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मध्यप्रदेश राजपत्र

प्राधिकार से प्रकाशित

क्रमांक 41]

भोपाल, शुक्रवार, दिनांक 7 अक्टूबर 2016—आश्विन 15, शक 1938

भाग ४

विषय-सूची

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|-----|------------------------|-------------------------------|----------------------------------|
| (क) | (1) मध्यप्रदेश विधेयक, | (2) प्रवर समिति के प्रतिवेदन, | (3) संसद में पुरःस्थापित विधेयक. |
| (ख) | (1) अध्यादेश, | (2) मध्यप्रदेश अधिनियम, | (3) संसद के अधिनियम. |
| (ग) | (1) प्रारूप नियम, | (2) अन्तिम नियम. | |

भाग ४ (क)—कुछ नहीं

भाग ४ (ख)

संसद के अधिनियम
विधि और विधायी कार्य विभाग

Bhopal, the 30th September, 2016

No. 259-21-A(Dr.).—The following Act of the Parliament, published in the Gazette of India Extra-ordinary Part II Section 1 dated the 14th May, 2016 is hereby republished for general information. The Bill as passed by the House of Parliament received the assent of the President on 14th May, 2016.

By order and in the name of the Governor of Madhya Pradesh,
RAJESH YADAV, Addl. Secy.

THE INDUSTRIES (DEVELOPMENT AND REGULATION, AMENDMENT ACT, 2016

An Act

further to amend the Industries (Development and Regulation) Act, 1951.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. This Act may be called the Industries (Development and Regulation) Amendment Act, 2016.

Short title.

65 of 1951.

2. In the Industries (Development and Regulation) Act, 1951 (hereinafter referred to as the principal Act), after section 29D, the following section shall be inserted, namely:—

Insertion of new section 29E.

Validation.

“29E. Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, any power exercised, or action taken or done or purported to have been taken or done, by the Central Government or, as the case may be, the State Government, shall be deemed to be, and shall always be deemed to

have been, for all purposes, as validly taken or done or omitted to be done, as if the amendment made to the First Schedule by the Industries (Development and Regulation) Amendment Act, 2016 had been in force at all material times and no suit or claim or other proceedings shall be instituted, maintained or continued in any court, tribunal or other authority as such.”.

Amendment of First Schedule.

3. On and from the date of commencement of the principal Act, in the First Schedule, for the heading “26. FERMENTATION INDUSTRIES:”, the heading “26. FERMENTATION INDUSTRIES (OTHER THAN POTABLE ALCOHOL):” shall be substituted.

Bhopal, the 30th September, 2016

No. 259-21-A(Dr.).—The following Act of the Parliament, published in the Gazette of India Extra-ordinary Part II Section 1 dated the 14th May, 2016 is hereby republished for general information. The Bill as passed by the House of Parliament received the assent of the President on 14th May, 2016.

By order and in the name of the Governor of Madhya Pradesh,
RAJESH YADAV, Addl. Secy.

THE FINANCE ACT, 2016

An Act

to give effect to the financial proposals of the Central Government for the financial year 2016-2017.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) This Act may be called the Finance Act, 2016.

(2) Save as otherwise provided in this Act, sections 2 to 115 shall be deemed to have come into force on the 1st day of April, 2016.

CHAPTER II

RATES OF INCOME-TAX

Income-tax.

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2016, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in each case in the manner provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh fifty thousand rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be calculated as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (IA) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (I) or the rates as specified in that Chapter or section, as the case may be:

Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule:

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical

person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm or local authority, at the rate of twelve per cent. of such income-tax, where the total income exceeds one crore rupees;

(b) in the case of every domestic company,—

(i) at the rate of seven per cent. of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of twelve per cent. of such income-tax, where the total income exceeds ten crore rupees;

(c) in the case of every company, other than a domestic company,—

(i) at the rate of two per cent. of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such income-tax, where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds one crore rupees, the total amount payable as income-tax on such income and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(4) In cases in which tax has to be charged and paid under section 115-O or section 115QA or sub-section (2) of section 115R or section 115TA or section 115TD of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for purposes of the Union, calculated at the rate of twelve per cent. of such tax.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, at the rates in force, the deductions shall be made at the rates specified in Part II of the First Schedule and shall be increased by a surcharge, for purposes of the Union, calculated in cases wherever prescribed, in the manner provided therein.

(6) In cases in which tax has to be deducted under sections 192A, 194C, 194DA, 194E, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194J, 194LA, 194LB, 194LBA, 194LBB, 194LBC, 194LC, 194LD, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, calculated at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the

deduction exceeds one crore rupees;

(b) in the case of every co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(c) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

(7) In cases in which tax has to be collected under the proviso to section 194B of the Income-tax Act, the collection shall be made at the rates specified in Part II of the First Schedule, and shall be increased by a surcharge, for purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

(8) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, calculated at the rate of fifteen per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees;

(b) in the case of every co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees;

(c) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds ten crore rupees.

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from, or paid on, income chargeable under the head "Salaries" under section 192 of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in such cases and in such manner as provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that the amount of "advance tax" computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule:

Provided also that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBD, 115BBDA, 115BBE, 115BBF, 115E, 115JB or 115JC of the Income-tax Act, "advance tax" computed under the first proviso shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, calculated at the rate of fifteen per cent. of such "advance tax", where the total income exceeds one crore rupees;

(b) in the case of every co-operative society or firm or local authority, calculated at the rate of twelve per cent. of such "advance tax", where the total income exceeds one crore rupees;

(c) in the case of every domestic company, calculated,—

(i) at the rate of seven per cent. of such "advance tax", where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of twelve per cent. of such "advance tax", where the total income exceeds ten crore rupees;

(d) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such "advance tax", where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such "advance tax", where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a) and (b) above, having total income chargeable to tax under section 115JC of the Income-tax Act, and such income exceeds one crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon shall not exceed the total amount payable as "advance tax" on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon, shall not exceed the total amount payable as "advance tax" on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon, shall not exceed the total amount payable as "advance tax" and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(10) In cases to which Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds two lakh fifty thousand rupees, then, in charging

income-tax under sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income were the total income;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words "two lakh fifty thousand rupees", the words "three lakh rupees" had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words "two lakh fifty thousand rupees", the words "five lakh rupees" had been substituted:

Provided also that the amount of income-tax or "advance tax" so arrived at, shall be increased by a surcharge for purposes of the Union calculated in each case, in the manner provided therein.

(11) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for purposes of the Union, to be called the "Education Cess on income-tax", calculated at the rate of two per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance universalised quality basic education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(12) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall also be increased by an additional surcharge, for purposes of the Union, to be

called the "Secondary and Higher Education Cess on income-tax", calculated at the rate of one per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance secondary and higher education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(13) For the purposes of this section and the First Schedule,—

(a) "domestic company" means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2016, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(b) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(c) "net agricultural income", in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(d) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

3. In section 2 of the Income-tax Act,—

(a) in clause (14), in item (vi), after the words and figures "Gold Deposit Scheme, 1999", the words and figures "or deposit certificates issued under the Gold Monetisation Scheme, 2015" shall be inserted;

Amendment
of section 2.

(b) after clause (23B), the following clause shall be inserted with effect from the 1st day of June, 2016, namely:—

'(23C) "hearing" includes communication of data and documents through electronic mode;';

(c) in clause (24), in sub-clause (xviii), for the words, figures and brackets "other than the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset in accordance with the provisions of *Explanation 10* to clause (1) of section 43", the following shall be substituted with effect from the 1st day of April, 2017, namely:—

"other than,—

(a) the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset in accordance with the provisions of *Explanation 10* to clause (1) of section 43; or

(b) the subsidy or grant by the Central Government for the purpose of the corpus of a trust or institution established by the Central Government or a State Government, as the case may be;";

(d) in clause (37A), in sub-clause (iii), after the words, figures and letters "section 194LBA or", the words, figures and letters "section 194LBB or section 194LBC or" shall be inserted with effect from the 1st day of June, 2016;

(e) in clause (42A), after the second proviso and before *Explanation 1*, the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:—

'Provided also that in the case of a share of a company (not being a share listed in a recognised stock exchange in India), the provisions of this clause shall have effect as if for the words "thirty-six months", the words "twenty-four months" had been substituted.'

Amendment of section 6.

4. In section 6 of the Income-tax Act, for clause (3), the following clause shall be substituted with effect from the 1st day of April, 2017, namely:—

'(3) A company is said to be a resident in India in any previous year, if—

(i) it is an Indian company; or

(ii) its place of effective management, in that year, is in India.

Explanation.—For the purposes of this clause "place of effective management" means a place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made.'

Amendment of section 9.

5. In section 9 of the Income-tax Act, in sub-section (1), in clause (i), in *Explanation 1*, after clause (d), the following clause shall be inserted, namely:—

"(e) in the case of a foreign company engaged in the business of mining of diamonds, no income shall be deemed to accrue or arise in India to it through or from the activities which are confined to the display of uncut and unassorted diamond in any special zone notified by the Central Government in the Official Gazette in this behalf."

Amendment of section 9A.

6. In section 9A of the Income-tax Act, in sub-section (3), with effect from the 1st day of April, 2017,—

(i) in clause (b), after the words "has been entered into", the words "or is established or incorporated or registered in a country or a specified territory notified by the Central Government in this behalf" shall be inserted;

(ii) in clause (k), the words "or from India" shall be omitted.

Amendment of section 10.

7. In section 10 of the Income-tax Act,—

(A) with effect from the 1st day of April, 2017,—

(i) after clause (12), the following clause shall be inserted, namely:—

"(12A) any payment from the National Pension System Trust to an employee on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed forty per cent. of the total amount payable to him at the time of such closure or his opting out of the scheme;"

(ii) in clause (13),—

(1) in sub-clause (iv), for the word "thereon", the words "thereon; or" shall be substituted;

(II) after sub-clause (iv), the following sub-clause shall be inserted, namely:—

“(v) by way of transfer to the account of the employee under a pension scheme referred to in section 80CCD and notified by the Central Government;”;

(B) in clause (15), in sub-clause (vi), after the words and figures “Gold Deposit Scheme, 1999”, the words and figures “or deposit certificates issued under the Gold Monetisation Scheme, 2015” shall be inserted;

(C) with effect from the 1st day of April, 2017,—

(I) in clause (23DA), in the *Explanation*,—

(1) in clause (a), after sub-clause (i), the following sub-clause shall be inserted, namely:—

“(ia) in clause (z) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; or”;

54 of 2002.

(2) in clause (b), for the word, figures and letters “section 115TC”, the word, figures and letters “section 115TCA” shall be substituted;

(II) in clause (23FC), for the words “by way of interest received or receivable from a special purpose vehicle”, the following shall be substituted, namely:—

“by way of—

(a) interest received or receivable from a special purpose vehicle; or

(b) dividend referred to in sub-section (7) of section 115-O”;

(III) in clause (23FD), for the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, letters and figures “in sub-clause (a) of clause (23FC)” shall be substituted;

(IV) in clause (34), the following proviso shall be inserted, namely:—

“Provided that nothing in this clause shall apply to any income by way of dividend chargeable to tax in accordance with the provisions of section 115BBDA;”;

(V) in clause (35A),—

(a) before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply to any income by way of distributed income referred to in the said section, received on or after the 1st day of June, 2016.”;

(b) in the *Explanation*, for the word, figures and letters “section 115TC”, the word, figures and letters “section 115TCA” shall be substituted;

(VI) in clause (38),—

(i) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that nothing contained in sub-clause (b) shall

apply to a transaction undertaken on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.”;

(ii) for the *Explanation*, the following *Explanation* shall be substituted, namely:—

‘*Explanation*.—For the purposes of this clause,—

(a) “equity oriented fund” means a fund—

(i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent. of the total proceeds of such fund; and

(ii) which has been set up under a scheme of a Mutual Fund specified under clause (23D):

Provided that the percentage of equity share holding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures;

(b) “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.

(c) “recognised stock exchange” shall have the meaning assigned to it in clause (ii) of the *Explanation* 1 to sub-section (5) of section 43.’;

(D) after clause (48), the following clause shall be inserted, namely:—

“(48A) any income accruing or arising to a foreign company on account of storage of crude oil in a facility in India and sale of crude oil therefrom to any person resident in India:

Provided that —

(i) the storage and sale by the foreign company is pursuant to an agreement or an arrangement entered into by the Central Government or approved by the Central Government; and

(ii) having regard to the national interest, the foreign company and the agreement or arrangement are notified by the Central Government in this behalf.”;

(E) after clause (49), the following clause shall be inserted with effect from the 1st day of June, 2016, namely:—

“(50) any income arising from any specified service provided on or after the date on which the provisions of Chapter VIII of the Finance Act, 2016 comes into force and chargeable to equalisation levy under that Chapter.

Explanation.—For the purposes of this clause, “specified service” shall have the meaning assigned to it in clause (i) of section 161 of Chapter VIII of the Finance Act, 2016.’.

Amendment of section 10AA.

8. In section 10AA of the Income-tax Act, in sub-section (1), for the words and figures “April, 2006, a deduction of”, the words, figures and letters “April, 2006, but before the 1st day of April, 2021, the following deduction shall be allowed” shall be substituted with effect from the 1st day of April, 2017.

9. In section 17 of the Income-tax Act, in sub-section (2), in clause (vii), for the words "one lakh rupees", the words "one lakh and fifty thousand rupees" shall be substituted with effect from the 1st day of April, 2017.

Amendment of section 17.

10. In section 24 of the Income-tax Act, in clause (b), in the second proviso, for the words "three years", the words "five years" shall be substituted with effect from the 1st day of April, 2017.

Amendment of section 24.

11. For sections 25A, 25AA and 25B of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2017, namely:—

Substitution of new section for sections 25A, 25AA and 25B.

'25A. (1) The amount of arrears of rent received from a tenant or the unrealised rent realised subsequently from a tenant, as the case may be, by an assessee shall be deemed to be the income from house property in respect of the financial year in which such rent is received or realised, and shall be included in the total income of the assessee under the head "Income from house property", whether the assessee is the owner of the property or not in that financial year.

Special provision for arrears of rent and unrealised rent received subsequently.

(2) A sum equal to thirty per cent. of the arrears of rent or the unrealised rent referred to in sub-section (1) shall be allowed as deduction.'

12. In section 28 of the Income-tax Act, in clause (va), with effect from the 1st day of April, 2017,—

Amendment of section 28.

(A) in sub-clause (a), after the words "any business", the words "or profession" shall be inserted;

(B) in the proviso, in clause (i), after the words "any business", the words "or profession" shall be inserted.

13. In section 32 of the Income-tax Act, in sub-section (1), in clause (iia), for the words "or in the business of generation or generation and distribution", the words "or in the business of generation, transmission or distribution" shall be substituted with effect from the 1st day of April, 2017.

Amendment of section 32.

14. In section 32AC of the Income-tax Act, in sub-section (1A),—

Amendment of section 32AC.

(i) for the words "acquired and installed during any previous year exceeds twenty-five crore rupees", the words, figures and letters "acquired during any previous year exceeds twenty-five crore rupees and such assets are installed on or before the 31st day of March, 2017" shall be substituted;

(ii) before the proviso, the following proviso shall be inserted, namely:—

"Provided that where the installation of the new assets are in a year other than the year of acquisition, the deduction under this sub-section shall be allowed in the year in which the new assets are installed.";

(iii) in the existing proviso, for the words "Provided that", the words "Provided further that" shall be substituted.

15. In section 35 of the Income-tax Act, with effect from the 1st day of April, 2018,—

Amendment of section 35.

(i) in sub-section (1),—

(a) in clause (ii),—

(I) for the words "one and three-fourth", the words "one and one-half" shall be substituted;

(II) after the proviso, the following proviso shall be inserted, namely:—

"Provided further that where any sum is paid to such association, university, college or other institution in a previous year relevant to the assessment year beginning on or after the 1st day of April, 2021, the deduction under this clause shall be equal to the sum so paid;"

(b) in clause (iia), the words “an amount equal to one and one-fourth times of” shall be omitted;

(c) in clause (iii), the words “an amount equal to one and one-fourth times of” shall be omitted;

(ii) in sub-section (2AA),—

(A) in clause (a), for the words “two times”, the words “one and one-half times” shall be substituted;

(B) after the proviso and before *Explanation 1*, the following proviso shall be inserted, namely:—

“Provided further that where any sum is paid to such National Laboratory or university or Indian Institute of Technology or specified person in a previous year relevant to the assessment year beginning on or after the 1st day of April, 2021, the deduction under this sub-section shall be equal to the sum so paid.”;

(iii) in sub-section (2AB),—

(a) in clause (1), for the words “two times”, the words “one and one-half times” shall be substituted;

(b) after clause (1) and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided that where such expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility is incurred in a previous year relevant to the assessment year beginning on or after the 1st day of April, 2021, the deduction under this clause shall be equal to the expenditure so incurred.”;

(c) clause (5) shall be omitted.

Insertion of new section 35ABA.

Expenditure for obtaining right to use spectrum for telecommunication services.

16. After section 35AB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

‘35ABA. (1) In respect of any expenditure, being in the nature of capital expenditure, incurred for acquiring any right to use spectrum for telecommunication services either before the commencement of the business or thereafter at any time during any previous year and for which payment has actually been made to obtain a right to use spectrum, there shall, subject to and in accordance with the provisions of this section, be allowed for each of the relevant previous years, a deduction equal to the appropriate fraction of the amount of such expenditure.

(2) The provisions contained in sub-sections (2) to (8) of section 35ABB, shall apply as if for the word “licence”, the word “spectrum” had been substituted.

(3) Where, in a previous year, any deduction has been claimed and granted to the assessee under sub-section (1), and, subsequently, there is failure to comply with any of the provisions of this section, then,—

(a) the deduction shall be deemed to have been wrongly allowed;

(b) the Assessing Officer may, notwithstanding anything contained in this Act, re-compute the total income of the assessee for the said previous year and make the necessary rectification;

(c) the provisions of section 154 shall, so far as may be, apply and the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the failure to comply with the provisions of this section takes place.

Explanation.— For the purposes of this section,—

(i) “relevant previous years” means,—

(A) in a case where the spectrum fee is actually paid before the commencement of the business to operate telecommunication services, the previous years beginning with the previous year in which such business commenced;

(B) in any other case, the previous years beginning with the previous year in which the spectrum fee is actually paid,

and the subsequent previous year or years during which the spectrum, for which the fee is paid, shall be in force;

(ii) "appropriate fraction" means the fraction, the numerator of which is one and the denominator of which is the total number of the relevant previous years;

(iii) "payment has actually been made" means the actual payment of expenditure irrespective of the previous year in which the liability for the expenditure was incurred according to the method of accounting regularly employed by the assessee or payable in such manner as may be prescribed.

17. In section 35AC of the Income-tax Act, after sub-section (6) and before the *Explanation*, the following sub-section shall be inserted with effect from the 1st day of April, 2017, namely:—

Amendment of section 35AC.

"(7) No deduction under this section shall be allowed in respect of any assessment year commencing on or after the 1st day of April, 2018."

18. In section 35AD of the Income-tax Act, with effect from the 1st day of April, 2018,—

Amendment of section 35AD.

