall be inserted, namely:— ‘(xx) any transfer of a capital asset, being an interest in a joint venture, held by a public sector company, in exchange of shares of a company incorporated outside India by the Government of a foreign State, in accordance with the laws of that foreign State. <i>Explanation.</i> —For the purposes of this clause, “joint venture” shall mean a business entity, as may be notified by the Central Government in the Official Gazette.’.”.	
17.	Page 41, line 16, omit “proviso”.	22
18.	Page 41, after line 21, insert—	22
	“ <i>Explanation 1.</i> —For the removal of doubt, it is hereby clarified that the cost of acquisition of a unit of a business trust shall be reduced and shall be deemed to have always been reduced by any sum received by a unit holder from the business trust with respect to such unit, which is not in the nature of income as referred to in clause (23FC) or clause (23FCA) of section 10 and which is not chargeable to tax under clause (xii) of sub-section (2) of section 56 and under sub-section (2) of section 115UA. <i>Explanation 2.</i> —For the purposes of <i>Explanation 1</i> , it is clarified that where transaction of transfer of a unit is not considered as transfer under section 47 and cost of acquisition of such unit is determined under section 49, sum received with respect to such unit before such transaction as well as after such transaction shall be reduced from the cost of acquisition under the said <i>Explanation</i> .”.	
19.	Page 41, for lines 22 to 25, substitute—	23
	‘23. In section 49 of the Income-tax Act,— (a) after sub-section (2AH), the following sub-section shall be inserted, namely:— “(2AI) Where the capital asset, being shares as referred to in clause (xx) of section 47, became the property of the assessee, the cost of	

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	acquisition of such asset shall be deemed to be the cost of acquisition to it of the interest in the joint venture referred to in the said clause.”; (b) after sub-section (9), the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely:— “(10) Where the capital asset, being—”.	
20.	Page 42, line 3, for “Market Linked Debenture”, substitute “a unit of a Specified Mutual Fund acquired on or after the 1st day of April, 2023 or a Market Linked Debenture”.	24
21.	Page 42, line 5, after “debenture”, insert “or unit”.	24
22.	Page 42, line 6, after “debenture”, insert “or unit”.	24
23.	Page 42, for lines 15 to 22, substitute— <i>Explanation.—</i> For the purposes of this section— (i) “Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India; (ii) “Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than thirty five per cent. of its total proceeds is invested in the equity shares of domestic companies: Provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures:’.	24
24.	Page 44, for lines 9 to 26, substitute— '32. In section 56 of the Income-tax Act, in sub-section (2),— (a) in clause (viib),— (i) with effect from the 1st day of April, 2024, the words “being a resident” shall be omitted; (ii) in the <i>Explanation</i> , in clause (aa), after the words and figures “Securities and Exchange Board of India Act, 1992 or regulated under the”, the words, brackets and figures “International	32 15 of 1992.

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	<p>Financial Services Centre Authority (Fund Management) Regulations, 2022 made under the" shall be inserted;</p> <p>(b) after clause (xi), with effect from the 1st day of April, 2024, the following clauses shall be inserted, namely:—</p> <p style="padding-left: 40px;">‘(xii) any specified sum received by a unit holder from a business trust during the previous year, with respect to a unit held by him at any time during the previous year.</p> <p><i>Explanation.—</i>For the purposes of this clause, “specified sum” shall be computed in accordance with the following formula, namely:—</p> <p>Specified sum=A-B-C (which shall be deemed to be zero if sum of B and C is greater than A), where—</p> <p>A=aggregate of sum distributed by the business trust with respect to such unit, during the previous year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is,-</p> <p>(a) not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and</p> <p style="margin-left: 40px;">(b) not chargeable to tax under sub-section (2) of section 115UA;</p> <p>B=amount at which such unit was issued by the business trust; and</p> <p>C=amount charged to tax under this clause in any earlier previous year;’.</p>	
25.	Page 48, after line 27, insert—	New clause 41A.
	<p>Amendment of section 80LA.</p> <p>‘41A. In section 80LA of the Income-tax Act, in sub-section (1), after clause (b), the following proviso shall be inserted, namely:—</p> <p>“Provided that for the assessment year commencing on or after the 1st day of April, 2023, the deduction under this clause shall be one hundred per cent. of such income.”.</p>	

