

LOK SABHA

THE FINANCE BILL, 2018

[As introduced in Lok Sabha]

Notice of Amendments

Sl. No.	Name of Member and text of Amendment	Clause No.
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SHRI ARUN JAITLEY:

1. Page 6, for line 41 and 42, substitute— 3
 "(ii) in clause (42A),—
 (A) in Explanation 1, in clause (i), after sub-clause (b), the following sub-clause shall be inserted, namely:—".
2. Page 6, after line 44, insert— 3
 '(B) in Explanation 4 for, the words, brackets and figures "the Explanation to clause (38) of section 10", the words, brackets, letters and figures "clause (a) of the Explanation to section 112A" shall be substituted.'
3. Page 7, for lines 17 to 19, substitute— 4
 "Provided that the transactions or activities shall constitute significant economic presence in India, whether or not,—
 (i) the agreement for such transactions or activities is entered in India; or
 (ii) the non-resident has a residence or place of business in India; or
 (iii) the non-resident renders services in India."
4. Page 8, for lines 27 and 28, substitute— 12
 Amendment of section 43 '12. In section 43 of the Income-tax Act, with effect from the 1st day of April, 2019,—
 (i) in clause (1), after Explanation 1, the following Explanation shall be inserted, namely:—
 "Explanation 1A.—Where a capital asset referred to in clause (via) of section 28 is used for the purposes of business or profession, the actual cost of such asset to the assessee shall be the fair market value which has been taken into account for the purposes of the said clause."
 (ii) in clause (5), after the proviso and before Explanation 1, the following proviso shall be inserted, namely:—'

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

Sl. No.	Name of Member and text of Amendment	Clause No.
5. Page 10, after line 8, insert—	<p>Amendment of section 48</p> <p>'17A. In section 48 of the Income-tax Act, after the second proviso, the following proviso shall be inserted, namely:—</p> <p>"Provided also that nothing contained in the first and second provisos shall apply to the capital gains arising from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust referred to in section 112A:".'</p>	17A (New)
6. Page 10, after line 22, insert—	<p>"(aa) in sub-section (2), before the <i>Explanation</i>, the following proviso shall be inserted, namely:—</p> <p>'Provided that in the case of long-term specified asset referred to in sub-clause (ii) of clause (ba) of the <i>Explanation</i> occurring after sub-section (3), this sub-section shall have effect as if for the words "three years", the words "five years" had been substituted.'."</p>	20
7. Page 10, after line 34, insert—	<p>Amendment of section 55</p> <p>"20A. In section 55 of the Income-tax Act, in sub-section (2), after clause (ab), the following clause shall be inserted, namely:—</p> <p>(ac) subject to the provisions of sub-clauses (i) and (ii) of clause (b), in relation to a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust referred to in section 112A, acquired before the 1st day of February, 2018 shall be higher of—</p> <p>(i) the cost of acquisition of such asset; and</p> <p>(ii) lower of—</p> <p>(A) the fair market value of such asset; and</p> <p>(B) the full value of consideration received or accruing as a result of the transfer of the capital asset.</p> <p><i>Explanation.</i>—For the purposes of this clause,—</p> <p>(a) "fair market value" means,—</p> <p>(i) in a case where the capital asset is listed on any recognised stock exchange as on the 31st day of January, 2018, the highest price of the capital asset quoted on such exchange on the said date:</p> <p>Provided that where there is no trading in such asset on such exchange on the 31st day of January, 2018, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;</p> <p>(ii) in a case where the capital asset is a unit which is not listed on a recognised stock exchange as</p>	20A (New)

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	<p>on the 31st day of January, 2018, the net asset Value of such unit as on the said date;</p> <p>(ii) in a case where the capital asset is an equity share in a company which is—</p> <p>(A) not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer;</p> <p>(B) listed on a recognised stock exchange on the date of transfer and which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47,</p> <p>an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-2018 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later;</p> <p>(b) "Cost Inflation Index" shall have the meaning assigned to it in clause (v) of the <i>Explanation</i> to section 48;</p> <p>(c) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of <i>Explanation 1</i> to clause (5) of section 43.'.</p>	
8.	Page 12, for lines 13 to 15, substitute—	26
	'(ii) in sub-clause (b), for the words, figures and letters "in any of the previous years beginning on or after the 1st day of April, 2016 and ending on the 31st day of March, 2021", the words, brackets and figure "in the previous year relevant to the assessment year for which deduction under sub-section (1) is claimed" shall be substituted.'	
9.	Page 13, for lines 42 and 43, substitute—	31
	"(ii) the amount of income-tax payable on the total income as reduced by the amount of long-term capital gains referred to in sub-section (1) as if the total income so reduced were the total income of the assessee."	
10.	Page 14, omit lines 7 to 16.	31
11.	Page 14, omit lines 37 to 45.	31
12.	Page 16, for line 35, substitute—	42
	"42. In section 139A of the Income-tax Act,— (A) in sub-section (1),—"	
13.	Page 16, line 38, for "not being an individual", substitute "being a resident, other than an individual".	42
14.	Page 17, after line 2, insert—	42
	'(B) in the <i>Explanation</i> occurring after sub-section (8), in clause (c) the words "and issued in the form of a laminated card" shall be omitted.'	

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15.	Page 18, for lines 6 and 7, substitute— <p data-bbox="425 313 1449 580">"Provided that the inventory being securities held by a scheduled bank or public financial institution shall be valued in accordance with the income computation and disclosure standards notified under sub-section (2) of section 145 after taking into account the extant guidelines issued by the Reserve Bank of India in this regard: Provided further that the comparison of actual cost and net realisable value of securities shall be made category-wise."</p>	45
16.	Page 18, for lines 11 and 12, substitute— <p data-bbox="521 784 1352 846">'Explanation 2.— For the purposes of this section,— (a) "public financial institution" shall have the meaning assigned to it in clause (72) of section 2 of the Companies Act, 2013; (b) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of Explanation 1 to clause (5) of section 43; (c) "scheduled bank" shall have the meaning assigned to it in clause (ii) of the Explanation to clause (vii) of sub-section (1) of section 36.'</p>	45
17.	Page 19, lines 19 and 20, for "within the period specified in that sub-section", substitute "within the period as may be prescribed".	53
18.	Page 19, line 39, for "sub-sections (2) and (4)", substitute "sub-section (2)".	53
19.	Page 35, after line 21, insert— <p data-bbox="222 1630 434 1740">Insertion of new section 14A.</p> <p data-bbox="222 1756 396 1865">Protection against attachment.</p> <p data-bbox="473 1630 1477 1724">'129A. After section 14 of the principal Act, the following section shall be inserted, namely:— "14A. The amount standing to the credit of any depositor in the Public Provident Fund Scheme shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the depositor."'</p>	129A (New)
20.	Page 39, lines 5 and 6, omit "in a manner not".	149
21.	Page 43, line 51, omit ", he".	190

NEW DELHI;
March 12, 2018
Phalguna 21, 1939 (Saka)

SNEHLATA SHRIVASTAVA
Secretary General