(a) sub-section (1A) shall be omitted;

(b) in sub-section (2), after clause (iii), the following clause shall be inserted, namely:—

"(iv) where the business is of the nature referred to in sub-clause (xiv) of clause (c) of sub-section (8), such business,—

(A) is owned by a company registered in India or by a consortium of such companies or by an authority or a board or corporation or any other body established or constituted under any Central or State Act;

(B) entity referred to in sub-clause (A) has entered into an agreement with the Central Government or a State Government or a local authority or any other statutory body for developing or operating and maintaining or developing, operating and maintaining, a new infrastructure facility."

(c) in sub-section (5),—

(I) in clause (aj), the word "and" occurring at the end shall be omitted;

(II) after clause (aj), the following clause shall be inserted, namely:—

"(ak) on or after the 1st day of April, 2017, where the specified business is in the nature of developing or operating and maintaining or developing, operating and maintaining, any infrastructure facility; and";

(d) in sub-section (8),—

(I) after clause (b), the following clause shall be inserted, namely:—

'(ba) "infrastructure facility" means—

(i) a road including toll road, a bridge or a rail system;

(ii) a highway project including housing or other activities being an integral part of the highway project;

(iii) a water supply project, water treatment system, irrigation project, sanitation and sewerage system or solid waste management system;

(iv) a port, airport, inland waterway, inland port or navigational channel in the sea;";

(II) in clause (c), after sub-clause (xiii), the following sub-clause shall be inserted, namely:—

"(xiv) developing or maintaining and operating or developing, maintaining and operating a new infrastructure facility."

- Amendment of section 35CCC. 19. In section 35CCC of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:—
 ‘Provided that for the assessment year beginning on or after the 1st day of April, 2021, the provisions of this sub-section shall have effect as if for the words “a sum equal to one and one-half times of”, the words “a sum equal to” had been substituted.’
- Amendment of section 35CCD. 20. In section 35CCD of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:—
 ‘Provided that for the assessment year beginning on or after the 1st day of April, 2021, the provisions of this sub-section shall have effect as if for the words “an amount equal to one and one-half times of”, the words “a sum equal to” had been substituted.’
- Amendment of section 36. 21. In section 36 of the Income-tax Act, in sub-section (1), in clause (viiia), with effect from the 1st day of April, 2017,—
 (i) after sub-clause (c) and before the *Explanation*, the following sub-clause shall be inserted, namely:—
 “(d) a non-banking financial company, an amount not exceeding five per cent. of the total income (computed before making any deduction under this clause and Chapter VI-A).”;
 (ii) in the *Explanation*, after clause (vi), the following clause shall be inserted, namely:—
 ‘(vii) “non-banking financial company” shall have the meaning assigned to it in clause (f) of section 45-I of the Reserve Bank of India Act, 1934;’
- Amendment of section 40. 22. In section 40 of the Income-tax Act, in clause (a), after sub-clause (ia), the following sub-clause shall be inserted with effect from the 1st day of June, 2016, namely:—
 “(ib) any consideration paid or payable to a non-resident for a specified service on which equalisation levy is deductible under the provisions of Chapter VIII of the Finance Act, 2016, and such levy has not been deducted or after deduction, has not been paid on or before the due date specified in sub-section (1) of section 139:
 Provided that where in respect of any such consideration, the equalisation levy has been deducted in any subsequent year or has been deducted during the previous year but paid after the due date specified in sub-section (1) of section 139, such sum shall be allowed as a deduction in computing the income of the previous year in which such levy has been paid;”
- Amendment of section 43B. 23. In section 43B of the Income-tax Act, with effect from the 1st day of April, 2017,—
 (i) in clause (f), for the word “employee” occurring at the end, the words “employee, or” shall be substituted;
 (ii) after clause (f), the following clause shall be inserted, namely:—
 “(g) any sum payable by the assessee to the Indian Railways for the use of railway assets.”
- Amendment of section 44AA. 24. In section 44AA of the Income-tax Act, in sub-section (2), for clause (iv), the following clause shall be substituted with effect from the 1st day of April, 2017, namely:—
 “(iv) where the provisions of sub-section (4) of section 44AD are applicable in his case and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year.”
- Amendment of section 44AB. 25. In section 44AB of the Income-tax Act, with effect from the 1st day of April, 2017,—
 (i) in clause (b), for the words “twenty-five lakh rupees”, the words “fifty lakh rupees” shall be substituted;
 (ii) in clause (d),—
 (a) for the word “business” wherever it occurs, the word “profession” shall be substituted;

(b) for the words, figures and letters "under section 44AD", the words, figures and letters "under section 44ADA" shall be substituted;

(c) for the words "previous year", the words "previous year; or" shall be substituted;

(iii) after clause (d) and before the long line, the following clause shall be inserted, namely:—

"(e) carrying on the business shall, if the provisions of sub-section (4) of section 44AD are applicable in his case and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year."

26. In section 44AD of the Income-tax Act, with effect from the 1st day of April, 2017,—

Amendment of section 44AD.

(a) in sub-section (2), the proviso shall be omitted;

(b) for sub-sections (4) and (5), the following sub-sections shall be substituted, namely:—

"(4) Where an eligible assessee declares profit for any previous year in accordance with the provisions of this section and he declares profit for any of the five assessment years relevant to the previous year succeeding such previous year not in accordance with the provisions of sub-section (1), he shall not be eligible to claim the benefit of the provisions of this section for five assessment years subsequent to the assessment year relevant to the previous year in which the profit has not been declared in accordance with the provisions of sub-section (1).

(5) Notwithstanding anything contained in the foregoing provisions of this section, an eligible assessee to whom the provisions of sub-section (4) are applicable and whose total income exceeds the maximum amount which is not chargeable to income-tax, shall be required to keep and maintain such books of account and other documents as required under sub-section (2) of section 44AA and get them audited and furnish a report of such audit as required under section 44AB."

(c) in the *Explanation*, in clause (b), in sub-clause (ii), for the words "one crore rupees" occurring at the end, the words "two crore rupees" shall be substituted.

27. After section 44AD of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

Insertion of new section 44ADA.

'44ADA.(1) Notwithstanding anything contained in sections 28 to 43C, in the case of an assessee, being a resident in India, who is engaged in a profession referred to in sub-section (1) of section 44AA and whose total gross receipts do not exceed fifty lakh rupees in a previous year, a sum equal to fifty per cent. of the total gross receipts of the assessee in the previous year on account of such profession or, as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the assessee, shall be deemed to be the profits and gains of such profession chargeable to tax under the head "Profits and gains of business or profession".

Special provision for computing profits and gains of profession on presumptive basis.

(2) Any deduction allowable under the provisions of sections 30 to 38 shall, for the purposes of sub-section (1), be deemed to have been already given full effect to and no further deduction under those sections shall be allowed.

(3) The written down value of any asset used for the purposes of profession shall be deemed to have been calculated as if the assessee had claimed and had been actually allowed the deduction in respect of the depreciation for each of the relevant assessment years.

(4) Notwithstanding anything contained in the foregoing provisions of this section, an assessee who claims that his profits and gains from the profession are lower than the profits and gains specified in sub-section (1) and whose total income exceeds the

maximum amount which is not chargeable to income-tax, shall be required to keep and maintain such books of account and other documents as required under sub-section (1) of section 44AA and get them audited and furnish a report of such audit as required under section 44AB.

Amendment of section 47.

28. In section 47 of the Income-tax Act, with effect from the 1st day of April, 2017,—

(A) after clause (viib), the following clause shall be inserted, namely:—

“(viic) any transfer of Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015, by way of redemption, by an assessee being an individual;”;

(B) in clause (xiiib), in the proviso,—

(I) in clause (e), the word “and” appearing at the end shall be omitted;

(II) after clause (e), the following clause shall be inserted, namely:—

“(ea) the total value of the assets as appearing in the books of account of the company in any of the three previous years preceding the previous year in which the conversion takes place does not exceed five crore rupees; and;”;

(C) after clause (xviii), the following clause shall be inserted with effect from the 1st day of April, 2017, namely:—

“(xix) any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating plan of a mutual fund scheme, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated plan of that scheme of the mutual fund.

Explanation.—For the purposes of this clause,—

(a) “consolidating plan” means the plan within a scheme of a mutual fund which merges under the process of consolidation of the plans within a scheme of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992;

(b) “consolidated plan” means the plan with which the consolidating plan merges or which is formed as a result of such merger;

(c) “mutual fund” means a mutual fund specified under clause (23D) of section 10.

15 of 1992.

Amendment of section 48.

29. In section 48 of the Income-tax Act, for the third proviso, the following provisos shall be substituted with effect from the 1st day of April, 2017, namely:—

“Provided also that nothing contained in the second proviso shall apply to the long-term capital gain arising from the transfer of a long-term capital asset, being a bond or debenture other than—

(a) capital indexed bonds issued by the Government; or

(b) Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015:

Provided also that in case of an assessee being a non-resident, any gains arising on account of appreciation of rupee against a foreign currency at the time of redemption of rupee denominated bond of an Indian company subscribed by him, shall be ignored for the purposes of computation of full value of consideration under this section.”

Amendment of section 49.

30. In section 49 of the Income-tax Act, after sub-section (4) the following sub-section shall be inserted with effect from the 1st day of April, 2017, namely:—

“(5) Where the capital gain arises from the transfer of an asset declared under the Income Declaration Scheme, 2016, and the tax, surcharge and penalty have been paid in accordance with the provisions of the Scheme on the fair market value of the asset as on the date of commencement of the Scheme, the cost of acquisition of the

asset shall be deemed to be the fair market value of the asset which has been taken into account for the purposes of the said Scheme.”

31. In section 50C of the Income-tax Act, in sub-section (1), the following provisos shall be inserted with effect from the 1st day of April, 2017, namely:—

Amendment of section 50C.

“Provided that where the date of the agreement fixing the amount of consideration and the date of registration for the transfer of the capital asset are not the same, the value adopted or assessed or assessable by the stamp valuation authority on the date of agreement may be taken for the purposes of computing full value of consideration for such transfer:

Provided further that the first proviso shall apply only in a case where the amount of consideration, or a part thereof, has been received by way of an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account, on or before the date of the agreement for transfer.”

32. After section 54ED of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

Insertion of new section 54EE.

‘54EE. (1) Where the capital gain arises from the transfer of a long-term capital asset (herein in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the long-term specified asset, the capital gain shall be dealt with in accordance with the following provisions of this section, namely:—

Capital gain not to be charged on investment in units of a specified fund.

(a) if the cost of the long-term specified asset is not less than the capital gain arising from the transfer of the original asset, the whole of such capital gain shall not be charged under section 45;

(b) if the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain, shall not be charged under section 45:

Provided that the investment made on or after the 1st day of April, 2016, in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees:

Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from the transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees.

(2) Where the long-term specified asset is transferred by the assessee at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under section 45 on the basis of the cost of such long-term specified asset as provided in clause (a) or, as the case may be, clause (b) of sub-section (1) shall be deemed to be the income chargeable under the head “Capital gains” relating to long-term capital asset of the previous year in which the long-term specified asset is transferred.

Explanation 1.—In a case where the original asset is transferred and the assessee invests the whole or any part of the capital gain received or accrued as a result of transfer of the original asset in any long-term specified asset and such assessee takes any loan or advance on the security of such specified asset, he shall be deemed to have transferred such specified asset on the date on which such loan or advance is taken.

Explanation 2.—For the purposes of this section,—

(a) “cost”, in relation to any long-term specified asset, means the amount invested in such specified asset out of capital gains received or accruing as a result of the transfer of the original asset;

(b) "long-term specified asset" means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.'

Amendment of
section 54GB.

33. In section 54GB of the Income-tax Act, with effect from the 1st day of April, 2017,—

(a) after sub-section (5), the following proviso shall be inserted, namely:—

"Provided that in case of an investment in eligible start-up, the provisions of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2017", the figures, letters and words "31st day of March, 2019" had been substituted;";

(b) in sub-section (6),—

(i) in clause (b),—

(A) in sub-clause (ii), after the words "an article or a thing", the words "or in an eligible business" shall be inserted;

(B) in sub-clause (iv), after the words and figures "Micro, Small and Medium Enterprises Act, 2006", the words "or is an eligible start-up" shall be inserted;

27 of 2006.

(ii) after clause (b), the following clause shall be inserted, namely:—

'(ba) "eligible start-up" and "eligible business" shall have the meanings respectively assigned to them in *Explanation* below sub-section (4) of section 80-IAC.;

(iii) after clause (d), the following proviso shall be inserted, namely:—

"Provided that in the case of an eligible start-up, being a technology driven start-up so certified by the Inter-Ministerial Board of Certification notified by the Central Government in the Official Gazette, the new asset shall include computers or computer software."

Amendment of
section 55.

34. In section 55 of the Income-tax Act, with effect from the 1st day of April, 2017,—

(i) in sub-section (1), in clause (b), in sub-clause (1), after the words "any business", the words "or profession" shall be inserted;

(ii) in sub-section (2), in clause (a), after the words "any business", the words "or profession" shall be inserted.

Amendment of
section 56.

35. In section 56 of the Income-tax Act, in sub-section (2), in clause (vii), in the second proviso occurring after sub-clause (c), with effect from the 1st day of April, 2017,—

(a) in clause (g), for the word, figures and letters "section 12AA", the words, figures and letters "section 12AA; or" shall be substituted;

(b) after clause (g), the following clause shall be inserted, namely:—

"(h) by way of transaction not regarded as transfer under clause (vicb) or clause (vid) or clause (vii) of section 47."

Amendment of
section 80.

36. In section 80 of the Income-tax Act, after the words, brackets and figures "sub-section (2) of section 73", the words, brackets, figures and letter "or sub-section (2) of section 73A" shall be inserted.

Amendment of
section
80CCD.

37. In section 80CCD of the Income-tax Act, in sub-section (3), the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:—

"Provided that the amount received by the nominee, on the death of the assessee, under the circumstances referred to in clause (a), shall not be deemed to be the income of the nominee."

38. For section 80EE of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2017, namely:—

Substitution of new section for section 80EE.

'80EE. (1) In computing the total income of an assessee, being an individual, there shall be deducted, in accordance with and subject to the provisions of this section, interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential property.

Deduction in respect of interest on loan taken for residential house property.

(2) The deduction under sub-section (1) shall not exceed fifty thousand rupees and shall be allowed in computing the total income of the individual for the assessment year beginning on the 1st day of April, 2017 and subsequent assessment years.

(3) The deduction under sub-section (1) shall be subject to the following conditions, namely:—

(i) the loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2016 and ending on the 31st day of March, 2017;

(ii) the amount of loan sanctioned for acquisition of the residential house property does not exceed thirty-five lakh rupees;

(iii) the value of residential house property does not exceed fifty lakh rupees;

(iv) the assessee does not own any residential house property on the date of sanction of loan.

(4) Where a deduction under this section is allowed for any interest referred to in sub-section (1), deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

(5) For the purposes of this section,—

(a) "financial institution" means a banking company to which the Banking Regulation Act, 1949 applies, or any bank or banking institution referred to in section 51 of that Act or a housing finance company;

(b) "housing finance company" means a public company formed or registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes.

39. In section 80GG of the Income-tax Act, for the words "two thousand rupees", the words "five thousand rupees" shall be substituted with effect from the 1st day of April, 2017.

Amendment of section 80GG.

40. In section 80-IA of the Income-tax Act, in sub-section (4), in clause (i), after the proviso and before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:—

Amendment of section 80-IA.

"Provided further that nothing contained in this section shall apply to any enterprise which starts the development or operation and maintenance of the infrastructure facility on or after the 1st day of April, 2017."

41. In section 80-IAB of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of April, 2017, namely:—

Amendment of section 80-IAB.

"Provided that the provisions of this section shall not apply to an assessee, being a developer, where the development of Special Economic Zone begins on or after the 1st day of April, 2017."

Insertion of
new section
80-IAC.

Special
provision in
respect of
specified
business.

42. After section 80-IAB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

'80-IAC. (1) Where the gross total income of an assessee, being an eligible start-up, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent. of the profits and gains derived from such business for three consecutive assessment years.

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any three consecutive assessment years out of five years beginning from the year in which the eligible start-up is incorporated.

(3) This section applies to a start-up which fulfils the following conditions, namely:—

(i) it is not formed by splitting up, or the reconstruction, of a business already in existence:

Provided that this condition shall not apply in respect of a start-up which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such undertaking as referred to in section 33B, in the circumstances and within the period specified in that section;

(ii) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.

Explanation 1.— For the purposes of this clause, any machinery or plant which was used outside India by any person other than the assessee shall not be regarded as machinery or plant previously used for any purpose, if all the following conditions are fulfilled, namely:—

(a) such machinery or plant was not, at any time previous to the date of the installation by the assessee, used in India;

(b) such machinery or plant is imported into India;

(c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee.

Explanation 2.— Where in the case of a start-up, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent. of the total value of the machinery or plant used in the business, then, for the purposes of clause (ii) of this sub-section, the condition specified therein shall be deemed to have been complied with.

(4) The provisions of sub-section (5) and sub-sections (7) to (11) of section 80-IA shall apply to the start-ups for the purpose of allowing deductions under sub-section (1).

Explanation.— For the purposes of this section,—

(i) "eligible business" means a business which involves innovation, development, deployment or commercialisation of new products, processes or services driven by technology or intellectual property;

(ii) "eligible start-up" means a company or a limited liability partnership engaged in eligible business which fulfils the following conditions, namely:—

(a) it is incorporated on or after the 1st day of April, 2016 but before the 1st day of April, 2019;

(b) the total turnover of its business does not exceed twenty-five crore rupees 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;

(c) it holds a certificate of eligible business from the Inter-Ministerial Board of Certification as notified in the Official Gazette by the Central Government; and

(iii) "limited liability partnership" means a partnership referred to in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008.

6 of 2009.

43. In section 80-IB of the Income-tax Act, in sub-section (9), with effect from the 1st day of April, 2017,—

(a) in clause (ii), after the words, figures and letters "the 1st day of April, 1997", the words, figures and letters "but not later than the 31st day of March, 2017" shall be inserted;

(b) in clause (iv), after the words, figures and letters "the 1st day of April, 2009", the words, figures and letters "but not later than the 31st day of March, 2017" shall be inserted;

(c) in clause (v), after the words, figures and letters "the 1st day of April, 2009", the words, figures and letters "but not later than the 31st day of March, 2017" shall be inserted.

44. After section 80-IB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

'80-IBA. (1) Where the gross total income of an assessee includes any profits and gains derived from the business of developing and building housing projects, there shall, subject to the provisions of this section, be allowed, a deduction of an amount equal to hundred per cent. of the profits and gains derived from such business.

(2) For the purposes of sub-section (1), a housing project shall be a project which fulfils the following conditions, namely:—

(a) the project is approved by the competent authority after the 1st day of June, 2016, but on or before the 31st day of March, 2019;

(b) the project is completed within a period of three years from the date of approval by the competent authority:

Provided that,—

(i) where the approval in respect of a housing project is obtained more than once, the project shall be deemed to have been approved on the date on which the building plan of such housing project was first approved by the competent authority; and

(ii) the project shall be deemed to have been completed when a certificate of completion of project as a whole is obtained in writing from the competent authority;

(c) the built-up area of the shops and other commercial establishments included in the housing project does not exceed three per cent. of the aggregate built-up area;

(d) the project is on a plot of land measuring not less than—

(i) one thousand square metres, where the project is located within the cities of Chennai, Delhi, Kolkata or Mumbai or within the distance, measured aerielly, of twenty-five kilometres from the municipal limits of these cities; or

(ii) two thousand square metres, where the project is located in any other place;

(e) the project is the only housing project on the plot of land as specified in clause (d);

(f) the built-up area of the residential unit comprised in the housing project does not exceed—

(i) thirty square metres, where the project is located within the cities of Chennai, Delhi, Kolkata or Mumbai or within the distance, measured aerielly, of twenty-five kilometres from the municipal limits of these cities; or

Amendment of section 80-IB.