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26.	Page 49, for lines 1 to 8, substitute— “Provided that where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, and the total income— (a) does not exceed seven hundred thousand rupees, the assessee shall be entitled to a deduction, from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to one hundred per cent. of such income-tax or an amount of twenty-five thousand rupees, whichever is less; (b) exceeds seven hundred thousand rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds seven hundred thousand rupees.”.	43
27.	Page 49, after line 34, insert— Amendment of section 115A. ‘49A. In section 115A of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2024,— (i) in clause (a), in sub-clause (A), the following proviso shall be inserted, namely:— “Provided that the amount of income-tax calculated on the amount of income by way of dividend received from a unit in an International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, shall be ten per cent. ; ”; (ii) in clause (b), in sub- clauses (A) and (B), for the word “ten”, the word “twenty” shall be substituted.”	New clause 49A.

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28.	Page 59, line 15, for "sub-sections (1), (2) and (3)", substitute "sub-section (1)".	58
29.	Page 59, after line 24, insert—	New clause 59A.
	<p style="text-align: center;">Amendment of section 115VP.</p> <p style="text-align: center;">28 of 2005.</p> <p>'59A. In section 115 VP of the Income-tax Act,—</p> <p>(i) in sub-section (2), after the proviso, the following proviso shall be inserted, namely:—</p> <p style="padding-left: 40px;">“Provided further that a Unit of an International Financial Services Centre which has availed of deduction under section 80LA may make an application within three months from the date on which such deduction ceases.”;</p> <p>(ii) after sub-section (5), the following <i>Explanation</i> shall be inserted, namely:—</p> <p style="padding-left: 40px;"><i>Explanation.</i>—For the purposes of this section “International Financial Services Centre” shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.”.</p>	
30.	Page 69, for lines 28 and 29, substitute—	81
	<p>'81. In section 193 of the Income-tax Act, in the proviso, for clause (ix), the following clause shall be substituted, namely:—</p> <p style="padding-left: 40px;">‘(ix) any interest payable to a “business trust”, as defined in clause (13A) of section 2, in respect of any securities, by a special purpose vehicle referred to in the <i>Explanation</i> to clause (23FC) of section 10.’.”.</p>	
31.	Page 70, in lines 1 and 2, omit “with effect from the 1 st day of July, 2023”.	82
32.	Page 70, line 5, for “July”, substitute “April”.	82
33.	Page 70, line 10, omit “with effect from the 1st day of July, 2023”.	83
34.	Page 71, after line 13, insert—	New clause 84A.

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	<p>Amendment of section 194LC.</p> <p>'84A. In section 194LC of the Income-tax Act, with effect from the 1st day of July, 2023,—</p> <p>(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—</p> <p style="padding-left: 20px;">“ Provided further that in case of income by way of interest referred to in clause (ic) of sub-section (2), the income-tax shall be deducted at the rate of nine per cent. ”;</p> <p>(ii) in sub-section (2),—</p> <p>(I) in clause (ib), for the word “and”, the word “or” shall be substituted;</p> <p>(II) after clause (ib), the following clause shall be inserted, namely:—</p> <p style="padding-left: 20px;">“(ic) in respect of money borrowed by it from a source outside India by way of issuance of any long-term bond or rupee denominated bond on or after the 1st day of July, 2023, which is listed only on a recognised stock exchange located in an International Financial Services Centre; and”.</p>	
35.	Page 72, for lines 4 and 5, substitute—	89
	'89. In section 206AB of the Income-tax Act,—	
	(i) in sub-section (1), after the figures and letter “194B,”, the figures and letters “194BA,” shall be inserted;	
	(ii) in sub-section (3), for the proviso, the following proviso shall be substituted,’	
36.	Page 72, after line 15, insert—	90
	‘(i) in clause (a), the words “out of India” at both the places where they occur shall be omitted.’	
37.	Page 72, in line 16, for “(i)”, substitute “(ia)”.	90
38.	Page 72, after line 25, insert—	New clause 90A.