Insertion of new section 80-IBA.

Deductions in respect of profits and gains from housing projects.

(ii) sixty square metres, where the project is located in any other place;

(g) where a residential unit in the housing project is allotted to an individual, no other residential unit in the housing project shall be allotted to the individual or the spouse or the minor children of such individual;

(h) the project utilises—

(i) not less than ninety per cent. of the floor area ratio permissible in respect of the plot of land under the rules to be made by the Central Government or the State Government or the local authority, as the case may be, where the project is located within the cities of Chennai, Delhi, Kolkata or Mumbai or within the distance, measured aerially, of twenty-five kilometres from the municipal limits of these cities, or

(ii) not less than eighty per cent. of such floor area ratio where such project is located in any place other than the place referred to in sub-clause (i); and

(i) the assessee maintains separate books of account in respect of the housing project.

(3) Nothing contained in this section shall apply to any assessee who executes the housing project as a works-contract awarded by any person (including the Central Government or the State Government).

(4) Where the housing project is not completed within the period specified under clause (b) of sub-section (2) and in respect of which a deduction has been claimed and allowed under this section, the total amount of deduction so claimed and allowed in one or more previous years, shall be deemed to be the income of the assessee chargeable under the head "Profits and gains of business or profession" of the previous year in which the period for completion so expires.

(5) Where any amount of profits and gains derived from the business of developing and building housing projects is claimed and allowed under this section for any assessment year, deduction to the extent of such profit and gains shall not be allowed under any other provisions of this Act.

(6) For the purposes of this section,—

(a) "built-up area" means the inner measurements of the residential unit at the floor level, including projections and balconies, as increased by the thickness of the walls, but does not include the common areas shared with other residential units, including any open terrace so shared;

(b) "competent authority" means the authority empowered to approve the building plan by or under any law for the time being in force;

(c) "floor area ratio" means the quotient obtained by dividing the total covered area of plinth area on all the floors by the area of the plot of land;

(d) "housing project" means a project consisting predominantly of residential units with such other facilities and amenities as the competent authority may approve subject to the provisions of this section;

(e) "residential unit" means an independent housing unit with separate facilities for living, cooking and sanitary requirements, distinctly separated from other residential units within the building, which is directly accessible from an outer door or through an interior door in a shared hallway and not by walking through the living space of another household.

'80JJAA. (1) Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent. of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Deduction in respect of employment of new employees.

(2) No deduction under sub-section (1) shall be allowed,—

(a) if the business is formed by splitting up, or the reconstruction, of an existing business:

Provided that nothing contained in this clause shall apply in respect of a business which is formed as a result of re-establishment, reconstruction or revival by the assessee of the business in the circumstances and within the period specified in section 33B;

(b) if the business is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation;

(c) unless the assessee furnishes along with the return of income the report of the accountant, as defined in the *Explanation* to section 288 giving such particulars in the report as may be prescribed.

Explanation.—For the purposes of this section,—

(i) “additional employee cost” means the total emoluments paid or payable to additional employees employed during the previous year:

Provided that in the case of an existing business, the additional employee cost shall be *nil*, if—

(a) there is no increase in the number of employees from the total number of employees employed as on the last day of the preceding year;

(b) emoluments are paid otherwise than by an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account:

Provided further that in the first year of a new business, emoluments paid or payable to employees employed during that previous year shall be deemed to be the additional employee cost;

(ii) “additional employee” means an employee who has been employed during the previous year and whose employment has the effect of increasing the total number of employees employed by the employer as on the last day of the preceding year, but does not include—

(a) an employee whose total emoluments are more than twenty-five thousand rupees per month; or

(b) an employee for whom the entire contribution is paid by the Government under the Employees' Pension Scheme notified in accordance with the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; or

(c) an employee employed for a period of less than two hundred and forty days during the previous year; or

(d) an employee who does not participate in the recognised provident fund;

(iii) “emoluments” means any sum paid or payable to an employee *in lieu* of his employment by whatever name called, but does not include—

(a) any contribution paid or payable by the employer to any pension fund or provident fund or any other fund for the benefit of the employee under any law for the time being in force; and

(b) any lump-sum payment paid or payable to an employee at the time of termination of his service or superannuation or voluntary retirement, such as gratuity, severance pay, leave encashment, voluntary retrenchment benefits, commutation of pension and the like.

(3) The provisions of this section, as they stood immediately prior to their amendment by the Finance Act, 2016, shall apply to an assessee eligible to claim any deduction for any assessment year commencing on or before the 1st day of April, 2016.

Amendment of section 87A.

46. In section 87A of the Income-tax Act, for the words "two thousand rupees", the words "five thousand rupees" shall be substituted with effect from the 1st day of April, 2017.

Amendment of section 92CA.

47. In section 92CA of the Income-tax Act, in sub-section (3A), the following proviso shall be inserted with effect from the 1st day of June, 2016, namely:—

"Provided that in the circumstances referred to in clause (ii) or clause (x) of *Explanation (1)* to section 153, if the period of limitation available to the Transfer Pricing Officer for making an order is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to have been extended accordingly."

Amendment of section 92D.

48. In section 92D of the Income-tax Act, with effect from the 1st day of April, 2017,—

(i) in sub-section (1), the following shall be inserted, namely:—

'Provided that the person, being a constituent entity of an international group, shall also keep and maintain such information and document in respect of an international group as may be prescribed.

Explanation.—For the purposes of this section,—

(A) "constituent entity" shall have the meaning assigned to it in clause (d) of sub-section (9) of section 286;

(B) "international group" shall have the meaning assigned to it in clause (g) of sub-section (9) of section 286.;

(ii) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Without prejudice to the provisions of sub-section (3), the person referred to in the proviso to sub-section (1) shall furnish the information and document referred to in the said proviso to the authority prescribed under sub-section (1) of section 286, in such manner, on or before the date, as may be prescribed."

Amendment of section 111A.

49. In section 111A of the Income-tax Act with effect from the 1st day of April, 2017,—

(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that nothing contained in clause (b) shall apply to a transaction undertaken on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.;"

(ii) for the *Explanation* below sub-section (3), the following shall be substituted, namely:—

Explanation.—For the purposes of this section,—

(a) "equity oriented fund" shall have the meaning assigned to it in the *Explanation* to clause (38) of section 10;

(b) "International Financial Services Centre" shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005;

(c) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of *Explanation 1* to sub-section (5) of section 43.

Amendment of section 112.

50. In section 112 of the Income-tax Act, in sub-section (1), in clause (c), in sub-clause (iii), for the words "unlisted securities", the words "unlisted securities or shares of a company not being a company in which the public are substantially interested" shall be substituted with effect from the 1st day of April, 2017.

51. After section 115B of the Income-tax Act, with effect from the 1st day of April, 2017, the following section shall be inserted, namely:—

Insertion of
new section
115BA.

Tax on income
of certain
domestic
companies.

“115BA. (1) Notwithstanding anything contained in this Act but subject to the provisions of section 111A and section 112, the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2017, shall, at the option of such person, be computed at the rate of twenty-five per cent., if the conditions contained in sub-section (2) are satisfied.

(2) For the purposes of sub-section (1), the following conditions shall apply, namely:—

(a) the company has been set-up and registered on or after the 1st day of March, 2016;

(b) the company is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it; and

(c) the total income of the company has been computed,—

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AC or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AC or section 35AD or section 35CCC or section 35CCD or under any provisions of Chapter VI-A under the heading “C.—Deductions in respect of certain incomes” other than the provisions of section 80JJAA;

(ii) without set off of any loss carried forward from any earlier assessment year if such loss is attributable to any of the deductions referred to in sub-clause (i); and

(iii) depreciation under section 32, other than clause (iia) of sub-section (1) of the said section, is determined in the manner as may be prescribed.

(3) The loss referred to in sub-clause (ii) of clause (c) of sub-section (2) shall be deemed to have been already given full effect to and no further deduction for such loss shall be allowed for any subsequent year.

(4) Nothing contained in this section shall apply unless the option is exercised by the person in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the first of the returns of income which the person is required to furnish under the provisions of this Act:

Provided that once the option has been exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year.

52. After section 115BBD of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

Insertion of
new section
115 BBDA.

Tax on certain
dividends
received from
domestic
companies.

“115BBDA. (1) Notwithstanding anything contained in this Act, where the total income of an assessee, being an individual, a Hindu undivided family or a firm, resident in India, includes any income in aggregate exceeding ten lakh rupees, by way of dividends declared, distributed or paid by a domestic company or companies, the income-tax payable shall be the aggregate of—

(a) the amount of income-tax calculated on the income by way of such dividends in aggregate exceeding ten lakh rupees, at the rate of ten per cent.; and

(b) the amount of income-tax with which the assessee would have been chargeable had the total income of the assessee been reduced by the amount of income by way of dividends.

(2) No deduction in respect of any expenditure or allowance or set off of loss shall be allowed to the assessee under any provision of this Act in computing the income by way of dividends referred to in clause (a) of sub-section (1).

(3) In this section, "dividends" shall have the same meaning as is given to "dividend" in clause (22) of section 2 but shall not include sub-clause (e) thereof.

Amendment of section 115BBE.

53. In section 115BBE of the Income-tax Act, in sub-section (2), after the word "allowance", the words "or set off of any loss" shall be inserted with effect from the 1st day of April, 2017.

Insertion of new section 115BBF.
Tax on income from patent.

54. After section 115BBE of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

115BBF. (1) Where the total income of an eligible assessee includes any income by way of royalty in respect of a patent developed and registered in India, the income-tax payable shall be the aggregate of—

(a) the amount of income-tax calculated on the income by way of royalty in respect of the patent at the rate of ten per cent.; and

(b) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the income referred to in clause (a).

(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the eligible assessee under any provision of this Act in computing his income referred to in clause (a) of sub-section (1).

(3) The eligible assessee may exercise the option for taxation of income by way of royalty in respect of a patent developed and registered in India in accordance with the provisions of this section, in the prescribed manner, on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the relevant previous year.

(4) Where an eligible assessee opts for taxation of income by way of royalty in respect of a patent developed and registered in India for any previous year in accordance with the provisions of this section and the assessee offers the income for taxation for any of the five assessment years relevant to the previous year succeeding the previous year not in accordance with the provisions of sub-section (1), then, the assessee shall not be eligible to claim the benefit of the provisions of this section for five assessment years subsequent to the assessment year relevant to the previous year in which such income has not been offered to tax in accordance with the provisions of sub-section (1).

Explanation.—For the purposes of this section,—

(a) "developed" means at least seventy-five per cent. of the expenditure incurred in India by the eligible assessee for any invention in respect of which a patent is granted under the Patents Act, 1970 (herein referred to as the Patents Act);

(b) "eligible assessee" means a person resident in India and who is a patentee;

(c) "invention" shall have the meaning assigned to it in clause (j) of sub-section (1) of section 2 of the Patents Act;

(d) "lump sum" includes an advance payment on account of such royalties which is not returnable;

(e) "patent" shall have the meaning assigned to it in clause (m) of sub-section (1) of section 2 of the Patents Act;

(f) "patentee" means the person, being the true and first inventor of the invention, whose name is entered on the patent register as the patentee, in accordance with the Patents Act, and includes every such person, being the true and first inventor of the invention, where more than one person is registered as patentee under that Act in respect of that patent;

(g) "patented article" and "patented process" shall have the meanings respectively assigned to them in clause (o) of sub-section (1) of section 2 of the Patents Act;

(h) "royalty", in respect of a patent, means consideration (including any lump sum consideration but excluding any consideration which would be the income of the recipient chargeable under the head "Capital gains" or consideration for sale of product manufactured with the use of patented process or the patented article for commercial use) for the—

(i) transfer of all or any rights (including the granting of a licence) in respect of a patent; or

(ii) imparting of any information concerning the working of, or the use of, a patent; or

(iii) use of any patent; or

(iv) rendering of any services in connection with the activities referred to in sub-clauses (i) to (iii);

(i) "true and first inventor" shall have the meaning assigned to it in clause (y) of sub-section (1) of section 2 of the Patents Act."

55. In section 115JB of the Income-tax Act,—

Amendment of section 115JB.

(1) after sub-section (2),—

(a) in *Explanation 1*, with effect from the 1st day of April, 2017,—

(i) after clause (fc), the following clause shall be inserted, namely:—

“(fd) the amount or amounts of expenditure relatable to income by way of royalty in respect of patent chargeable to tax under section 115BBF; or”;

(ii) in the long line,—

(A) in clause (if), for the words “may be;” occurring at the end, the words “may be; or” shall be substituted;

(B) after clause (if), the following clause shall be inserted, namely:—

“(ig) the amount of income by way of royalty in respect of patent chargeable to tax under section 115BBF;”;

(b) *Explanation 4* shall be renumbered as *Explanation 5* thereof and before *Explanation 5* as so renumbered, the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2001, namely:—

“*Explanation 4*.—For the removal of doubts, it is hereby clarified that the provisions of this section shall not be applicable and shall be deemed never to have been applicable to an assessee, being a foreign company, if—

(i) the assessee is a resident of a country or a specified territory with which India has an agreement referred to in sub-section (1) of section 90 or the Central Government has adopted any agreement under sub-section (1) of section 90A and the assessee does not have a permanent establishment in India in accordance with the provisions of such agreement; or

(ii) the assessee is a resident of a country with which India does not have an agreement of the nature referred to in clause (i) and the assessee is not required to seek registration under any law for the time being in force relating to companies.”;

(11) after sub-section (6), the following sub-section shall be inserted with effect from the 1st day of April, 2017, namely:—

(7) Notwithstanding anything contained in sub-section (1), where the assessee referred to therein, is a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, the provisions of sub-section (1) shall have the effect as if for the words “eighteen and one-half per cent.” wherever occurring in that sub-section, the words “nine per cent.” had been substituted.

Explanation.—For the purposes of this sub-section,—

(a) “International Financial Services Centre” shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005;

(b) “unit” means a unit established in an International Financial Services Centre;

(c) “convertible foreign exchange” means a foreign exchange which

is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the Foreign Exchange Management Act, 1999 and the rules made thereunder.’

42 of 1999.

Insertion of
new Chapter
XII-BC.

56. After Chapter XII-BB of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of April, 2017, namely:—

“CHAPTER XII-BC

SPECIAL PROVISIONS RELATING TO FOREIGN COMPANY
SAID TO BE RESIDENT IN INDIA

Foreign
company said
to be resident
in India.

115JH. (1) Where a foreign company is said to be resident in India in any previous year and such foreign company has not been resident in India in any of the previous years preceding the said previous year, then, notwithstanding anything contained in this Act and subject to the conditions as may be notified by the Central Government in this behalf, the provisions of this Act relating to the computation of total income, treatment of unabsorbed depreciation, set off or carry forward and set off of losses, collection and recovery and special provisions relating to avoidance of tax shall apply with such exceptions, modifications and adaptations as may be specified in that notification for the said previous year:

Provided that where the determination regarding foreign company to be resident in India has been made in the assessment proceedings relevant to any previous year, then, the provisions of this sub-section shall also apply in respect of any other previous year, succeeding such previous year, if the foreign company is resident in India in that previous year and the previous year ends on or before the date on which such assessment proceeding is completed.

(2) Where, in a previous year, any benefit, exemption or relief has been claimed and granted to the foreign company in accordance with the provisions of sub-section (1), and, subsequently, there is failure to comply with any of the conditions specified in the notification issued under sub-section (1), then,—

(i) such benefit, exemption or relief shall be deemed to have been wrongly allowed;

(ii) the Assessing Officer may, notwithstanding anything contained in this Act, re-compute the total income of the assessee for the said previous year and make the necessary amendment as if the exceptions, modifications and adaptations referred to in sub-section (1) did not apply; and

(iii) the provisions of section 154 shall, so far as may be, apply thereto and the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the failure to comply with the condition referred to in sub-section (1) takes place.

(3) Every notification issued under this section shall be laid before each House of Parliament.”

Amendment of
section 115-O.

57. In section 115-O of the Income-tax Act,—

(a) after sub-section (6), the following sub-section shall be inserted, with effect from the 1st day of June, 2016, namely:—

(7) No tax on distributed profits shall be chargeable under this section in respect of any amount declared, distributed or paid by the specified domestic company by way of dividends (whether interim or otherwise) to a business trust out of its current income on or after the specified date:

Provided that nothing contained in this sub-section shall apply in respect of any amount declared, distributed or paid, at any time, by the specified domestic company by way of dividends (whether interim or otherwise) out of its accumulated profits and current profits up to the specified date.

Explanation.—For the purposes of this sub-section,—

(a) “specified domestic company” means a domestic company in which a business trust has become the holder of whole of the nominal

value of equity share capital of the company (excluding the equity share capital required to be held mandatorily by any other person in accordance with any law for the time being in force or any directions of Government or any regulatory authority, or equity share capital held by any Government or Government body);

(b) "specified date" means the date of acquisition by the business trust of such holding as is referred to in clause (a).';

(b) after sub-section (7) as so inserted, the following sub-section shall be inserted with effect from the 1st day of April, 2017, namely:—

'(8) Notwithstanding anything contained in this section, no tax on distributed profits shall be chargeable in respect of the total income of a company, being a unit of an International Financial Services Centre, deriving income solely in convertible foreign exchange, for any assessment year on any amount declared, distributed or paid by such company, by way of dividends (whether interim or otherwise) on or after the 1st day of April, 2017, out of its current income, either in the hands of the company or the person receiving such dividend.

Explanation.—For the purposes of this sub-section,—

(a) "International Financial Services Centre" shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005;

(b) "unit" means a unit established in an International Financial Services Centre, on or after the 1st day of April, 2016;

(c) "convertible foreign exchange" means foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the Foreign Exchange Management Act, 1999 and the rules made thereunder.'

28 of 2005.

42 of 1999.

58. In section 115QA of the Income-tax Act, in sub-section (1), in the *Explanation*, with effect from the 1st day of June, 2016,—

Amendment of section 115QA.

(a) in clause (i), for the words, figures and letter "section 77A of the Companies Act, 1956", the words "any law for the time being in force relating to companies" shall be substituted;

1 of 1956.

(b) in clause (ii), for the words "the amount which was received by the company for issue of such shares", the words "the amount, which was received by the company for issue of such shares, determined in the manner as may be prescribed" shall be substituted.

59. In section 115TA of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of June, 2016, namely:—

Amendment of section 115TA.

"(5) Nothing contained in this section shall apply in respect of any income distributed by a securitisation trust to its investors on or after the 1st day of June, 2016."

60. In section 115TC of the Income-tax Act, in the *Explanation*, with effect from the 1st day of June, 2016,—

Amendment of section 115TC.

(A) in clause (a), after the words "or securities", the words "or security receipt" shall be inserted;

(B) in clause (d),—

(i) in sub-clause (ii), after the words "Reserve Bank of India," the word "or" shall be inserted;

(1) after sub-clause (ii) and before the long line, the following sub-clause shall be inserted, namely:—

“(iii) trust set-up by a securitisation company or a reconstruction company formed, for the purposes of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, or in pursuance of any guidelines or directions issued for the said purposes by the Reserve Bank of India,”;

54 of 2002.