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	<p>Amendment of section 206CC.</p> <p>'90A. In section 206CC of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of July, 2023, namely:—</p> <p style="padding-left: 40px;">“Provided that the rate of tax collection at source under this section shall not exceed twenty per cent.”.</p>	
39.	<p>Page 72, for lines 26 and 27, substitute—</p> <p>'91. In section 206CCA of the Income-tax Act,—</p> <p>(i) in sub-section (1), the following proviso shall be inserted with effect from the 1st day of July, 2023, namely:—</p> <p style="padding-left: 40px;">“Provided that the rate of tax collection at source under this section shall not exceed twenty per cent.”;</p> <p>(ii) in sub-section (3), for the proviso, the following proviso shall be substituted,’.</p>	91
40.	<p>Page 85, after line 7, insert—</p> <p>'123A. In the Customs Act, in section 65, in sub-section (1), for the words “subject to”, the words, figures and letter “subject to the provisions of section 65A and” shall be substituted.</p> <p>'123B. After section 65 of the Customs Act, the following section shall be inserted, namely: —</p> <p>"65A. (1) Notwithstanding anything to the contrary contained in this Act or the Customs Tariff Act, 1975, the following provision shall, with effect from such date as may be notified by the Central Government, apply to goods in relation to which any manufacturing process or other operations in terms of section 65 may be carried out, namely:—</p> <p style="padding-left: 40px;">(A) the dutiable goods, which are deposited in the warehouse shall be goods on which the integrated tax under sub-section (7) and the goods and services tax compensation cess under sub-section (9), of section 3 of the Customs Tariff Act, 1975 have been paid, and only for the purpose of the duty payable, other than the said tax and cess paid, such dutiable goods shall be warehoused goods;</p>	<p>New clauses 123A and 123B.</p> <p>Amendment of section 65.</p> <p>Insertion of new section 65A.</p> <p>Goods brought for operations in warehouse to have ordinarily paid certain taxes.</p>
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	<p>(B) the dutiable goods shall be permitted to be removed for the purpose of deposit in the warehouse, where –</p> <p>(i) in respect of the goods, an entry thereof has been made by presenting electronically on the customs automated system, a bill of entry for home consumption under section 46 and the goods have been assessed to duty under section 17 or section 18, as the case may be, in accordance with clause (a) of sub-section (1) of section 15;</p> <p>(ii) the integrated tax under sub-section (7), and the goods and services tax compensation cess under sub-section (9), of section 3 of the Customs Tariff Act, 1975 have been paid in accordance with section 47;</p> <p>(iii) on removal of the goods from another warehouse in terms of section 67, a bill of entry for home consumption under clause (a) of section 68 has been presented and the integrated tax under sub-section (7), and the goods and services tax compensation cess under sub-section (9), of section 3 of the Customs Tariff Act, 1975 have been paid before the goods are so removed from that other warehouse;</p> <p>(iv) the provisions of section 59, subject to the following modifications therein, have been complied with, namely: –</p> <p>(a) for the words “bill of entry for warehousing”, the words “bill of entry for home consumption” shall be substituted; and</p> <p>(b) for the words “amount of the duty assessed”, the words “amount of duty assessed, but not paid” shall be substituted;</p> <p>(C) the duty payable in respect of warehoused goods referred to in clause (A), to the extent not paid, is paid before the goods are removed from the warehouse in such manner as may be prescribed.</p> <p>(2) The provisions of sub-section (1) shall not apply for the purpose of manufacturing process or other operations in terms of section 65 to dutiable goods which have been deposited in the warehouse or permitted</p>	51 of 1975. 51 of 1975.

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	<p>to be removed for deposit in the warehouse prior to the date notified under that sub-section.</p> <p>(3) The Central Government may, if it considers necessary or expedient, and having regard to such criteria, including but not limited to, the nature or class or categories of goods, or class of importers or exporters, or industry sector, exempt, by notification, such goods in relation to which any manufacturing process or other operations in terms of section 65 may be carried out, as may be specified in the notification, from the application of this section.”.</p>	
41.	<p>Page 85, after line 28, insert—</p>	New clauses 124A and 124B.
	<p>‘124A. In the Customs Act, in section 157, in sub-section (2), after clause (c), the following clause shall be inserted, namely:—</p> <p>“(ca) the manner and conditions for payment of duty and removal of goods under clause (C) of sub-section (1) of section 65A;”.</p>	Amendment of section 157.
	<p>124B. In the Customs Act, in section 159, after the figures “43,”, the figures and letter “65A,” shall be inserted.’</p>	Amendment of section 159.
42.	<p>Page 86, after line 28, insert—</p>	126
	<p>“(d) with effect from the 1st April, 2023, be also amended in the manner specified in the Seventh Schedule.”.</p>	
43.	<p>Page 88, for lines 1 to 20, substitute—</p>	131
	<p>“131. In section 23 of the Central Goods and Services Tax Act, for sub-section (2), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:—</p>	Amendment of section 23.
	<p>(2) Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.”.</p>	

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44.	Page 88, <i>after line 20, insert</i> —	New Clause 131A.
	'131A. In section 30 of the Central Goods and Services Tax Act, in sub-section (1), —	Amendment of section 30.
	(a) for the words "the prescribed manner within thirty days from the date of service of the cancellation order:", the words "such manner, within such time and subject to such conditions and restrictions, as may be prescribed." shall be substituted;	
	(b) the proviso shall be omitted.'	
45.	Page 90, <i>after line 8, insert</i> —	New Clauses 137A, 137B, 137C, 137D, 137E, 137F and 137G.
	'137A. In section 62 of the Central Goods and Services Tax Act, in sub-section (2), —	Amendment of section 62.
	(a) for the words "thirty days", the words "sixty days" shall be substituted;	
	(b) the following proviso shall be inserted, namely: —	
	"Provided that where the registered person fails to furnish a valid return within sixty days of the service of the assessment order under sub-section (1), he may furnish the same within a further period of sixty days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order and in case he furnishes valid return within such extended period, the said assessment order shall be deemed to have been withdrawn, but the liability to pay interest under sub-section (1) of section 50 or to pay late fee under section 47 shall continue."	
	137B. For section 109 of the Central Goods and Services Tax Act, the following section shall be substituted, namely: —	Substitution of section 109.

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	<p>"109. (1) The Government shall, on the recommendations of the Council, by notification, establish with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority.</p> <p>(2) The jurisdiction, powers and authority conferred on the Appellate Tribunal shall be exercised by the Principal Bench and the State Benches constituted under sub-section (3) and sub-section (4).</p> <p>(3) The Government shall, by notification, constitute a Principal Bench of the Appellate Tribunal at New Delhi which shall consist of the President, a Judicial Member, a Technical Member (Centre) and a Technical Member (State).</p> <p>(4) On the request of the State, the Government may, by notification, constitute such number of State Benches at such places and with such jurisdiction as may be recommended by the Council, which shall consist of two Judicial Members, a Technical Member (Centre) and a Technical Member (State).</p> <p>(5) The Principal Bench and the State Bench shall hear appeals against the orders passed by the Appellate Authority or the Revisional Authority:</p> <p>Provided that the cases in which any one of the issues involved relates to the place of supply, shall be heard only by the Principal Bench.</p> <p>(6) The President shall, from time to time, by a general or special order, distribute the business of the Appellate Tribunal among the Benches and may transfer cases from one Bench to another.</p> <p>(7) The senior-most Judicial Member within the State Benches, as may be notified, shall act as the Vice-President for such State Benches and shall exercise such powers of the President as may be prescribed, <i>but for all other purposes be considered as a Member.</i></p> <p>(8) Appeals, where the tax or input tax credit involved or the amount of fine, fee or penalty determined in any order appealed against, does not exceed fifty lakh rupees and which does not involve any question of law may, with the approval of the President, and subject to such conditions as may be prescribed on the recommendations of the Council, be heard by a single Member, and in all other cases, shall be heard together by one Judicial Member and one Technical Member.</p>	Constitution of Appellate Tribunal and Benches thereof.