(C) after clause (d), the following clause shall be inserted, namely:—

“(e) “security receipt” shall have the same meaning as assigned to it in clause (zg) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.”

54 of 2002.

Insertion of
new section
115TCA.

61. After section 115TC of the Income-tax Act and before the *Explanation* occurring after the said section, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

Tax on income
from
securitisation
trusts.

“115TCA. (1) Notwithstanding anything contained in this Act, any income accruing or arising to, or received by, a person, being an investor of a securitisation trust, out of investments made in the securitisation trust, shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to, or received by, such person, had the investments by the securitisation trust been made directly by him.

(2) The income paid or credited by the securitisation trust shall be deemed to be of the same nature and in the same proportion in the hands of the person referred to in sub-section (1), as if it had been received by, or had accrued or arisen to, the securitisation trust during the previous year.

(3) The income accruing or arising to, or received by, the securitisation trust, during a previous year, if not paid or credited to the person referred to in sub-section (1), shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

(4) The person responsible for crediting or making payment of the income on behalf of securitisation trust and the securitisation trust shall furnish, within such period, as may be prescribed, to the person who is liable to tax in respect of such income and to the prescribed income-tax authority, a statement in such form and verified in such manner, giving details of the nature of the income paid or credited during the previous year and such other relevant details, as may be prescribed.

(5) Any income which has been included in the total income of the person referred to in sub-section (1), in a previous year, on account of it having accrued or arisen in the said previous year, shall not be included in the total income of such person in the previous year in which such income is actually paid to him by the securitisation trust.”

Insertion of
new Chapter
XII-EB.

62. After Chapter XII-EA of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of June, 2016, namely:—

‘CHAPTER XII-EB

SPECIAL PROVISIONS RELATING TO TAX ON ACCRETED INCOME OF CERTAIN TRUSTS AND INSTITUTIONS

Tax on
accreted
income.

115TD. (1) Notwithstanding anything contained in this Act, where in any previous year, a trust or institution registered under section 12AA has—

(a) converted into any form which is not eligible for grant of registration under section 12AA;

(b) merged with any entity other than an entity which is a trust or institution having objects similar to it and registered under section 12AA; or

(c) failed to transfer upon dissolution all its assets to any other trust or institution registered under section 12AA or to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, within a period of twelve months from the end of the month in which the dissolution takes place,

then, in addition to the income-tax chargeable in respect of the total income of such trust or institution, the accreted income of the trust or the institution as on the specified date shall be charged to tax and such trust or institution, as the case may be, shall be liable to pay additional income-tax (herein referred to as tax on accreted income) at the maximum marginal rate on the accreted income.

(2) The accreted income for the purposes of sub-section (1) means the amount by which the aggregate fair market value of the total assets of the trust or the institution, as on the specified date, exceeds the total liability of such trust or institution computed in accordance with the method of valuation as may be prescribed:

Provided that so much of the accreted income as is attributable to the following asset and liability, if any, related to such asset shall be ignored for the purposes of sub-section (1), namely:—

(i) any asset which is established to have been directly acquired by the trust or institution out of its income of the nature referred to in clause (1) of section 10;

(ii) any asset acquired by the trust or institution during the period beginning from the date of its creation or establishment and ending on the date from which the registration under section 12AA became effective, if the trust or institution had not been allowed any benefit of sections 11 and 12 during the said period:

Provided further that where due to the first proviso to sub-section (2) of section 12A, the benefit of sections 11 and 12 have been allowed to the trust or the institution in respect of any previous year or years beginning prior to the date from which the registration under section 12AA is effective, then, for the purposes of clause (ii) of the first proviso, the registration shall be deemed to have become effective from the first day of the earliest previous year:

Provided also that while computing the accreted income in respect of a case referred to in clause (c) of sub-section (1), assets and liabilities, if any, related to such asset, which have been transferred to any other trust or institution registered under section 12AA or to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, within the period specified in the said clause, shall be ignored.

(3) For the purposes of sub-section (1), a trust or an institution shall be deemed to have been converted into any form not eligible for registration under section 12AA in a previous year, if,—

(i) the registration granted to it under section 12AA has been cancelled; or

(ii) it has adopted or undertaken modification of its objects which do not conform to the conditions of registration and it,—

(a) has not applied for fresh registration under section 12AA in the said previous year; or

(b) has filed application for fresh registration under section 12AA but the said application has been rejected.

(4) Notwithstanding that no income-tax is payable by a trust or the institution on its total income computed in accordance with the provisions of this Act, the tax on the accreted income under sub-section (1) shall be payable by such trust or the institution.

(5) The principal officer or the trustee of the trust or the institution, as the case may be, and the trust or the institution shall also be liable to pay the tax on accreted income to the credit of the Central Government within fourteen days from,—

(i) the date on which,—

(a) the period for filing appeal under section 253 against the order

cancelling the registration expires and no appeal has been filed by the trust or the institution; or

(b) the order in any appeal, confirming the cancellation of the registration, is received by the trust or institution,

in a case referred to in clause (i) of sub-section (3);

(ii) the end of the previous year in a case referred to in sub-clause (a) of clause (ii) of sub-section (3);

(iii) the date on which,—

(a) the period for filing appeal under section 253 against the order rejecting the application expires and no appeal has been filed by the trust or the institution; or

(b) the order in any appeal, confirming the cancellation of the application, is received by the trust or institution,

in a case referred to in sub-clause (b) of clause (ii) of sub-section (3);

(iv) the date of merger in a case referred to in clause (b) of sub-section (1);

(v) the date on which the period of twelve months referred to in clause (c) of sub-section (1) expires.

(6) The tax on the accreted income by the trust or the institution shall be treated as the final payment of tax in respect of the said income and no further credit therefor shall be claimed by the trust or the institution or by any other person in respect of the amount of tax so paid.

(7) No deduction under any other provision of this Act shall be allowed to the trust or the institution or any other person in respect of the income which has been charged to tax under sub-section (1) or the tax thereon.

Explanation.—For the purposes of this section,—

(i) “date of conversion” means,—

(a) the date of the order cancelling the registration under section 12AA, in a case referred to in clause (i) of sub-section (3); or

(b) the date of adoption or modification of any object, in a case referred to in clause (ii) of sub-section (3);

(ii) “specified date” means,—

(a) the date of conversion in a case falling under clause (a) of sub-section (1);

(b) the date of merger in a case falling under clause (b) of sub-section (1); and

(c) the date of dissolution in a case falling under clause (c) of sub-section (1);

(iii) registration under section 12AA shall include any registration obtained under section 12A as it stood before its amendment by the Finance (No. 2) Act, 1996.

33 of 1996.

Interest payable for non-payment of tax by trust or institution.

115TE. Where the principal officer or the trustee of the trust or the institution and the trust or the institution fails to pay the whole or any part of the tax on the accreted income referred to in sub-section (1) of section 115TD, within the time allowed under sub-section (5) of that section, he or it shall be liable to pay simple interest at the rate of one per cent. for every month or part thereof on the amount of such tax for the period beginning on the date immediately after the last date on which such tax was payable and ending with the date on which the tax is actually paid.

When trust or institution is deemed to be assessee in default.

115TF. (1) If any principal officer or the trustee of the trust or the institution and the trust or the institution does not pay tax on accreted income in accordance with the provisions of section 115TD, then, he or it shall be deemed to be an assessee in default in respect of the amount of tax payable by him or it and all the provisions of this Act for the collection and recovery of income-tax shall apply.

(2) Notwithstanding anything contained in sub-section (1), in a case where the tax on accreted income is payable under the circumstances referred to in clause (c) of sub-section (1) of section 115TD, the person to whom any asset forming part of the computation of accreted income under sub-section (2) thereof has been transferred, shall be deemed to be an assessee in default in respect of such tax and interest thereon and all the provisions of this Act for the collection and recovery of income-tax shall apply:

Provided that the liability of the person referred to in this sub-section shall be limited to the extent to which the asset received by him is capable of meeting the liability.'

63. In section 115UA of the Income-tax Act, in sub-section (3), for the words, brackets, figures and letters "in clause (23FC)", the words, brackets, letters and figures "in sub-clause (a) of clause (23FC)" shall be substituted with effect from the 1st day of April, 2017.

Amendment of section 115UA.

64. In section 119 of the Income-tax Act, in sub-section (2), in clause (a), after the figures and letter "234E", the figures and letter "270A," shall be inserted with effect from the 1st day of April, 2017.

Amendment of section 119.

65. In section 124 of the Income-tax Act, in sub-section (3), after clause (b), the following clause shall be inserted with effect from the 1st day of June, 2016, namely:—

Amendment of section 124.

"(c) where an action has been taken under section 132 or section 132A, after the expiry of one month from the date on which he was served with a notice under sub-section (1) of section 153A or sub-section (2) of section 153C or after the completion of the assessment, whichever is earlier."

66. Section 133C of the Income-tax Act shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted with effect from the 1st day of June, 2016, namely:—

Amendment of section 133C.

"(2) Where any information or document has been received in response to a notice issued under sub-section (1), the prescribed income-tax authority may process such information or document and make available the outcome of such processing to the Assessing Officer."

67. In section 139 of the Income-tax Act,—

Amendment of section 139.

(i) in sub-section (1), in the sixth proviso, for the words, figures and letter "provisions of section 10A", the words, brackets, figures and letter "provisions of clause (38) of section 10 or section 10A" shall be substituted with effect from the 1st day of April, 2017;

(ii) in sub-section (3), after the words, brackets and figures "sub-section (2) of section 73", the words, brackets, figures and letter "or sub-section (2) of section 73A" shall be inserted;

(iii) with effect from the 1st day of April, 2017,—

(a) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) Any person who has not furnished a return within the time allowed to him under sub-section (1), may furnish the return for any previous year at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.;"

(b) for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the expiry of one year from the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.;"

(c) in sub-section (9), in the *Explanation*, clause (aa) shall be omitted.

68. In section 143 of the Income-tax Act,—

Amendment of section 143.

(a) with effect from the 1st day of April, 2017,—

(1) in sub-section (1), in clause (a),—

(A) in sub-clause (i), the word "or" appearing at the end shall be omitted;

(B) after sub-clause (ii), the following sub-clauses shall be inserted, namely:—

“(iii) disallowance of loss claimed, if return of the previous year for which set off of loss is claimed was furnished beyond the due date specified under sub-section (1) of section 139;

(iv) disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return;

(v) disallowance of deduction claimed under sections 10AA, 80-IA, 80-IAB, 80-IB, 80-IC, 80-ID or section 80-IE, if the return is furnished beyond the due date specified under sub-section (1) of section 139; or

(vi) addition of income appearing in Form 26AS or Form 16A or Form 16 which has not been included in computing the total income in the return:

Provided that no such adjustments shall be made unless an intimation is given to the assessee of such adjustments either in writing or in electronic mode:

Provided further that the response received from the assessee, if any, shall be considered before making any adjustment, and in a case where no response is received within thirty days of the issue of such intimation, such adjustments shall be made;”;

(II) for sub-section (1D), the following sub-section shall be substituted, namely:—

“(1D) Notwithstanding anything contained in sub-section (1), the processing of a return shall not be necessary before the expiry of the period specified in the second proviso to sub-section (1), where a notice has been issued to the assessee under sub-section (2):

Provided that such return shall be processed before the issuance of an order under sub-section (3).”

(b) for sub-section (2), the following sub-section shall be substituted with effect from the 1st day of June, 2016, namely:—

“(2) Where a return has been furnished under section 139, or in response to a notice under sub-section (1) of section 142, the Assessing Officer or the prescribed income-tax authority, as the case may be, if, considers it necessary or expedient to ensure that the assessee has not understated the income or has not computed excessive loss or has not under-paid the tax in any manner, shall serve on the assessee a notice requiring him, on a date to be specified therein, either to attend the office of the Assessing Officer or to produce, or cause to be produced before the Assessing Officer any evidence on which the assessee may rely in support of the return:

Provided that no notice under this sub-section shall be served on the assessee after the expiry of six months from the end of the financial year in which the return is furnished.”

Amendment of section 147.

69. In section 147 of the Income-tax Act, in *Explanation 2*, after clause (c), the following clause shall be inserted with effect from the 1st day of June, 2016, namely:—

“(ca) where a return of income has not been furnished by the assessee or a return of income has been furnished by him and on the basis of information or document received from the prescribed income-tax authority, under sub-section (2) of section 133C, it is noticed by the Assessing Officer that the income of the assessee exceeds the maximum amount not chargeable to tax, or as the case may be, the assessee has understated the income or has claimed excessive loss, deduction, allowance or relief in the return;”

70. For section 153 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2016, namely:—

Substitution of new section for section 153.

“153. (1) No order of assessment shall be made under section 143 or section 144 at any time after the expiry of twenty-one months from the end of the assessment year in which the income was first assessable.

Time limit for completion of assessment, reassessment and recomputation.

(2) No order of assessment, reassessment or recomputation shall be made under section 147 after the expiry of nine months from the end of the financial year in which the notice under section 148 was served.

(3) Notwithstanding anything contained in sub-sections (1) and (2), an order of fresh assessment in pursuance of an order under section 254 or section 263 or section 264, setting aside or cancelling an assessment, may be made at any time before the expiry of nine months from the end of the financial year in which the order under section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Principal Commissioner or Commissioner.

(4) Notwithstanding anything contained in sub-sections (1), (2) and (3), where a reference under sub-section (1) of section 92CA is made during the course of the proceeding for the assessment or reassessment, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections (1), (2) and (3) shall be extended by twelve months.

(5) Where effect to an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 is to be given by the Assessing Officer, wholly or partly, otherwise than by making a fresh assessment or reassessment, such effect shall be given within a period of three months from the end of the month in which order under section 250 or section 254 or section 260 or section 262 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be, the order under section 263 or section 264 is passed by the Principal Commissioner or Commissioner:

Provided that where it is not possible for the Assessing Officer to give effect to such order within the aforesaid period, for reasons beyond his control, the Principal Commissioner or Commissioner on receipt of such request in writing from the Assessing Officer, if satisfied, may allow an additional period of six months to give effect to the order.

(6) Nothing contained in sub-sections (1) and (2) shall apply to the following classes of assessments, reassessments and recomputation which may, subject to the provisions of sub-sections (3) and (5), be completed—

(i) where the assessment, reassessment or recomputation is made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 250, section 254, section 260, section 262, section 263, or section 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act, on or before the expiry of twelve months from the end of the month in which such order is received or passed by the Principal Commissioner or Commissioner, as the case may be; or

(ii) where, in the case of a firm, an assessment is made on a partner of the firm in consequence of an assessment made on the firm under section 147, on or before the expiry of twelve months from the end of the month in which the assessment order in the case of the firm is passed.

(7) Where effect to any order, finding or direction referred to in sub-section (5) or sub-section (6) is to be given by the Assessing Officer, within the time specified in the said sub-sections, and such order has been received or passed, as the case may be, by the income-tax authority specified therein before the 1st day of June, 2016, the Assessing Officer shall give effect to such order, finding or direction, or assess, reassess or recompute the income of the assessee, on or before the 31st day of March, 2017.

(8) Notwithstanding anything contained in the foregoing provisions of this section, sub-section (2) of section 153A or sub-section (1) of section 153B, the order of assessment or reassessment, relating to any assessment year, which stands revived under sub-section (2) of section 153A, shall be made within a period of one year from the end of the month of such revival or within the period specified in this section or sub-section (1) of section 153B, whichever is later.

(9) The provisions of this section as they stood immediately before the commencement of the Finance Act, 2016, shall apply to and in relation to any order of assessment, reassessment or recomputation made before the 1st day of June, 2016.

Explanation 1.—For the purposes of this section, in computing the period of limitation—

(i) the time taken in reopening the whole or any part of the proceeding or in giving an opportunity to the assessee to be re-heard under the proviso to section 129; or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court; or

(iii) the period commencing from the date on which the Assessing Officer intimates the Central Government or the prescribed authority, the contravention of the provisions of clause (21) or clause (22B) or clause (23A) or clause (23B) or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, under clause (i) of the proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order withdrawing the approval or rescinding the notification, as the case may be, under those clauses is received by the Assessing Officer; or

(iv) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and—

(a) ending with the last date on which the assessee is required to furnish a report of such audit under that sub-section; or

(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Principal Commissioner or Commissioner; or

(v) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer; or

(vi) the period (not exceeding sixty days) commencing from the date on which the Assessing Officer received the declaration under sub-section (1) of section 158A and ending with the date on which the order under sub-section (3) of that section is made by him; or

(vii) in a case where an application made before the Income-tax Settlement Commission is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which an application is made before the Settlement Commission under section 245C and ending with the date on which the order under sub-section (1) of section 245D is received by the Principal Commissioner or Commissioner under sub-section (2) of that section; or

(viii) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Principal Commissioner or Commissioner under sub-section (3) of section 245R; or

(ix) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Principal Commissioner or Commissioner under sub-section (7) of section 245R; or

(x) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less; or

(xi) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the Assessing Officer;

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in sub-sections (1), (2), (3) and sub-section (8) available to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, is less than sixty days; such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

Provided further that where the period available to the Transfer Pricing Officer is extended to sixty days in accordance with the proviso to sub-section (3A) of section 92CA and the period of limitation available to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

Provided also that where a proceeding before the Settlement Commission abates under section 245HA, the period of limitation available under this section to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, shall, after the exclusion of the period under sub-section (4) of section 245HA, be not less than one year; and where such period of limitation is less than one year, it shall be deemed to have been extended to one year; and for the purposes of determining the period of limitation under sections 149, 153B, 154, 155 and 158BE and for the purposes of payment of interest under section 244A, this proviso shall also apply accordingly.

Explanation 2.—For the purposes of this section, where, by an order referred to in clause (i) of sub-section (6),—

(a) any income is excluded from the total income of the assessee for an assessment year, then, an assessment of such income for another assessment year shall, for the purposes of section 150 and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order; or

(b) any income is excluded from the total income of one person and held to be the income of another person, then, an assessment of such income on such other person shall, for the purposes of section 150 and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order, if such other person was given an opportunity of being heard before the said order was passed.”

71. For section 153B of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2016, namely:—

‘153B. (1) Notwithstanding anything contained in section 153, the Assessing Officer shall make an order of assessment or reassessment,—

Substitution of new section for section 153B.

Time limit for completion of assessment under section 153A.

(a) in respect of each assessment year falling within six assessment years referred to in clause (b) of sub-section (1) of section 153A, within a period of twenty-one months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed;

(b) in respect of the assessment year relevant to the previous year in which search is conducted under section 132 or requisition is made under section 132A, within a period of twenty-one months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed:

Provided that in case of other person referred to in section 153C, the period of limitation for making the assessment or reassessment shall be the period as referred to in clause (a) or clause (b) of this sub-section or nine months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later:

Provided further that in case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed and during the course of the proceedings for the assessment or reassessment of total income, a reference under sub-section (1) of section 92CA is made, the provisions of clause (a) or clause (b) of this sub-section shall have effect as if for the words "twenty-one months", the words "thirty-three months" had been substituted:

Provided also that in case where during the course of the proceedings for the assessment or reassessment of total income in case of other person referred to in section 153C, a reference under sub-section (1) of section 92CA is made, the period of limitation for making the assessment or reassessment in case of such other person shall be the period of thirty-three months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or twenty-one months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later.