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	<p>(9) If, after hearing the case, the Members differ in their opinion on any point or points, such Member shall state the point or points on which they differ, and the President shall refer such case for hearing,—</p> <p>(a) where the appeal was originally heard by Members of a State Bench, to another Member of a State Bench within the State or, where no such other State Bench is available within the State, to a Member of a State Bench in another State;</p> <p>(b) where the appeal was originally heard by Members of the Principal Bench, to another Member from the Principal Bench or, where no such other Member is available, to a Member of any State Bench,</p> <p>and such point or points shall be decided according to the majority opinion including the opinion of the Members who first heard the case.</p> <p>(10) The Government may, in consultation with the President, for the administrative efficiency, transfer Members from one Bench to another Bench:</p> <p>Provided that a Technical Member (State) of a State Bench may be transferred to a State Bench only of the same State in which he was originally appointed, in consultation with the State Government.</p> <p>(11) No act or proceedings of the Appellate Tribunal shall be questioned or shall be invalid merely on the ground of the existence of any vacancy or defect in the constitution of the Appellate Tribunal.”</p>	
	<p>137C. For section 110 of the Central Goods and Services Tax Act, the following section shall be substituted, namely:—</p> <p>“110. (1) A person shall not be qualified for appointment as—</p> <p>(a) the President, unless he has been a Judge of the Supreme Court or is or has been the Chief Justice of a High Court;</p> <p>(b) a Judicial Member, unless he—</p> <p>(i) has been a Judge of the High Court; or</p> <p>(ii) has, for a combined period of ten years, been a District Judge or an Additional District Judge;</p> <p>(c) a Technical Member (Centre), unless he is or has been a member of the Indian Revenue (Customs and Indirect Taxes) Service, Group A, or of the All India Service with at least three years of experience in the administration of an existing law or</p>	<p>Substitution of new section for section 110.</p> <p>President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc.</p>

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Sl. No. Name of Member and text of Amendment	Clause No.
<p>goods and services tax in the Central Government, and has completed at least twenty-five years of service in Group A;</p> <p>(d) a Technical Member (State), unless he is or has been an officer of the State Government or an officer of the All India Service, not below the rank of Additional Commissioner of Value Added Tax or the State goods and services tax or such rank, not lower than that of the First Appellate Authority, as may be notified by the concerned State Government, on the recommendations of the Council and has completed twenty-five years of service in Group A, or equivalent, with at least three years of experience in the administration of an existing law or the goods and services tax or in the field of finance and taxation in the State Government:</p> <p>Provided that the State Government may, on the recommendations of the Council, by notification, relax the requirement of completion of twenty-five years of service in Group A, or equivalent, in respect of officers of such State where no person has completed twenty-five years of service in Group A, or equivalent, but has completed twenty-five years of service in the Government, subject to such conditions, and till such period, as may be specified in the notification.</p> <p>(2) The President, Judicial Member, Technical Member (Centre) and Technical Member (State) shall be appointed or re-appointed by the Government on the recommendations of a Search-cum-Selection Committee constituted under sub-section (4):</p> <p>Provided that in the event of the occurrence of any vacancy in the office of the President by reason of his death, resignation or otherwise, the Judicial Member or, in his absence, the senior-most Technical Member of the Principal Bench shall act as the President until the date on which a new President, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office:</p> <p>Provided further that where the President is unable to discharge his functions owing to absence, illness or any other cause, the Judicial Member or, in his absence, the senior-most Technical Member of the Principal Bench, shall discharge the functions of the President until the date on which the President resumes his duties.</p> <p>(3) While making selection for Technical Member (State) of a State Bench, first preference shall be given to officers who have worked in the State Government of the State to which the jurisdiction of the Bench extends.</p>	

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Sl. No.	Name of Member and text of Amendment	Clause No.
	<p>(4) (a) The Search-cum-Selection Committee for Technical Member (State) of a State Bench shall consist of the following members, namely:</p> <p>—</p> <p>(i) the Chief Justice of the High Court in whose jurisdiction the State Bench is located, to be the Chairperson of the Committee;</p> <p>(ii) the senior-most Judicial Member in the State, and where no Judicial Member is available, a retired Judge of the High Court in whose jurisdiction the State Bench is located, as may be nominated by the Chief Justice of such High Court;</p> <p>(iii) Chief Secretary of the State in which the State Bench is located;</p> <p>(iv) one Additional Chief Secretary or Principal Secretary or Secretary of the State in which the State Bench is located, as may be the nominated by such State Government, not in-charge of the Department responsible for administration of State tax; and</p> <p>(v) Additional Chief Secretary or Principal Secretary or Secretary of the Department responsible for administration of State tax, of the State in which the State Bench is located — Member Secretary; and</p> <p>(b) the Search-cum-Selection Committee for all other cases shall consist of the following members, namely:—</p> <p>(i) the Chief Justice of India or a Judge of Supreme Court nominated by him, to be the Chairperson of the Committee;</p> <p>(ii) Secretary of the Central Government nominated by the Cabinet Secretary — Member;</p> <p>(iii) Chief Secretary of a State to be nominated by the Council— Member;</p> <p>(iv) one Member, who—</p> <p>(A) in case of appointment of a President of a Tribunal, shall be the outgoing President of the Tribunal; or</p> <p>(B) in case of appointment of a Member of a Tribunal, shall be the sitting President of the Tribunal; or</p> <p>(C) in case of the President of the Tribunal seeking re-appointment or where the outgoing President is unavailable or the removal of the President is being considered, shall be a retired Judge of the Supreme Court or a retired Chief</p>	

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	<p>Justice of a High Court nominated by the Chief Justice of India; and</p> <p>(v) Secretary of the Department of Revenue in the Ministry of Finance of the Central Government — Member Secretary.</p> <p>(5) The Chairperson shall have the casting vote and the Member Secretary shall not have a vote.</p> <p>(6) Notwithstanding anything contained in any judgment, order, or decree of any court or any law for the time being in force, the Committee shall recommend a panel of two names for appointment or re-appointment to the post of the President or a Member, as the case may be.</p> <p>(7) No appointment or re-appointment of the Members of the Appellate Tribunal shall be invalid merely by reason of any vacancy or defect in the constitution of the Search-cum-Selection Committee.</p> <p>(8) Notwithstanding anything contained in any judgment, order, or decree of any court or any law for the time being in force, the salary of the President and the Members of the Appellate Tribunal shall be such as may be prescribed and their allowances and other terms and conditions of service shall be the same as applicable to Central Government officers carrying the same pay:</p> <p style="padding-left: 2em;">Provided that neither the salary and allowances nor other terms and conditions of service of the President or Members of the Appellate Tribunal shall be varied to their disadvantage after their appointment:</p> <p style="padding-left: 2em;">Provided further that, if the President or Member takes a house on rent, he may be reimbursed a house rent higher than the house rent allowance as are admissible to a Central Government officer holding the post carrying the same pay, subject to such limitations and conditions as may be prescribed.</p> <p>(9) Notwithstanding anything contained in any judgment, order, or decree of any court or any law for the time being in force, the President of the Appellate Tribunal shall hold office for a term of four years from the date on which he enters upon his office, or until he attains the age of sixty-seven years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years.</p> <p>(10) Notwithstanding anything contained in any judgment, order, or decree of any court or any law for the time being in force, the Judicial Member, Technical Member (Centre) or Technical Member (State) of the Appellate Tribunal shall hold office for a term of four years from the date on which he enters upon his office, or until he attains the age of sixty-five years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years.</p>	
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Sl. No.	Name of Member and text of Amendment	Clause No.
	<p>(11) The President or any Member may, by notice in writing under his hand addressed to the Government, resign from his office:</p> <p>Provided that the President or Member shall continue to hold office until the expiry of three months from the date of receipt of such notice by the Government or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.</p> <p>(12) The Government may, on the recommendations of the Search-cum-Selection Committee, remove from the office President or a Member, who—</p> <ul style="list-style-type: none"> (a) has been adjudged an insolvent; or (b) has been convicted of an offence which involves moral turpitude; or (c) has become physically or mentally incapable of acting as such President or Member; or (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as such President or Member; or (e) has so abused his position as to render his continuance in office prejudicial to the public interest: <p>Provided that the President or the Member shall not be removed on any of the grounds specified in clauses (d) and (e), unless he has been informed of the charges against him and has been given an opportunity of being heard.</p> <p>(13) The Government, on the recommendations of the Search-cum-Selection Committee, may suspend from office, the President or a Judicial or Technical Member in respect of whom proceedings for removal have been initiated under sub-section (12).</p> <p>(14) Subject to the provisions of article 220 of the Constitution, "the President or other Members, on ceasing to hold their office, shall not be eligible to appear, act or plead before the Principal Bench or the State Bench in which he was the President or, as the case may be, a Member."</p>	
	<p>137D. For section 114 of the Central Goods and Services Tax Act, the following section shall be substituted, namely: —</p>	<p>Substitution of new section for section 114.</p>
	<p>"114. The President shall exercise such financial and administrative powers over the Appellate Tribunal as may be prescribed."</p>	<p>Financial and Administrative powers</p>