(2) The authorisation referred to in clause (a) and clause (b) of sub-section (1) shall be deemed to have been executed,—

(a) in the case of search, on the conclusion of search as recorded in the last *panchnama* drawn in relation to any person in whose case the warrant of authorisation has been issued; or

(b) in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the Authorised Officer.

(3) The provisions of this section, as they stood immediately before the commencement of the Finance Act, 2016, shall apply to and in relation to any order of assessment or reassessment made before the 1st day of June, 2016.

Explanation.—In computing the period of limitation under this section—

(i) the period during which the assessment proceeding is stayed by an order or injunction of any court; or

(ii) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and—

(a) ending with the last date on which the assessee is required to furnish a report of such audit under that sub-section; or

(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Principal Commissioner or Commissioner; or

(iii) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer; or

(iv) the time taken in re-opening the whole or any part of the proceeding or in giving an opportunity to the assessee of being re-heard under the proviso to section 129; or

(v) in a case where an application made before the Income-tax Settlement Commission is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which an application is made before the Settlement Commission under section 245C and ending with the date on which the order under sub-section (1) of section 245D is received by the Principal Commissioner or Commissioner under sub-section (2) of that section; or

(vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Principal Commissioner or Commissioner under sub-section (3) of section 245R; or

(vii) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Principal Commissioner or Commissioner under sub-section (7) of section 245R; or

(viii) the period commencing from the date of annulment of a proceeding or order of assessment or reassessment referred to in sub-section (2) of section 153A, till the date of the receipt of the order setting aside the order of such annulment, by the Principal Commissioner or Commissioner; or

(ix) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less; or

(x) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the Assessing Officer,

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in clause (a) or clause (b) of this sub-section available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

Provided further that where the period available to the Transfer Pricing Officer is extended to sixty days in accordance with the proviso to sub-section (3A) of section 92CA and the period of limitation available to the Assessing Officer for making an

- order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly.’
- Amendment of section 192A. 72. In section 192A of the Income-tax Act, in the first proviso, for the words “thirty thousand rupees”, the words “fifty thousand rupees” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194BB. 73. In section 194BB of the Income-tax Act, for the words “five thousand rupees”, the words “ten thousand rupees” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194C. 74. In section 194C of the Income-tax Act, in sub-section (5), in the proviso, for the words “seventy-five thousand rupees”, the words “one lakh rupees” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194D. 75. In section 194D of the Income-tax Act, in the second proviso, for the words “twenty thousand rupees”, the words “fifteen thousand rupees” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194DA. 76. In section 194DA of the Income-tax Act, for the words “two per cent.”, the words “one per cent.” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194EE. 77. In section 194EE of the Income-tax Act, for the words “twenty per cent.”, the words “ten per cent.” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194G. 78. In section 194G of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2016,—
- (i) for the words “one thousand rupees”, the words “fifteen thousand rupees” shall be substituted;
- (ii) for the words “ten per cent.”, the words “five per cent.” shall be substituted.
- Amendment of section 194H. 79. In section 194H of the Income-tax Act, with effect from the 1st day of June, 2016,—
- (i) for the words “ten per cent.”, the words “five per cent.” shall be substituted;
- (ii) in first proviso, for the words “five thousand rupees”, the words “fifteen thousand rupees” shall be substituted.
- Omission of sections 194K and 194L. 80. Section 194K and section 194L of the Income-tax Act shall be omitted with effect from the 1st day of June, 2016.
- Amendment of section 194LA. 81. In section 194LA of the Income-tax Act, in the proviso, for the words “two hundred thousand rupees”, the words “two lakh and fifty thousand rupees” shall be substituted with effect from the 1st day of June, 2016.
- Amendment of section 194LBA. 82. In section 194LBA of the Income-tax Act, with effect from the 1st day of June, 2016,—
- (i) in sub-section (1), for the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, figures and letters “in sub-clause (a) of clause (23FC)” shall be substituted;
- (ii) in sub-section (2), for the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, figures and letters “in sub-clause (a) of clause (23FC)” shall be substituted.
- Amendment of section 194LBB. 83. In section 194LBB of the Income-tax Act, for the words “deduct income-tax thereon at the rate of ten per cent.”, the following shall be substituted with effect from the 1st day of June, 2016, namely:—
- “deduct income-tax thereon,—
- (i) at the rate of ten per cent., where the payee is a resident;

(ii) at the rates in force, where the payee is a non-resident (not being a company) or a foreign company:

Provided that where the payee is a non-resident (not being a company) or a foreign company, no deduction shall be made in respect of any income that is not chargeable to tax under the provisions of the Act.”

84. After section 194LBB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2016, namely:—

Insertion of new section 194LBC.

‘194LBC. (1) Where any income is payable to an investor, being a resident, in respect of an investment in a securitisation trust specified in clause (d) of the *Explanation* occurring after section 115TCA, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon, at the rate of—

Income in respect of investment in securitisation trust.

(i) twenty-five per cent., if the payee is an individual or a Hindu undivided family;

(ii) thirty per cent., if the payee is any other person.

(2) Where any income is payable to an investor, being a non-resident (not being a company) or a foreign company, in respect of an investment in a securitisation trust specified in clause (d) of the *Explanation* occurring after section 115TCA, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon, at the rates in force.

Explanation.—For the purposes of this section,—

(a) “investor” shall have the meaning assigned to it in clause (a) of the *Explanation* occurring after section 115TCA;

(b) where any income as aforesaid is credited to any account, whether called “suspense account” or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee, and the provisions of this section shall apply accordingly.’

85. In section 197 of the Income-tax Act, in sub-section (1), after the figures and letters “194LA”, the figures and letters “, 194LBB, 194LBC” shall be inserted with effect from the 1st day of June, 2016.

Amendment of section 197.

86. In section 197A of the Income-tax Act, with effect from the 1st day of June, 2016,—

Amendment of section 197A.

(a) in sub-section (1A), after the word, figures and letters “section 194DA” at both the places where they occur, the words, figures and letter “or section 194-I” shall be inserted;

(b) in sub-section (1C), after the word, figures and letters “section 194EE” at both the places where they occur, the words, figures and letter “or section 194-I” shall be inserted.

87. In section 206AA of the Income-tax Act, for sub-section (7), the following sub-section shall be substituted with effect from the 1st day of June, 2016, namely:—

Amendment of section 206AA.

“(7) The provisions of this section shall not apply to a non-resident, not being a company, or to a foreign company, in respect of—

(i) payment of interest on long-term bonds as referred to in section 194LC; and

(ii) any other payment subject to such conditions as may be prescribed.”

88. In section 206C of the Income-tax Act, with effect from the 1st day of June, 2016,—

Amendment of section 206C.

(i) in sub-section (1D),—

(A) after the words “or jewellery”, the words “or any other goods (other than bullion or jewellery) or providing any service” shall be inserted;

(B) in clause (ii), for the word “rupees.”, the words “rupees; or” shall be substituted;

(C) after clause (i), the following clause shall be inserted, namely:—

“(iii) for any goods, other than those referred to in clauses (i) and (ii), or any service, exceeds two hundred thousand rupees:

Provided that no tax shall be collected at source under this sub-section on any amount on which tax has been deducted by the payer under Chapter XVII-B.”;

(ii) after sub-section (1D), the following sub-sections shall be inserted, namely:—

“(1E) Nothing contained in sub-section (1D) in relation to sale of any goods (other than bullion or jewellery) or providing any service shall apply to such class of buyers who fulfil such conditions, as may be prescribed.

(1F) Every person, being a seller, who receives any amount as consideration for sale of a motor vehicle of the value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one per cent. of the sale consideration as income-tax.”;

(iii) after sub-section (1I), in the Explanation,—

(A) in clause (aa), in sub-clause (ii), after the word, brackets, figure and letter “sub-section (1D)”, the words, brackets, figure and letter “or sub-section (1F)” shall be inserted;

(B) in clause (c), after the word “sold”, the words, brackets, figure and letter “or services referred to in sub-section (1D) are provided” shall be inserted.”.

Amendment of section 211.

89. In section 211 of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted with effect from the 1st day of June, 2016, namely:—

“(1) Advance tax on the current income calculated in the manner laid down in section 209 shall be payable by—

(a) all the assessees, other than the assessee referred to in clause (b), who are liable to pay the same, in four instalments during each financial year and the due date of each instalment and the amount of such instalment shall be as specified in the Table below:

TABLE

Due date of instalment	Amount payable
On or before the 15th June	Not less than fifteen per cent. of such advance tax.
On or before the 15th September	Not less than forty-five per cent. of such advance tax, as reduced by the amount, if any, paid in the earlier instalment.
On or before the 15th December	Not less than seventy-five per cent. of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier instalment or instalments.
On or before the 15th March	The whole amount of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier instalment or instalments;

(b) an eligible assessee in respect of an eligible business referred to in section 44AD, to the extent of the whole amount of such advance tax during each financial year on or before the 15th March:

Provided that any amount paid by way of advance tax on or before the 31st day of March shall also be treated as advance tax paid during the financial year ending on that day for all the purposes of this Act.”

90. In section 220 of the Income-tax Act, in sub-section (2A), after clause (iii), the following provisos shall be inserted with effect from the 1st day of June, 2016, namely:—

Amendment of section 220.

“Provided that the order accepting or rejecting the application of the assessee, either in full or in part, shall be passed within a period of twelve months from the end of the month in which the application is received:

Provided further that no order rejecting the application, either in full or in part, shall be passed unless the assessee has been given an opportunity of being heard:

Provided also that where any application is pending as on the 1st day of June, 2016, the order shall be passed on or before the 31st day of May, 2017.”

91. In section 234C of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2016,—

Amendment of section 234C.

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) an assessee, other than an eligible assessee in respect of the eligible business referred to in section 44AD, who is liable to pay advance tax under section 208 has failed to pay such tax or—

(i) the advance tax paid by such assessee on its current income on or before the 15th day of June is less than fifteen per cent. of the tax due on the returned income or the amount of such advance tax paid on or before the 15th day of September is less than forty-five per cent. of the tax due on the returned income or the amount of such advance tax paid on or before the 15th day of December is less than seventy-five per cent. of the tax due on the returned income, then, the assessee shall be liable to pay simple interest at the rate of one per cent. per month for a period of three months on the amount of the shortfall from fifteen per cent. or forty-five per cent. or seventy-five per cent., as the case may be, of the tax due on the returned income;

(ii) the advance tax paid by the assessee on the current income on or before the 15th day of March is less than the tax due on the returned income, then, the assessee shall be liable to pay simple interest at the rate of one per cent. on the amount of the shortfall from the tax due on the returned income:

Provided that if the advance tax paid by the assessee on the current income, on or before the 15th day of June or the 15th day of September, is not less than twelve per cent. or, as the case may be, thirty-six per cent. of the tax due on the returned income, then, the assessee shall not be liable to pay any interest on the amount of the shortfall on those dates;”;

(ii) in clause (b), for the portion beginning with the words “the assessee, other than a company” and ending with the words “shortfall from the tax due on the returned income”, the following shall be substituted, namely:—

“an eligible assessee in respect of the eligible business referred to in section 44AD, who is liable to pay advance tax under section 208 has failed to pay such tax or the advance tax paid by the assessee on its

current income on or before the 15th day of March is less than the tax due on the returned income, then, the assessee shall be liable to pay simple interest at the rate of one per cent. on the amount of the shortfall from the tax due on the returned income.”;

(iii) in the first proviso, below clause (b)—

(I) in clause (b), for the word and figure “section 2”, the words and figure “section 2; or” shall be substituted;

(II) after clause (b), the following clause shall be inserted, namely:—

‘(c) income under the head “Profits and gains of business or profession” in cases where the income accrues or arises under the said head for the first time,;’

(III) in the long line, for the words, brackets and letter “or clause (b)”, the words, brackets and letters “or clause (b) or clause (c)” shall be substituted.

Amendment of section 244A.

92. In section 244A of the Income-tax Act, with effect from the 1st day of June, 2016,—

(A) in sub-section (1), for clause (a), the following clauses shall be substituted, namely:—

“(a) where the refund is out of any tax collected at source under section 206C or paid by way of advance tax or treated as paid under section 199, during the financial year immediately preceding the assessment year, such interest shall be calculated at the rate of one-half per cent. for every month or part of a month comprised in the period,—

(i) from the 1st day of April of the assessment year to the date on which the refund is granted, if the return of income has been furnished on or before the due date specified under sub-section (1) of section 139; or

(ii) from the date of furnishing of return of income to the date on which the refund is granted, in a case not covered under sub-clause (i);

(aa) where the refund is out of any tax paid under section 140A, such interest shall be calculated at the rate of one-half per cent. for every month or part of a month comprised in the period, from the date of furnishing of return of income or payment of tax, whichever is later, to the date on which the refund is granted:

Provided that no interest under clause (a) or clause (aa) shall be payable, if the amount of refund is less than ten per cent. of the tax as determined under sub-section (1) of section 143 or on regular assessment.”;

(B) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) In a case where a refund arises as a result of giving effect to an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264, wholly or partly, otherwise than by making a fresh assessment or reassessment, the assessee shall be entitled to receive, in addition to the interest payable under sub-section (1), an additional interest on such amount of refund calculated at the rate of three per cent. per annum, for the period beginning from the date following the date of expiry of the time allowed under sub-section (5) of section 153 to the date on which the refund is granted.”;

(C) in sub-section (2), after the words “interest is payable”, the words, brackets, figures and letter “under sub-sections (1) or (1A)” shall be inserted.

Amendment of section 249.

93. In section 249 of the Income-tax Act, in sub-section (2), in clause (b), with effect from the 1st day of April, 2017,—

(i) in the proviso, for the words “excluded, or” occurring at the end, the word “excluded:” shall be substituted;

(ii) after the proviso, the following proviso shall be inserted, namely:—

“Provided further that where an application has been made under sub-section (1) of section 270AA, the period beginning from the date on which the application is made, to the date on which the order rejecting the application is served on the assessee, shall be excluded, or”.

94. In section 252 of the Income-tax Act, with effect from the 1st day of June, 2016,—

Amendment of section 252.

(a) in sub-section (3), in clause (b), the words “the Senior Vice-President or” shall be omitted;

(b) sub-section (4A) shall be omitted;

(c) in sub-section (5), the words “Senior Vice-President or a” shall be omitted.

95. In section 253 of the Income-tax Act,—

Amendment of section 253.

(A) in sub-section (1), with effect from the 1st day of April, 2017,—

(i) in clause (a), after the word and figures “section 250,”, the word, figures and letter “section 270A,” shall be inserted;

(ii) in clause (c), after the words and figures “or under section 263”, the words, figures and letter “or under section 270A” shall be inserted;

(B) with effect from the 1st day of June, 2016,—

(a) sub-section (2A) and sub-section (3A) shall be omitted;

(b) for sub-section (4), the following sub-section shall be substituted namely:—

“(4) The Assessing Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Commissioner (Appeals), has been preferred under sub-section (1) or sub-section (2) by the other party, may, notwithstanding that he may not have appealed against such order or any part thereof, within thirty days of the receipt of the notice, file a memorandum of cross-objections, verified in the prescribed manner, against any part of the order of the Commissioner (Appeals), and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (3).”;

(C) in sub-section (6), for the proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2012, namely:—

“Provided that no fee shall be payable in the case of an appeal referred to in sub-section (2), or, sub-section (2A) as it stood before its amendment by the Finance Act, 2016, or, a memorandum of cross-objections referred to in sub-section (4).”.

96. In section 254 of the Income-tax Act, with effect from the 1st day of June, 2016,—

Amendment of section 254.

(a) in sub-section (2), for the words “four years from the date of the order”, the words “six months from the end of the month in which the order was passed” shall be substituted;

(b) in sub-section (2A), the words, brackets, figure and letter “or sub-section (2A)” shall be omitted.

97. In section 255 of the Income-tax Act, in sub-section (3), for the words “fifteen lakh rupees”, the words “fifty lakh rupees” shall be substituted with effect from the 1st day of June, 2016.

Amendment of section 255.

Insertion of
new section
270A.

Penalty for
under-reporting
and
misreporting of
income.

98. After section 270 of the Income-tax Act [as it stood immediately before its omission by section 105 of the Direct Tax Laws (Amendment) Act, 1987], the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

‘270A. (1) The Assessing Officer or the Commissioner (Appeals) or the Principal Commissioner or Commissioner may, during the course of any proceedings under this Act, direct that any person who has under-reported his income shall be liable to pay a penalty in addition to tax, if any, on the under-reported income.

(2) A person shall be considered to have under-reported his income, if—

(a) the income assessed is greater than the income determined in the return processed under clause (a) of sub-section (1) of section 143;

(b) the income assessed is greater than the maximum amount not chargeable to tax, where no return of income has been furnished;

(c) the income reassessed is greater than the income assessed or reassessed immediately before such reassessment;

(d) the amount of deemed total income assessed or reassessed as per the provisions of section 115JB or section 115JC, as the case may be, is greater than the deemed total income determined in the return processed under clause (a) of sub-section (1) of section 143;

(e) the amount of deemed total income assessed as per the provisions of section 115JB or section 115JC is greater than the maximum amount not chargeable to tax, where no return of income has been filed;

(f) the amount of deemed total income reassessed as per the provisions of section 115JB or section 115JC, as the case may be, is greater than the deemed total income assessed or reassessed immediately before such reassessment;

(g) the income assessed or reassessed has the effect of reducing the loss or converting such loss into income.

(3) The amount of under-reported income shall be,—

(i) in a case where income has been assessed for the first time,—

(a) if return has been furnished, the difference between the amount of income assessed and the amount of income determined under clause (a) of sub-section (1) of section 143;

(b) in a case where no return has been furnished,—

(A) the amount of income assessed, in the case of a company, firm or local authority; and

(B) the difference between the amount of income assessed and the maximum amount not chargeable to tax, in a case not covered in item (A);

(ii) in any other case, the difference between the amount of income reassessed or recomputed and the amount of income assessed, reassessed or recomputed in a preceding order:

Provided that where under-reported income arises out of determination of deemed total income in accordance with the provisions of section 115JB or section 115JC, the amount of total under-reported income shall be determined in accordance with the following formula—

$$(A - B) + (C - D)$$

where,

A = the total income assessed as per the provisions other than the provisions contained in section 115JB or section 115JC (herein called general provisions);

B = the total income that would have been chargeable had the total income assessed as per the general provisions been reduced by the amount of under-reported income;

C = the total income assessed as per the provisions contained in section 115JB or section 115JC;

D = the total income that would have been chargeable had the total income assessed as per the provisions contained in section 115JB or section 115JC been reduced by the amount of under-reported income:

Provided further that where the amount of under-reported income on any issue is considered both under the provisions contained in section 115JB or section 115JC and under general provisions, such amount shall not be reduced from total income assessed while determining the amount under item D.

Explanation.—For the purposes of this section,—

(a) “preceding order” means an order immediately preceding the order during the course of which the penalty under sub-section (1) has been initiated;

(b) in a case where an assessment or reassessment has the effect of reducing the loss declared in the return or converting that loss into income, the amount of under-reported income shall be the difference between the loss claimed and the income or loss, as the case may be, assessed or reassessed.

(4) Subject to the provisions of sub-section (6), where the source of any receipt, deposit or investment in any assessment year is claimed to be an amount added to income or deducted while computing loss, as the case may be, in the assessment of such person in any year prior to the assessment year in which such receipt, deposit or investment appears (hereinafter referred to as “preceding year”) and no penalty was levied for such preceding year, then, the under-reported income shall include such amount as is sufficient to cover such receipt, deposit or investment.

(5) The amount referred to in sub-section (4) shall be deemed to be amount of income under-reported for the preceding year in the following order—

(a) the preceding year immediately before the year in which the receipt, deposit or investment appears, being the first preceding year; and

(b) where the amount added or deducted in the first preceding year is not sufficient to cover the receipt, deposit or investment, the year immediately preceding the first preceding year and so on.

(6) The under-reported income, for the purposes of this section, shall not include the following, namely:—

(a) the amount of income in respect of which the assessee offers an explanation and the Assessing Officer or the Commissioner (Appeals) or the Commissioner or the Principal Commissioner, as the case may be, is satisfied that the explanation is *bona fide* and the assessee has disclosed all the material facts to substantiate the explanation offered;

(b) the amount of under-reported income determined on the basis of an estimate, if the accounts are correct and complete to the satisfaction of the Assessing Officer or the Commissioner (Appeals) or the Commissioner or the Principal Commissioner, as the case may be, but the method employed is such that the income cannot properly be deduced therefrom;

(c) the amount of under-reported income determined on the basis of an estimate, if the assessee has, on his own, estimated a lower amount of addition or disallowance on the same issue, has included such amount in the computation of his income and has disclosed all the facts material to the addition or disallowance;

(d) the amount of under-reported income represented by any addition made in conformity with the arm's length price determined by the Transfer Pricing Officer, where the assessee had maintained information and documents as prescribed under section 92D, declared the international transaction under Chapter X, and, disclosed all the material facts relating to the transaction; and

(e) the amount of undisclosed income referred to in section 271AAB.

(7) The penalty referred to in sub-section (1) shall be a sum equal to fifty per cent. of the amount of tax payable on under-reported income.

(8) Notwithstanding anything contained in sub-section (6) or sub-section (7), where under-reported income is in consequence of any misreporting thereof by any person, the penalty referred to in sub-section (1) shall be equal to two hundred per cent. of the amount of tax payable on under-reported income.

(9) The cases of misreporting of income referred to in sub-section (8) shall be the following, namely:—

(a) misrepresentation or suppression of facts;

(b) failure to record investments in the books of account;

(c) claim of expenditure not substantiated by any evidence;

(d) recording of any false entry in the books of account;

(e) failure to record any receipt in books of account having a bearing on total income; and

(f) failure to report any international transaction or any transaction deemed to be an international transaction or any specified domestic transaction, to which the provisions of Chapter X apply.

(10) The tax payable in respect of the under-reported income shall be—

(a) where no return of income has been furnished and the income has been assessed for the first time, the amount of tax calculated on the under-reported income as increased by the maximum amount not chargeable to tax as if it were the total income;

(b) where the total income determined under clause (a) of sub-section (1) of section 143 or assessed, reassessed or recomputed in a preceding order is a loss, the amount of tax calculated on the under-reported income as if it were the total income;

(c) in any other case, determined in accordance with the formula—

$(X - Y)$

where,

X = the amount of tax calculated on the under-reported income as increased by the total income determined under clause (a) of sub-section (1) of section 143 or total income assessed, reassessed or recomputed in a preceding order as if it were the total income; and

Y = the amount of tax calculated on the total income determined under clause (a) of sub-section (1) of section 143 or total income assessed, reassessed or recomputed in a preceding order.

(11) No addition or disallowance of an amount shall form the basis for imposition of penalty, if such addition or disallowance has formed the basis of imposition of penalty in the case of the person for the same or any other assessment year.

(12) The penalty referred to in sub-section (1) shall be imposed, by an order in writing, by the Assessing Officer, the Commissioner (Appeals), the Commissioner or the Principal Commissioner, as the case may be.

99. After section 270A of the Income-tax Act as so inserted, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

“270AA.(1) An assessee may make an application to the Assessing Officer to grant immunity from imposition of penalty under section 270A and initiation of proceedings under section 276C or section 276CC, if he fulfils the following conditions, namely:—

(a) the tax and interest payable as per the order of assessment or reassessment under sub-section (3) of section 143 or section 147, as the case may be, has been paid within the period specified in such notice of demand; and

Insertion of
new section
270AA.

Immunity from
imposition of
penalty, etc.

(b) no appeal against the order referred to in clause (a) has been filed.

(2) An application referred to in sub-section (1) shall be made within one month from the end of the month in which the order referred to in clause (a) of sub-section (1) has been received and shall be made in such form and verified in such manner as may be prescribed.

(3) The Assessing Officer shall, subject to fulfilment of the conditions specified in sub-section (1) and after the expiry of the period of filing the appeal as specified in clause (b) of sub-section (2) of section 249, grant immunity from imposition of penalty under section 270A and initiation of proceedings under section 276C or section 276CC, where the proceedings for penalty under section 270A has not been initiated under the circumstances referred to in sub-section (9) of the said section 270A.

(4) The Assessing Officer shall, within a period of one month from the end of the month in which the application under sub-section (1) is received, pass an order accepting or rejecting such application:

Provided that no order rejecting the application shall be passed unless the assessee has been given an opportunity of being heard.

(5) The order made under sub-section (4) shall be final.

(6) No appeal under section 246A or an application for revision under section 264 shall be admissible against the order of assessment or reassessment, referred to in clause (a) of sub-section (1), in a case where an order under sub-section (4) has been made accepting the application."

100. In section 271 of the Income-tax Act, after sub-section (6), the following sub-section shall be inserted with effect from the 1st day of April, 2017, namely:—

Amendment of section 271.

"(7) The provisions of this section shall not apply to and in relation to any assessment for the assessment year commencing on or after the 1st day of April, 2017."

101. In section 271A of the Income-tax Act, after the words "Without prejudice to the provisions of", the words, figures and letter "section 270A or" shall be inserted with effect from the 1st day of April, 2017.

Amendment of section 271A.

102. In the Income-tax Act, with effect from the 1st day of April, 2017, section 271AA shall be renumbered as sub-section (1) thereof and,—

Amendment of section 271AA

(a) in sub-section (1) as so renumbered, after the words "Without prejudice to the provisions of", the word, figures and letter "section 270A or" shall be inserted;

(b) after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

"(2) If any person fails to furnish the information and the document as required under sub-section (4) of section 92D, the prescribed income-tax authority referred to in the said sub-section may direct that such person shall pay, by way of penalty, a sum of five hundred thousand rupees."

103. In section 271AAB of the Income-tax Act, with effect from the 1st day of April, 2017,—

Amendment of section 271AAB.

(a) in sub-section (1), in clause (c), for the words "which shall not be less than thirty per cent. but which shall not exceed ninety per cent.", the words "computed at the rate of sixty per cent." shall be substituted;

(b) in sub-section (2), after the words "No penalty under the provisions of", the words, figures and letter "section 270A or" shall be inserted.

104. After section 271GA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017,—

Insertion of new section 271GB.

"271GB. (1) If any reporting entity referred to in section 286, which is required to furnish the report referred to in sub-section (2) of the said section, in respect of a reporting accounting year, fails to do so, the authority prescribed under that section (herein referred to as prescribed authority) may direct that such entity shall pay, by way of penalty, a sum of,—

Penalty for failure to furnish report or for furnishing inaccurate report under section 286.

(a) five thousand rupees for every day for which the failure continues, if the period of failure does not exceed one month; or

(b) fifteen thousand rupees for every day for which the failure continues beyond the period of one month.

(2) Where any reporting entity referred to in section 286 fails to produce the information and documents within the period allowed under sub-section (6) of the said section, the prescribed authority may direct that such entity shall pay, by way of penalty, a sum of five thousand rupees for every day during which the failure continues, beginning from the day immediately following the day on which the period for furnishing the information and document expires.

(3) If the failure referred to in sub-section (1) or sub-section (2) continues after an order has been served on the entity, directing it to pay the penalty under sub-section (1) or, as the case may be, under sub-section (2), then, notwithstanding anything contained in sub-section (1) or sub-section (2), the prescribed authority may direct that such entity shall pay, by way of penalty, a sum of fifty thousand rupees for every day for which such failure continues beginning from the date of service of such order.

(4) Where a reporting entity referred to in section 286 provides inaccurate information in the report furnished in accordance with sub-section (2) of the said section and where—

(a) the entity has knowledge of the inaccuracy at the time of furnishing the report but fails to inform the prescribed authority; or

(b) the entity discovers the inaccuracy after the report is furnished and fails to inform the prescribed authority and furnish correct report within a period of fifteen days of such discovery; or

(c) the entity furnishes inaccurate information or document in response to the notice issued under sub-section (6) of section 286,

then, the prescribed authority may direct that such person shall pay, by way of penalty, a sum of five lakh rupees.”

Amendment of section 272A.

105. In section 272A of the Income-tax Act, with effect from the 1st day of April, 2017,—

(i) in sub-section (1),—

(a) in clause (c), for the words “place or time,” the words “place or time; or” shall be substituted;

(b) after clause (c) and before the long line, the following clause shall be inserted, namely:—

“(d) fails to comply with a notice under sub-section (1) of section 142 or sub-section (2) of section 143 or fails to comply with a direction issued under sub-section (2A) of section 142;”

(ii) in sub-section (3), after clause (a), the following clause shall be inserted, namely:—

“(aa) in a case falling under clause (d) of sub-section (1), by the income-tax authority who had issued the notice or direction referred to therein;”

Amendment of section 273A.

106. In section 273A of the Income-tax Act,—

(i) with effect from the 1st day of April, 2017,—

(a) in sub-section (1),—

(I) in clause (ii), after the words “or imposable on a person under”, the words, figures and letter “section 270A or” shall be inserted;

(II) in the *Explanation*, after the words “as not to attract the provisions of”, the words, figures and letter “section 270A or” shall be inserted;

(b) in sub-section (2), in clause (b), after the words "if in a case falling under", the words, figures and letter "section 270A or" shall be inserted;

(ii) after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of June, 2016, namely:—

"(4A) The order under sub-section (4), either accepting or rejecting the application in full or in part, shall be passed within a period of twelve months from the end of the month in which the application under the said sub-section is received by the Principal Commissioner or the Commissioner:

Provided that no order rejecting the application, either in full or in part, shall be passed unless the assessee has been given an opportunity of being heard:

Provided further that where any application is pending as on the 1st day of June, 2016, the order shall be passed on or before the 31st day of May, 2017."

107. In section 273AA of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted with effect from the 1st day of June, 2016, namely:—

Amendment of section 273AA.

"(3A) The order under sub-section (3), either accepting or rejecting the application in full or in part, shall be passed within a period of twelve months from the end of the month in which the application under the said sub-section is received by the Principal Commissioner or the Commissioner:

Provided that no order rejecting the application, either in full or in part, shall be passed unless the assessee has been given an opportunity of being heard:

Provided further that where any application is pending as on the 1st day of June, 2016, the order shall be passed on or before the 31st day of May, 2017."

108. In section 273B of the Income-tax Act, after the word, figures and letters "section 271GA," the word, figures and letters "section 271GB," shall be inserted with effect from the 1st day of April, 2017.

Amendment of section 273B.

109. In section 276C of the Income-tax Act, with effect from the 1st day of April, 2017, in sub-section (1),—

Amendment of section 276C.

(a) in the opening portion, for the words "or imposable", the words "or imposable, or under-reports his income," shall be substituted;

(b) in clause (i), after the words "amount sought to be evaded", the words "or tax on under-reported income" shall be substituted.

110. In section 279 of the Income-tax Act, in sub-section (1A), after the words "or imposable on him under", the words, figures and letter "section 270A or" shall be inserted with effect from the 1st day of April, 2017.

Amendment of section 279.

111. In section 281B of the Income-tax Act, with effect from the 1st day of June, 2016,—

Amendment of section 281B.

(a) in sub-section (1), the *Explanation* shall be omitted;

(b) after sub-section (2), the following sub-sections shall be inserted, namely:—

'(3) Where the assessee furnishes a guarantee from a scheduled bank for an amount not less than the fair market value of the property provisionally attached under sub-section (1), the Assessing Officer shall, by an order in writing, revoke such attachment:

Provided that where the Assessing Officer is satisfied that a guarantee from a scheduled bank for an amount lower than the fair market value of the property is sufficient to protect the interests of the revenue, he may accept such guarantee and revoke the attachment.

(4) The Assessing Officer may, for the purposes of determining the value of the property provisionally attached under sub-section (1), make a reference to the Valuation Officer referred to in section 142A, who shall estimate the fair market value of the property in the manner provided under that section and submit a report of the estimate to the Assessing Officer within a period of thirty days from the date of receipt of such reference.

(5) An order revoking the provisional attachment under sub-section (3) shall be made—

(i) within forty-five days from the date of receipt of the guarantee, where a reference to the Valuation Officer has been made under sub-section (4); or

(ii) within fifteen days from the date of receipt of guarantee in any other case.

(6) Where a notice of demand specifying a sum payable is served upon the assessee and the assessee fails to pay that sum within the time specified in the notice of demand, the Assessing Officer may invoke the guarantee furnished under sub-section (3), wholly or in part, to recover the amount.

(7) The Assessing Officer shall, in the interests of the revenue, invoke the bank guarantee, if the assessee fails to renew the guarantee referred to in sub-section (3), or fails to furnish a new guarantee from a scheduled bank for an equal amount, fifteen days before the expiry of the guarantee referred to in sub-section (3).

(8) The amount realised by invoking the guarantee referred to in sub-section (3) shall be adjusted against the existing demand which is payable by the assessee and the balance amount, if any, shall be deposited in the Personal Deposit Account of the Principal Commissioner or Commissioner in the branch of the Reserve Bank of India or the State Bank of India or of its subsidiaries or any bank as may be appointed by the Reserve Bank of India as its agent under the provisions of sub-section (1) of section 45 of the Reserve Bank of India Act, 1934 at the place where the office of the Principal Commissioner or Commissioner is situate.

2 of 1934.

(9) Where the Assessing Officer is satisfied that the guarantee referred to in sub-section (3) is not required any more to protect the interests of the revenue, he shall release that guarantee forthwith.

Explanation.—For the purposes of this section, the expression “scheduled bank” shall mean a bank included in the Second Schedule to the Reserve Bank of India Act, 1934.

2 of 1934.

Amendment of section 282A.

112. In section 282A of the Income-tax Act, in sub-section (1), for the words “signed in manuscript by that authority”, the words “signed and issued in paper form or communicated in electronic form by that authority in accordance with such procedure as may be prescribed” shall be substituted with effect from the 1st day of June, 2016.

Insertion of new section 286.

113. After section 285BA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2017, namely:—

Furnishing of report in respect of international group.

286.(1) Every constituent entity resident in India, shall, if it is constituent of an international group, the parent entity of which is not resident in India, notify the prescribed income-tax authority (herein referred to as prescribed authority) in the form and manner, on or before such date, as may be prescribed,—

(a) whether it is the alternate reporting entity of the international group; or

(b) the details of the parent entity or the alternate reporting entity, if any, of the international group, and the country or territory of which the said entities are resident.

(2) Every parent entity or the alternate reporting entity, resident in India, shall, for every reporting accounting year, in respect of the international group of which it is a constituent, furnish a report, to the prescribed authority on or before the due date specified under sub-section (1) of section 139, for furnishing the return of income for the relevant accounting year, in the form and manner as may be prescribed.

(3) For the purposes of sub-section (2), the report in respect of an international group shall include,—

(a) the aggregate information in respect of the amount of revenue, profit or loss before income-tax, amount of income-tax paid, amount of income-tax accrued, stated capital, accumulated earnings, number of employees and tangible assets not being cash or cash equivalents, with regard to each country or territory in which the group operates;

(b) the details of each constituent entity of the group including the country or territory in which such constituent entity is incorporated or organised or established and the country or territory where it is resident;

(c) the nature and details of the main business activity or activities of each constituent entity; and

(d) any other information as may be prescribed.

(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, if the parent entity is resident of a country or territory,—

(a) with which India does not have an agreement providing for exchange of the report of the nature referred to in sub-section (2); or

(b) there has been a systemic failure of the country or territory and the said failure has been intimated by the prescribed authority to such constituent entity;

Provided that where there are more than one such constituent entities of the group, resident in India, the report shall be furnished by any one constituent entity, if,—

(a) the international group has designated such entity to furnish the report in accordance with the provisions of sub-section (2) on behalf of all the constituent entities resident in India; and

(b) the information has been conveyed in writing on behalf of the group to the prescribed authority.

(5) Nothing contained in sub-section (4) shall apply, if, an alternate reporting entity of the international group has furnished a report of the nature referred to in sub-section (2), with the tax authority of the country or territory in which such entity is resident, on or before the date specified in the said sub-section and the following conditions are satisfied, namely:—

(a) the report is required to be furnished under the law for the time being in force in the said country or territory;

(b) the said country or territory has entered into an agreement with India providing for exchange of the said report;

(c) the prescribed authority has not conveyed any systemic failure in respect of the said country or territory to any constituent entity of the group that is resident in India;

(d) the said country or territory has been informed in writing by the constituent entity that it is the alternate reporting entity on behalf of the international group; and

(e) the prescribed authority has been informed by the entities referred to in sub-section (4) in accordance with sub-section (1).

(6) The prescribed authority may, for the purposes of determining the accuracy of the report furnished by any reporting entity, by issue of a notice in writing, require the entity to produce such information and document as may be specified in the notice within thirty days of the date of receipt of the notice:

Provided that the prescribed authority may, on an application made by such entity, extend the period of thirty days by a further period not exceeding thirty days.

(7) The provisions of this section shall not apply in respect of an international group for an accounting year, if the total consolidated group revenue, as reflected in the consolidated financial statement for the accounting year preceding such accounting year does not exceed the amount, as may be prescribed.

(8) The provisions of this section shall be applied in accordance with such guidelines and subject to such conditions, as may be prescribed.