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		of President.
	137E. In section 117 of the Central Goods and Services Tax Act, —	Amendment of section 117.
	(a) in sub-section (1), for the words "State Bench or Area Benches", the words "State Benches" shall be substituted; (b) in sub-section (5), in clauses (a) and (b), for the words "State Bench or Area Benches", the words "State Benches" shall be substituted.	
	137F. In section 118 of the Central Goods and Services Tax Act, in sub-section (1), in clause (a), for the words "National Bench or Regional Bench", the words "Principal Bench" shall be substituted.	Amendment of section 118.
	137G. In section 119 of the Central Goods and Services Tax Act,—	Amendment of section 119.
	(a) for the words "National or Regional Benches", the words "Principal Bench" shall be substituted; (b) for the words "State Bench or Area Benches", the words "State Benches" shall be substituted.	
46.	Page 93, after line 10, insert—	New Clauses 144A and 144B.
	'144A. In section 13 of the Integrated Goods and Services Tax Act, sub-section (9) shall be omitted.	Amendment of section 13.
	<i>Goods and Services Tax (Compensation to States) Act</i>	
	144B. In the Schedule to the Goods and Services Tax (Compensation to States) Act, 2017,—	15 of 2017. Amendment of Schedule.
	(a) in serial number 1, for the entry in column (4) occurring against tariff item 2106 90 20, the entry "fifty-one per cent. of retail sale price per unit" shall be substituted; (b) in serial number 2, for the entry in column (4) occurring against Chapter 24, the entry "Four thousand one hundred and seventy rupees per thousand sticks or two hundred and ninety per cent. <i>ad valorem</i> or a combination thereof, but not exceeding four thousand one hundred and seventy rupees per thousand sticks plus two hundred and ninety per cent. <i>ad valorem</i> or hundred per cent. of retail sale price per unit" shall be substituted; (c) the following <i>Explanation</i> shall be inserted at the end, namely:—	