(9) For the purposes of this section,—

(a) “accounting year” means,—

(i) a previous year, in a case where the parent entity or alternate reporting entity is resident in India; or

(ii) an annual accounting period, with respect to which the parent entity of the international group prepares its financial statements under any law for the time being in force or the applicable accounting standards of the country or territory of which such entity is resident, in any other case;

(b) “agreement” means an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A or any agreement as may be notified by the Central Government in this behalf;

(c) “alternate reporting entity” means any constituent entity of the international group that has been designated by such group, in the place of the parent entity, to furnish the report of the nature referred to in sub-section (2) in the country or territory in which the said constituent entity is resident on behalf of such group;

(d) “constituent entity” means,—

(i) any separate entity of an international group that is included in the consolidated financial statement of the said group for financial reporting purposes, or may be so included for the said purpose, if the equity share of any entity of the international group were to be listed on a stock exchange;

(ii) any such entity that is excluded from the consolidated financial statement of the international group solely on the basis of size or materiality; or

(iii) any permanent establishment of any separate business entity of the international group included in clause (i) or clause (ii), if such business unit prepares a separate financial statement for such permanent establishment for financial reporting, regulatory, tax reporting or internal management control purposes;

(e) "group" includes a parent entity and all the entities in respect of which, for the reason of ownership or control, a consolidated financial statement for financial reporting purposes,—

(i) is required to be prepared under any law for the time being in force or the accounting standards of the country or territory of which the parent entity is resident; or

(ii) would have been required to be prepared had the equity shares of any of the enterprises were listed on a stock exchange in the country or territory of which the parent entity is resident;

(f) "consolidated financial statement" means the financial statement of an international group in which the assets, liabilities, income, expenses and cash flows of the parent entity and the constituent entities are presented as those of a single economic entity;

(g) "international group" means any group that includes,—

(i) two or more enterprises which are resident of different countries or territories; or

(ii) an enterprise, being a resident of one country or territory, which carries on any business through a permanent establishment in other countries or territories;

(h) "parent entity" means a constituent entity, of an international group holding, directly or indirectly, an interest in one or more of the other constituent entities of the international group, such that,—

(i) it is required to prepare a consolidated financial statement under any law for the time being in force or the accounting standards of the country or territory of which the entity is resident; or

(ii) it would have been required to prepare a consolidated financial statement had the equity shares of any of the enterprises were listed on a stock exchange,

and, there is no other constituent entity of such group which, due to ownership of any interest, directly or indirectly, in the first mentioned constituent entity, is required to prepare a consolidated financial statement, under the circumstances referred to in clause (i) or clause (ii), that includes the separate financial statement of the first mentioned constituent entity;

(i) "permanent establishment" shall have the meaning assigned to it in clause (iia) of section 92F;

(j) "reporting accounting year" means the accounting year in respect of which the financial and operational results are required to be reflected in the report referred to in sub-section (2);

(k) "reporting entity" means the constituent entity including the parent entity or the alternate reporting entity, that is required to furnish a report of the nature referred to in sub-section (2);

(l) "systemic failure" with respect to a country or territory means that the country or territory has an agreement with India providing for exchange of report of the nature referred to in sub-section (2), but—

(i) in violation of the said agreement, it has suspended automatic exchange; or

(ii) has persistently failed to automatically provide to India the report in its possession in respect of any international group having a constituent entity resident in India.’

Amendment of section 288.

114. In section 288 of the Income-tax Act, in sub-section (4), in clause (b), after the word and figures “section 271”, the words, brackets, letters and figures “clause (d) of sub-section (1) of section 272A or” shall be inserted with effect from the 1st day of April, 2017.

Amendment of Fourth Schedule.

115. In the Fourth Schedule to the Income-tax Act, in Part A, with effect from the 1st day of April, 2017, in rule 8,—

(i) in clause (iii), for the words “such other employer” occurring at the end, the words “such other employer; or” shall be substituted;

(ii) after clause (iii) and before the *Explanation*, the following clause shall be inserted, namely:—

“(iv) if the entire balance standing to the credit of the employee is transferred to his account under a pension scheme referred to in section 80CCD and notified by the Central Government.”.

CHAPTER IV

INDIRECT TAXES

Customs

Amendment of section 2.

116. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 2,—

52 of 1962.

(i) for clause (43), the following clause shall be substituted, namely:—

“(43) “warehouse” means a public warehouse licensed under section 57 or a private warehouse licensed under section 58 or a special warehouse licensed under section 58A;”;

(ii) clause (45) shall be omitted.

Amendment of chapter heading of Chapter III.

117. In the Customs Act, in Chapter III, for the chapter heading, the following chapter heading shall be substituted, namely:—

“APPOINTMENT OF CUSTOMS PORTS, AIRPORTS, ETC.”.

Omission of section 9.

118. In the Customs Act, section 9 shall be omitted.

Amendment of section 25.

119. In the Customs Act, in section 25,—

(i) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) Every notification issued under sub-section (1) or sub-section (2A) shall, unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette.”;

(ii) sub-section (5) shall be omitted.

Amendment of section 28.

120. In the Customs Act, in section 28,—

(a) in the marginal heading, for the words “duties not levied or short-levied”, the words “duties not levied or not paid or short-levied or short-paid” shall be substituted;

(b) in sub-section (1),—

(i) in the opening paragraph, for the words “duty has not been levied or has been short-levied”, the words “duty has not been levied or not paid or has been short-levied or short-paid” shall be substituted;

(ii) in clause (a),—

(A) for the words “one year”, the words “two years” shall be substituted;

(B) after the words “so levied”, the words “or paid” shall be inserted;

(c) in sub-section (3), for the words “one year”, the words “two years” shall be substituted;

(d) in sub-section (4),—

(i) in the opening paragraph, for the words “levied or has been short-levied”, the words “levied or not paid or has been short-levied or short-paid” shall be substituted;

(ii) in the long line, for the words “so levied”, the words “so levied or not paid” shall be substituted;

(e) in sub-section (5), for the words “duty has not been levied or has been short-levied”, the words “duty has not been levied or not paid or has been short-levied or short-paid” shall be substituted;

(f) in sub-section (6), in item (ii), for the words “one year”, the words “two years” shall be substituted;

(g) in sub-section (7), for the words “one year”, the words “two years” shall be substituted;

(h) in *Explanation 1*, in clause (a), for the words “not levied”, the words “not levied or not paid or short-levied or short-paid” shall be substituted.

121. In the Customs Act, in section 47,—

(a) in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that the Central Government may, by notification in the Official Gazette, permit certain class of importers to make deferred payment of said duty or any charges in such manner as may be provided by rules.”;

(b) in sub-section (2), for the portion beginning with the words “Where the importer” and ending with the words “payment of the said duty”, the following shall be substituted, namely:—

“Where the importer fails to pay the import duty, either in full or in part, within two days (excluding holidays)—

(a) from the date on which the bill of entry is returned to him for payment of duty; or

(b) in the case of deferred payment under the proviso to sub-section (1), from such due date as may be specified by rules made in this behalf,

he shall pay interest on the duty not paid or short-paid till the date of its payment, at such rate, not below ten per cent. and not exceeding thirty-six per cent. per annum, as may be fixed by the Central Government, by notification in the Official Gazette.”

122. In the Customs Act, section 51 shall be renumbered as sub-section (1) thereof, and—

Amendment of section 47.

Amendment of section 51.

(a) in sub-section (1) as so renumbered, the following proviso shall be inserted, namely:—

“Provided that the Central Government may, by notification in the Official Gazette, permit certain class of exporters to make deferred payment of said duty or any charges in such manner as may be provided by rules.”;

(b) after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) Where the exporter fails to pay the export duty, either in full or in part, under the proviso to sub-section (1) by such due date as may be specified by rules, he shall pay interest on said duty not paid or short-paid till the date of its payment at such rate, not below five per cent. and not exceeding thirty-six per cent. per annum, as may be fixed by the Central Government, by notification in the Official Gazette.”

Substitution of new section for section 53.

123. In the Customs Act, for section 53, the following section shall be substituted, namely:—

Transit of certain goods without payment of duty.

“53. Subject to the provisions of section 11, where any goods imported in a conveyance and mentioned in the import manifest or the import report, as the case may be, as for transit in the same conveyance to any place outside India or to any customs station, the proper officer may allow the goods and the conveyance to transit without payment of duty, subject to such conditions, as may be prescribed.”

Substitution of new section for section 57.

124. In the Customs Act, for section 57, the following section shall be substituted, namely:—

Licensing of public warehouses.

“57. The Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, licence a public warehouse wherein dutiable goods may be deposited.”

Substitution of new sections 58, 58A and 58B for section 58.

125. In the Customs Act, for section 58, the following sections shall be substituted, namely:—

Licensing of private warehouses.

“58. The Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, licence a private warehouse wherein dutiable goods imported by or on behalf of the licensee may be deposited.

Licensing of special warehouses.

58A. (1) The Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, licence a special warehouse wherein dutiable goods may be deposited and such warehouse shall be caused to be locked by the proper officer and no person shall enter the warehouse or remove any goods therefrom without the permission of the proper officer.

(2) The Board may, by notification in the Official Gazette, specify the class of goods which shall be deposited in the special warehouse licensed under sub-section (1).

Cancellation of licence.

58B. (1) Where a licensee contravenes any of the provisions of this Act or the rules or regulations made thereunder or breaches any of the conditions of the licence, the Principal Commissioner of Customs or Commissioner of Customs may cancel the licence granted under section 57 or section 58 or section 58A:

Provided that before any licence is cancelled, the licensee shall be given a reasonable opportunity of being heard.

(2) The Principal Commissioner of Customs or Commissioner of Customs may, without prejudice to any other action that may be taken against the licensee and the goods under this Act or any other law for the time being in force, suspend operation of the warehouse during the pendency of an enquiry under sub-section (1).

(3) Where the operation of a warehouse is suspended under sub-section (2), no goods shall be deposited in such warehouse during the period of suspension:

Provided that the provisions of this Chapter shall continue to apply to the goods already deposited in the warehouse.

(4) Where the licence issued under section 57 or section 58 or section 58A is cancelled, the goods warehoused shall, within seven days from the date on which order of such cancellation is served on the licensee or within such extended period as the proper officer may allow, be removed from such warehouse to another warehouse or be cleared for home consumption or export:

Provided that the provisions of this Chapter shall continue to apply to the goods already deposited in the warehouse till they are removed to another warehouse or cleared for home consumption or for export, during such period.”

126. In the Customs Act, for section 59, the following section shall be substituted, namely:—

Substitution of new section for section 59.

“59. (1) The importer of any goods in respect of which a bill of entry for warehousing has been presented under section 46 and assessed to duty under section 17 or section 18 shall execute a bond in a sum equal to thrice the amount of the duty assessed on such goods, binding himself—

Warehousing bond.

(a) to comply with all the provisions of the Act and the rules and regulations made thereunder in respect of such goods;

(b) to pay, on or before the date specified in the notice of demand, all duties and interest payable under sub-section (2) of section 61; and

(c) to pay all penalties and fines incurred for the contravention of the provisions of this Act or the rules or regulations, in respect of such goods.

(2) For the purposes of sub-section (1), the Assistant Commissioner of Customs or Deputy Commissioner of Customs may permit an importer to execute a general bond in such amount as the Assistant Commissioner of Customs or Deputy Commissioner of Customs may approve in respect of the warehousing of goods to be imported by him within a specified period.

(3) The importer shall, in addition to the execution of a bond under sub-section (1) or sub-section (2), furnish such security as may be prescribed.

(4) Any bond executed under this section by an importer in respect of any goods shall continue to be in force notwithstanding the transfer of the goods to another warehouse.

(5) Where the whole of the goods or any part thereof are transferred to another person, the transferee shall execute a bond in the manner specified in sub-section (1) or sub-section (2) and furnish security as specified under sub-section (3).”

127. In the Customs Act, for section 60, the following section shall be substituted, namely:—

Substitution of new section for section 60.

“60. (1) When the provisions of section 59 have been complied with in respect of any goods, the proper officer may make an order permitting removal of the goods from a customs station for the purpose of deposit in a warehouse.

Permission for removal of goods for deposit in warehouse.

(2) Where an order is made under sub-section (1), the goods shall be deposited in a warehouse in such manner as may be prescribed.”

Substitution of new section for section 61.

128. In the Customs Act, for section 61, the following section shall be substituted, namely:—

Period for which goods may remain warehoused.

‘61.(1) Any warehoused goods may remain in the warehouse in which they are deposited or in any warehouse to which they may be removed,—

(a) in the case of capital goods intended for use in any hundred per cent. export oriented undertaking or electronic hardware technology park unit or software technology park unit or any warehouse wherein manufacture or other operations have been permitted under section 65, till their clearance from the warehouse;

(b) in the case of goods other than capital goods intended for use in any hundred per cent. export oriented undertaking or electronic hardware technology park unit or software technology park unit or any warehouse wherein manufacture or other operations have been permitted under section 65, till their consumption or clearance from the warehouse; and

(c) in the case of any other goods, till the expiry of one year from the date on which the proper officer has made an order under sub-section (1) of section 60:

Provided that in the case of any goods referred to in this clause, the Principal Commissioner of Customs or Commissioner of Customs may, on sufficient cause being shown, extend the period for which the goods may remain in the warehouse, by not more than one year at a time:

Provided further that where such goods are likely to deteriorate, the period referred to in the first proviso may be reduced by the Principal Commissioner of Customs or Commissioner of Customs to such shorter period as he may deem fit.

(2) Where any warehoused goods specified in clause (c) of sub-section (1) remain in a warehouse beyond a period of ninety days from the date on which the proper officer has made an order under sub-section (1) of section 60, interest shall be payable at such rate as may be fixed by the Central Government under section 47, on the amount of duty payable at the time of clearance of the goods, for the period from the expiry of the said ninety days till the date of payment of duty on the warehoused goods:

Provided that if the Board considers it necessary so to do, in the public interest, it may,—

(a) by order, and under the circumstances of an exceptional nature, to be specified in such order, waive the whole or any part of the interest payable under this section in respect of any warehoused goods;

(b) by notification in the Official Gazette, specify the class of goods in respect of which no interest shall be charged under this section;

(c) by notification in the Official Gazette, specify the class of goods in respect of which the interest shall be chargeable from the date on which the proper officer has made an order under sub-section (1) of section 60.

Explanation.— For the purposes of this section,—

(i) “electronic hardware technology park unit” means a unit established under the Electronic Hardware Technology Park Scheme notified by the Government of India;

1 of 1944.

(ii) "hundred per cent. export oriented undertaking" has the same meaning as in clause (ii) of *Explanation 2* to sub-section (1) of section 3 of the Central Excise Act, 1944; and

(iii) "software technology park unit" means a unit established under the Software Technology Park Scheme notified by the Government of India.

129. In the Customs Act, sections 62 and 63 shall be omitted.

Omission of sections 62 and 63.

130. In the Customs Act, for section 64, the following section shall be substituted, namely:—

Substitution of new section for section 64.

"64. The owner of any warehoused goods may, after warehousing the same,—

Owner's right to deal with warehoused goods.

(a) inspect the goods;

(b) deal with their containers in such manner as may be necessary to prevent loss or deterioration or damage to the goods;

(c) sort the goods; or

(d) show the goods for sale."

131. In the Customs Act, in section 65, in sub-section (1), for the words "With the sanction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs and subject to such conditions and on payment of such fees", the words "With the permission of the Principal Commissioner of Customs or Commissioner of Customs and subject to such conditions" shall be substituted.

Amendment of section 65.

132. In the Customs Act, in section 68,—

Amendment of section 68.

(i) in the opening paragraph, for the words "The importer of any warehoused goods may clear them", the words "Any warehoused goods may be cleared from the warehouse" shall be substituted;

(ii) for clause (b), the following clause shall be substituted, namely:—

"(b) the import duty, interest, fine and penalties payable in respect of such goods have been paid; and";

(iii) in the first proviso, the words "rent, interest, other charges and" shall be omitted.

133. In the Customs Act, in section 69,—

Amendment of section 69.

(i) in the marginal heading, for the word "exportation", the word "export" shall be substituted;

(ii) in sub-section (1),—

(A) for clause (b), the following clause shall be substituted, namely:—

"(b) the export duty, fine and penalties payable in respect of such goods have been paid; and";

(B) in clause (c), for the word "exportation", the word "export" shall be substituted.

134. In the Customs Act, in section 71, for the word "re-exportation", the word "export" shall be substituted.

Amendment of section 71.

135. In the Customs Act, in section 72,—

Amendment of section 72.

(a) in sub-section (1),—

(i) clause (c) shall be omitted;

(ii) in clause (a), for the word "exportation", the words "export or" shall be substituted;

(iii) in the long line, for the words "all penalties, rent, interest and other charges", the words "interest, fine and penalties" shall be substituted;

(b) in sub-section (2), for the word "select", the words "deem fit" shall be substituted.

Amendment of section 73.

136. In the Customs Act, in section 73, after the words "exported or", the words "transferred or" shall be inserted.

Insertion of new section 73A.

137. In the Customs Act, after section 73, the following section shall be inserted, namely:—

Custody and removal of warehoused goods.

"73A. (1) All warehoused goods shall remain in the custody of the person who has been granted a licence under section 57 or section 58 or section 58A until they are cleared for home consumption or are transferred to another warehouse or are exported or removed as otherwise provided under this Act.

(2) The responsibilities of the person referred to in sub-section (1) who has custody of the warehoused goods shall be such as may be prescribed.

(3) Where any warehoused goods are removed in contravention of section 71, the licensee shall be liable to pay duty, interest, fine and penalties without prejudice to any other action that may be taken against him under this Act or any other law for the time being in force."

Amendment of section 156.

138. In the Customs Act, in section 156, in sub-section (2), after clause (b), the following clause shall be inserted, namely:—

"(c) the due date and the manner of making deferred payment of duties, taxes, cesses or any other charges under sections 47 and 51."

Amendment of notifications issued under section 25 of Act 52 of 1962.

139. (1) The notifications of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 367 (E), dated the 27th April, 2000, G.S.R. 292(E), dated the 19th April, 2002, G.S.R. 281(E), dated the 1st April, 2003, G.S.R. 604 (E), dated the 10th September, 2004, G.S.R. 606(E), dated the 10th September, 2004 and G.S.R. 260(E), dated the 1st May, 2006 issued under sub-section (1) of section 25 of the Customs Act, 1962 by the Central Government shall stand amended and shall be deemed to have been amended in the manner as specified against each of them in column (3) of the Second Schedule, on and from the corresponding date mentioned in column (4) of that Schedule, retrospectively, and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, any action taken or anything done or purported to have been taken or done under the said notifications, shall be deemed to be, and always to have been, for all purposes, as validly and effectively taken or done as if the notifications as amended by this sub-section had been in force at all material times.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notifications referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notifications under sub-section (1) of section 25 of the Customs Act, 1962 retrospectively, at all material times.

(3) The refund shall be made of all such safeguard duty which has been collected, but would not have been so collected, had the amendments made in sub-section (1) been in force at all material times and such refund shall be subject to the provisions of section 27 of the Customs Act, 1962.

(4) Notwithstanding anything contained in section 27 of the Customs Act, 1962, an application for the claim of refund of safeguard duty under sub-section (3) shall be made within a period of one year from the date on which the Finance Bill, 2016 receives the assent of the President.

Customs Tariff

- 51 of 1975. 140. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), section 8C shall be omitted. Omission of section 8C.
141. In the Customs Tariff Act, the First Schedule shall,— Amendment of First Schedule.
- (i) be amended in the manner specified in the Third Schedule;
- (ii) be also amended in the manner specified in the Fourth Schedule with effect from the 1st day of January, 2017.

Excise

- 1 of 1944. 142. In the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), in section 5A,— Amendment of section 5A.
- (i) for sub-section (5), the following sub-section shall be substituted, namely:—
- “(5) Every notification issued under sub-section (1) or sub-section (2A) shall, unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette.”;
- (ii) sub-section (6) shall be omitted.
143. In the Central Excise Act, in section 11A, for the words “one year”, wherever they occur, the words “two years” shall be substituted. Amendment of section 11A.
144. In the Central Excise Act, in section 37B, for the words “such goods”, the words “such goods or for the implementation of any other provision of this Act” shall be substituted. Amendment of section 37B.
145. In the Central Excise Act, the Third Schedule shall be amended— Amendment of Third Schedule.
- (i) in the manner specified in the Fifth Schedule;
- (ii) in the manner specified in the Sixth Schedule, with effect from the 1st day of January, 2017.