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	<p><i>Explanation.</i>— For the purposes of this Schedule,—</p> <p>(i) "retail sale price" means the maximum price at which the concerned goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like and the price is the sole consideration for such sale:</p> <p>Provided that where the provisions of the Legal Metrology Act, 2009 or the rules made thereunder or any other law for the time being in force require to declare on the package, the retail sale price excluding any taxes, local or otherwise, the retail sale price shall be construed accordingly;</p> <p>(ii) where on the package of any concerned goods more than one retail sale price is declared, the maximum of such retail sale prices shall be deemed to be the retail sale price;</p> <p>(iii) where the retail sale price, declared on the package of any concerned goods at the time of its clearance from the place of manufacture, is altered to increase the retail sale price, such altered retail sale price shall be deemed to be the retail sale price;</p> <p>(iv) where different retail sale prices are declared on different packages for the sale of any concerned goods in packaged form in different areas, each such retail sale price shall be the retail sale price for the purposes of determination of the rate of cess for the said goods intended to be sold in the area to which the retail sale price relates.'</p>	1 of 2010.
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47.	Page 96, lines 32, for "30th day of September, 2023", substitute "31st day of March, 2025".	154
48.	Page 96, after line 32, the following shall be inserted, namely:— "PART VIII AMENDMENTS TO THE FINANCE (NO. 2) ACT, 2004 Amendment of Act 23 of 2004. '155. In the Finance (No. 2) Act, 2004, in section 98, in the Table, in serial number 4, in column (2)— (i) against entry (a), in column (3), for the figures and words "0.017 per cent.", the figures and words "0.021 per cent." shall be substituted; and (ii) against entry (c), in column (3), for the figures and words "0.01 per cent.", the figures and words "0.0125 per cent." shall be substituted.'	New clause 155.
49.	Page 106, line 17, for "10", substitute "20".	First Schedule.
50.	Page 106, line 33, for "10", substitute "20".	First Schedule.
51.	Page 107, line 3, for "10", substitute "20".	First Schedule.
52.	Page 107, for lines 25 and 26, substitute,— "(M) on the income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of sub-section (1) of section 115A (N) on the income by way of dividend other than the income referred to in sub-item (b)(i)(M) (O) on the whole of the other income	10 per cent.; 20 per cent.; 30 per cent.;".

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Sl. No.	Name of Member and text of Amendment	Clause No.
53.	Page 107, line 35, for "10", substitute "20".	First Schedule.
54.	Page 108, line 10, for "10", substitute "20".	First Schedule.
55.	Page 108, line 25, for "10", substitute "20".	First Schedule.
56.	Page 109, for lines 17 and 18, substitute,— <div style="border: 1px solid black; padding: 5px; display: inline-block;"> "(L) on the income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of sub-section (1) of section 115A </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> 10 per cent. ; </div> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> (M) on the income by way of dividend other than the income referred to in sub-item (b)(ii)(L) </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> 20 per cent. ; </div> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> (N) on the whole of the other income </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> 30 per cent. ; </div>	First Schedule.
57.	Page 110, line 16, for "10" substitute "20".	First Schedule.
58.	Page 111, line 4, for "10", substitute "20".	First Schedule.
59.	Page 111, line 21, for "10", substitute "20".	First Schedule.
60.	Page 111, for lines 35 and 36, substitute,— <div style="border: 1px solid black; padding: 5px; display: inline-block;"> "(xii) on the income by way of dividend, referred to in the proviso to sub-clause (A) of clause (a) of sub-section (1) of section 115A </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> 10 per cent. ; </div> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> (xiii) on the income by way of dividend other than the income referred to in sub-item (b)(xii) </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> 20 per cent. ; </div> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> (xiv) on any other income </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> 40 per cent. ; </div>	First Schedule.
61.	Page 135, line 12, after "mixtures of", insert "unroasted cereal flakes and roasted cereal flakes or swelled cereals".	Fourth Schedule.

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Sl. No.	Name of Member and text of Amendment	Clause No.
62.	Page 136, line 17, for "7.5%", substitute "10%".	Fourth Schedule.
63.	Page 140, line 36, for "Furnishing", substitute "Finishing".	Fourth Schedule.
64.	Page 147, after line 15, insert— "THE SEVENTH SCHEDULE [See section 126-(d)] In the First Schedule to the Customs Tariff Act, in Chapter 90,— (i) for the entry in column (4) occurring against tariff item 9022 14 10, the entry "15%" shall be substituted; (ii) for the entry in column (4) occurring against tariff item 9022 14 20, the entry "15%" shall be substituted; (iii) for the entry in column (4) occurring against tariff item 9022 14 90, the entry "15%" shall be substituted."	New Seventh Schedule.

NEW DELHI;

UTPAL KUMAR SINGH
Secretary General

March 22, 2023

Chaitra 1, 1945 (Saka)