Excise Tariff

- 5 of 1986. 146. In the Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act), the First Schedule shall be amended— Amendment of First Schedule.
- (i) in the manner specified in the Seventh Schedule;
- (ii) in the manner specified in the Eighth Schedule, with effect from the 1st day of January, 2017.
147. In the Central Excise Tariff Act, the Second Schedule shall be amended in the manner specified in the Ninth Schedule, with effect from the 1st day of January, 2017. Amendment of Second Schedule.

CHAPTER V

SERVICE TAX

- 32 of 1994. 148. In the Finance Act, 1994 (hereinafter referred to as the 1994 Act), in section 65B,— Amendment of section 65B.
- (a) clause (11) shall be omitted;
- (b) in clause (44), in *Explanation 2*, in sub-clause (ii), for item (a), the following item shall be substituted, namely:—
- “(a) by a lottery distributor or selling agent on behalf of the State Government, in relation to promotion, marketing, organising, selling of lottery or facilitating in organising lottery of any kind, in any other manner, in accordance with the provisions of the Lotteries (Regulation) Act, 1998.”
- 17 of 1998.

- Amendment of section 66D. 149. In the 1994 Act, in section 66D,—
 (a) clause (l) shall be omitted;
 (b) with effect from the 1st day of June, 2016—
 (i) in clause (o), sub-clause (i) shall be omitted;
 (ii) in clause (p), sub-clause (ii) shall be omitted.
- Amendment of section 66E. 150. In the 1994 Act, in section 66E, after clause (i), the following clause shall be inserted, namely:—
 “(j) assignment by the Government of the right to use the radio-frequency spectrum and subsequent transfers thereof.”
- Amendment of section 67A. 151. In the 1994 Act, in section 67A, the existing section shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—
 “(2) The time or the point in time with respect to the rate of service tax shall be such as may be prescribed.”
- Amendment of section 73. 152. In the 1994 Act, in section 73,—
 (i) in sub-sections (1), (1A), (2A) and (3), for the words “eighteen months”, wherever they occur, the words “thirty months” shall be substituted;
 (ii) in sub-section (4B), in clause (a), for the words “whose limitation is specified as eighteen months in”, the words “falling under” shall be substituted.
- Amendment of section 75. 153. In the 1994 Act, in section 75, for the words “Provided that”, the following shall be substituted, namely:—
 “Provided that in the case of a person who collects any amount as service tax but fails to pay the amount so collected to the credit of the Central Government, on or before the date on which such payment is due, the Central Government may, by notification in the Official Gazette, specify such other rate of interest, as it may deem necessary:
 Provided further that”.
- Amendment of section 78A. 154. In the 1994 Act, in section 78A, the following *Explanation* shall be inserted, namely:—
 “*Explanation.*—For the removal of doubts, it is hereby clarified that where any service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded, and the proceedings with respect to a notice issued under sub-section (1) of section 73 or the proviso to sub-section (1) of section 73 is concluded in accordance with the provisions of clause (i) of the first proviso to section 76 or clause (i) of the second proviso to section 78, as the case may be, the proceedings pending against any person under this section shall also be deemed to have been concluded.”
- Amendment of section 89. 155. In the 1994 Act, in section 89, in sub-section (1), for the words “fifty lakh rupees”, at both the places where they occur, the words “two hundred lakh rupees” shall be substituted.
- Amendment of section 90. 156. In the 1994 Act, in section 90, sub-section (2) shall be omitted.
- Amendment of section 91. 157. In the 1994 Act, in section 91,—
 (a) in sub-section (1), the words, brackets and letter “clause (i) or” shall be omitted;
 (b) sub-section (3) shall be omitted.
- Amendment of section 93A. 158. In the 1994 Act, in section 93A, for the word “prescribed”, the words “prescribed or specified by notification in the Official Gazette” shall be substituted.
- Insertion of new sections 101, 102 and 103. 159. In the 1994 Act, after section 100, the following sections shall be inserted, namely:—

“101. (1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of July, 2012 and ending with the 29th day of January, 2014 (both days inclusive) in respect of taxable services provided to an authority or a board or any other body—

(i) set up by an Act of Parliament or a State Legislature; or

(ii) established by the Government,

with ninety per cent. or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of canal, dam or other irrigation works.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.

102. (1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of April, 2015 and ending with the 29th day of February, 2016 (both days inclusive), in respect of taxable services provided to the Government, a local authority or a Governmental authority, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of—

(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry or any other business or profession;

(b) a structure meant predominantly for use as—

(i) an educational establishment;

(ii) a clinical establishment; or

(iii) an art or cultural establishment;

(c) a residential complex predominantly meant for self-use or for the use of their employees or other persons specified in *Explanation 1* to clause (44) of section 65B of the said Act,

under a contract entered into before the 1st day of March, 2015 and on which appropriate stamp duty, where applicable, had been paid before that date.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.

103. (1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of April, 2015 and ending with the 29th day of February, 2016 (both days inclusive), in respect of services provided by way of construction, erection, commissioning or installation of original works pertaining to an airport or port, under a contract which had been entered into before the 1st day of March, 2015 and on which appropriate stamp duty, where applicable, had been paid before that date, subject to the condition that Ministry of Civil Aviation or, as the case may be, the Ministry of Shipping in the Government of India certifies that the contract had been entered into before the 1st day of March, 2015.

Special provision for exemption in certain cases relating to construction of canal, dam, etc.

Special provision for exemption in certain cases relating to construction of Government buildings.

Special provision for exemption in certain cases relating to construction of airport or port.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.”

Amendment of notification issued under section 93A of Finance Act, 1994.

160. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 519(E), dated the 29th June, 2012 issued under section 93A of the Finance Act, 1994 granting rebate of service tax paid on the taxable services which are received by an exporter of goods and used for export of goods, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Tenth Schedule, on and from and up to the corresponding dates specified in column (3) of the Schedule, and accordingly, any action taken or anything done or purported to have taken or done under the said notification as so amended, shall be deemed to be, and always to have been, for all purposes, as validly and effectively taken or done as if the said notification as amended by this sub-section had been in force at all material times.

32 of 1994.

(2) Rebate of all such service tax shall be granted which has been denied, but which would not have been so denied had the amendment made by sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in the Finance Act, 1994, an application for the claim of rebate of service tax under sub-section (2) shall be made within the period of one month from the date of commencement of the Finance Act, 2016.

32 of 1994.

CHAPTER VI

KRISHI KALYAN CESS

Krishi Kalyan Cess.

161. (1) This Chapter shall come into force on the 1st day of June, 2016.

(2) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be called the *Krishi Kalyan Cess*, as service tax on all or any of the taxable services at the rate of 0.5 per cent. on the value of such services for the purposes of financing and promoting initiatives to improve agriculture or for any other purpose relating thereto.

(3) The *Krishi Kalyan Cess* leviable under sub-section (2) shall be in addition to any cess or service tax leviable on such taxable services under Chapter V of the Finance Act, 1994, or under any other law for the time being in force.

32 of 1994.

(4) The proceeds of the *Krishi Kalyan Cess* levied under sub-section (2) shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the *Krishi Kalyan Cess* for such purposes specified in sub-section (2), as it may consider necessary.

(5) The provisions of Chapter V of the Finance Act, 1994 and the rules made thereunder, including those relating to refunds and exemptions from tax, interest and imposition of penalty shall, as far as may be, apply in relation to the levy and collection of the *Krishi Kalyan Cess* on taxable services, as they apply in relation to the levy and collection of tax on such taxable services under the said Chapter or the rules made thereunder, as the case may be.

32 of 1994.

CHAPTER VII

INFRASTRUCTURE CESS

Infrastructure Cess.

162. (1) In the case of goods specified in the Eleventh Schedule, being goods manufactured or produced, there shall be levied and collected for the purposes of the Union, a duty of excise, to be called the Infrastructure Cess, at the rates specified in the said Schedule for the purposes of financing infrastructure projects.

1 of 1944. (2) The cess leviable under sub-section (1), chargeable on the goods specified in the Eleventh Schedule shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, 1944 or any other law for the time being in force.

1 of 1944. (3) The provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to assessment, non-levy, short-levy, refunds, interest, appeals, offences and penalties, shall, as far as may be, apply in relation to the levy and collection of the cess leviable under sub-section (1) in respect of the goods specified in the Eleventh Schedule as they apply in relation to the levy and collection of the duties of excise on such goods under the said Act or the rules, as the case may be.

(4) The cess leviable under sub-section (1) shall be for the purposes of the Union and the proceeds thereof shall not be distributed among the States.

CHAPTER VIII

EQUALISATION LEVY

163. (1) This Chapter extends to the whole of India except the State of Jammu and Kashmir.

Extent, commencement and application.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

(3) It shall apply to consideration received or receivable for specified services provided on or after the commencement of this Chapter.

164. In this Chapter, unless the context otherwise requires,—

Definitions.

(a) "Appellate Tribunal" means the Appellate Tribunal constituted under section 252 of the Income-tax Act;

(b) "Assessing Officer" means the Income-tax Officer or Assistant Commissioner of Income-tax or Deputy Commissioner of Income-tax or Joint Commissioner of Income-tax or Additional Commissioner of Income-tax who is authorised by the Board to exercise or perform all or any of the powers and functions conferred on, or assigned to, an Assessing Officer under this Chapter;

54 of 1963. (c) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963;

(d) "equalisation levy" means the tax leviable on consideration received or receivable for any specified service under the provisions of this Chapter;

43 of 1961. (e) "Income-tax Act" means the Income-tax Act, 1961;

(f) "online" means a facility or service or right or benefit or access that is obtained through the internet or any other form of digital or telecommunication network;

(g) "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on;

(h) "prescribed" means prescribed by rules made under this Chapter;

(i) "specified service" means online advertisement, any provision for digital advertising space or any other facility or service for the purpose of online advertisement and includes any other service as may be notified by the Central Government in this behalf;

(j) words and expressions used but not defined in this Chapter and defined in the Income-tax Act, or the rules made thereunder, shall have the meanings respectively assigned to them in that Act.

165. (1) On and from the date of commencement of this Chapter, there shall be charged an equalisation levy at the rate of six per cent. of the amount of consideration for any specified service received or receivable by a person, being a non-resident from—

Charge of equalisation levy.

(i) a person resident in India and carrying on business or profession; or

(ii) a non-resident having a permanent establishment in India.

(2) The equalisation levy under sub-section (1) shall not be charged, where—

(a) the non-resident providing the specified service has a permanent establishment in India and the specified service is effectively connected with such permanent establishment;

(b) the aggregate amount of consideration for specified service received or receivable in a previous year by the non-resident from a person resident in India and carrying on business or profession, or from a non-resident having a permanent establishment in India, does not exceed one lakh rupees; or

(c) where the payment for the specified service by the person resident in India, or the permanent establishment in India is not for the purposes of carrying out business or profession.

Collection and
recovery of
equalisation
levy.

166. (1) Every person, being a resident and carrying on business or profession or a non-resident having a permanent establishment in India (hereafter in this Chapter referred to as assessee) shall deduct the equalisation levy from the amount paid or payable to a non-resident in respect of the specified service at the rate specified in section 165, if the aggregate amount of consideration for specified service in a previous year exceeds one lakh rupees.

(2) The equalisation levy so deducted during any calendar month in accordance with the provisions of sub-section (1) shall be paid by every assessee to the credit of the Central Government by the seventh day of the month immediately following the said calendar month.

(3) Any assessee who fails to deduct the levy in accordance with the provisions of sub-section (1) shall, notwithstanding such failure, be liable to pay the levy to the credit of the Central Government in accordance with the provisions of sub-section (2).

Furnishing of
statement.

167. (1) Every assessee shall, within the prescribed time after the end of each financial year, prepare and deliver or cause to be delivered to the Assessing Officer or to any other authority or agency authorised by the Board in this behalf, a statement in such form, verified in such manner and setting forth such particulars as may be prescribed, in respect of all specified services during such financial year.

(2) An assessee who has not furnished the statement within the time prescribed under sub-section (1) or having furnished a statement under sub-section (1), notices any omission or wrong particular therein, may furnish a statement or a revised statement, as the case may be, at any time before the expiry of two years from the end of the financial year in which the specified service was provided.

(3) Where any assessee fails to furnish the statement under sub-section (1) within the prescribed time, the Assessing Officer may serve a notice upon such assessee requiring him to furnish the statement in the prescribed form, verified in the prescribed manner and setting forth such particulars, within such time, as may be prescribed.

Processing of
statement.

168. (1) Where a statement has been made under section 167 by the assessee, such statement shall be processed in the following manner, namely:—

(a) the equalisation levy shall be computed after making the adjustment for any arithmetical error in the statement;

(b) the interest, if any, shall be computed on the basis of sum deductible as computed in the statement;

(c) the sum payable by, or the amount of refund due to, the assessee shall be determined after adjustment of the amount computed under clause (b) against any amount paid under sub-section (2) of section 166 or section 170 and any amount paid otherwise by way of tax or interest;

(d) an intimation shall be prepared or generated and sent to the assessee specifying the sum determined to be payable by, or the amount of refund due to, him under clause (c); and

(e) the amount of refund due to the assessee in pursuance of the determination under clause (c) shall be granted to him:

Provided that no intimation under this sub-section shall be sent after the expiry of one year from the end of the financial year in which the statement is furnished.

(2) For the purposes of processing of statements under sub-section (1), the Board may make a scheme for centralised processing of such statements to expeditiously determine the tax payable by, or the refund due to, the assessee as required under that sub-section.

169. (1) With a view to rectifying any mistake apparent from the record, the Assessing Officer may amend any intimation issued under section 168, within one year from the end of the financial year in which the intimation sought to be amended was issued.

Rectification of mistake.

(2) The Assessing Officer may make an amendment to any intimation under sub-section (1), either *suo motu* or on any mistake brought to his notice by the assessee.

(3) An amendment to any intimation, which has the effect of increasing the liability of the assessee or reducing a refund, shall not be made under this section unless the Assessing Officer has given notice to the assessee of his intention so to do and has given the assessee a reasonable opportunity of being heard.

(4) Where any such amendment to any intimation has the effect of enhancing the sum payable or reducing the refund already made, the Assessing Officer shall make an order specifying the sum payable by the assessee and the provisions of this Chapter shall apply accordingly.

170. Every assessee, who fails to credit the equalisation levy or any part thereof as required under section 166 to the account of the Central Government within the period specified in that section, shall pay simple interest at the rate of one per cent. of such levy for every month or part of a month by which such crediting of the tax or any part thereof is delayed.

Interest on delayed payment of equalisation levy.

171. Any assessee who—

(a) fails to deduct the whole or any part of the equalisation levy as required under section 166; or

(b) having deducted the equalisation levy, fails to pay such levy to the credit of the Central Government in accordance with the provisions of sub-section (2) of that section,

shall be liable to pay,—

(i) in the case referred to in clause (a), in addition to paying the levy in accordance with the provisions of sub-section (3) of that section, or interest, if any, in accordance with the provisions of section 170, a penalty equal to the amount of equalisation levy that he failed to deduct; and

(ii) in the case referred to in clause (b), in addition to paying the levy in accordance with the provisions of sub-section (2) of that section and interest in accordance with the provisions of section 170, a penalty of one thousand rupees for every day during which the failure continues, so, however, that the penalty under this clause shall not exceed the amount of equalisation levy that he failed to pay.

Penalty for failure to deduct or pay equalisation levy.

172. Where an assessee fails to furnish the statement within the time prescribed under sub-section (1) or sub-section (3) of section 167, he shall be liable to pay a penalty of one hundred rupees for each day during which the failure continues.

Penalty for failure to furnish statement.

Penalty not to be imposed in certain cases.

173. (1) Notwithstanding anything contained in section 171 or section 172, no penalty shall be imposable for any failure referred to in the said sections, if the assessee proves to the satisfaction of the Assessing Officer that there was reasonable cause for the said failure.

(2) No order imposing a penalty under this Chapter shall be made unless the assessee has been given a reasonable opportunity of being heard.

Appeal to Commissioner of Income-tax (Appeals).

174. (1) An assessee aggrieved by an order imposing penalty under this Chapter, may appeal to the Commissioner of Income-tax (Appeals) within a period of thirty days from the date of receipt of the order of the Assessing Officer.

(2) An appeal under sub-section (1) shall be in such form and verified in such manner as may be prescribed and shall be accompanied by a fee of one thousand rupees.

(3) Where an appeal has been filed under sub-section (1), the provisions of sections 249 to 251 of the Income-tax Act shall, as far as may be, apply to such appeal.

Appeal to Appellate Tribunal.

175. (1) An assessee aggrieved by an order made by the Commissioner of Income-tax (Appeals) under section 174 may appeal to the Appellate Tribunal against such order.

(2) The Commissioner of Income-tax may, if he objects to any order passed by the Commissioner of Income-tax (Appeals) under section 174, direct the Assessing Officer to appeal to the Appellate Tribunal against such order.

(3) An appeal under sub-section (1) or sub-section (2) shall be filed within sixty days from the date on which the order sought to be appealed against is received by the assessee or by the Commissioner of Income-tax, as the case may be.

(4) An appeal under sub-section (1) or sub-section (2) shall be in such form and verified in such manner as may be prescribed and, in the case of an appeal filed under sub-section (1), it shall be accompanied by a fee of one thousand rupees.

(5) Where an appeal has been filed before the Appellate Tribunal under sub-section (1) or sub-section (2), the provisions of sections 253 to 255 of the Income-tax Act shall, as far as may be, apply to such appeal.

Punishment for false statement.

176. (1) If a person makes a false statement in any verification under this Chapter or any rule made thereunder, or delivers an account or statement, which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to three years and with fine.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under sub-section (1) shall be deemed to be non-cognizable within the meaning of that Code.

2 of 1974.

Institution of prosecution.

177. No prosecution shall be instituted against any person for any offence under section 176 except with the previous sanction of the Chief Commissioner of Income-tax.

Application of certain provisions of Income-tax Act.

178. The provisions of sections 120, 131, 133A, 138, 156, Chapter XV and sections 220 to 227, 229, 232, 260A, 261, 262, 265 to 269, 278B, 280A, 280B, 280C, 280D, 282 and 288 to 293 of the Income-tax Act shall so far as may be, apply in relation to equalisation levy, as they apply in relation to income-tax.

Power to make rules.

179. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Chapter.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the time within which and the form and the manner in which the statement shall be delivered or caused to be delivered or furnished under section 167;

(b) the form in which an appeal may be filed and the manner in which it may be verified under sections 174 and 175;

(c) any other matter which is to be, or may be, prescribed.

(3) Every rule made under this Chapter shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

180. (1) If any difficulty arises in giving effect to the provisions of this Chapter, the Central Government may, by order published in the Official Gazette, not inconsistent with the provisions of this Chapter, remove the difficulty:

Power to remove difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Chapter come into force.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

CHAPTER IX

THE INCOME DECLARATION SCHEME, 2016

181. (1) This Scheme may be called the Income Declaration Scheme, 2016.

Short title and commencement.

(2) It shall come into force on the 1st day of June, 2016.

182. In this Scheme, unless the context otherwise requires,—

Definitions.

(a) "declarant" means a person making the declaration under sub-section (1) of section 183;

(b) "Income-tax Act" means the Income-tax Act, 1961;

(c) all other words and expressions used herein but not defined and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

183. (1) Subject to the provisions of this Scheme, any person may make, on or after the date of commencement of this Scheme but before a date to be notified by the Central Government in the Official Gazette, a declaration in respect of any income chargeable to tax under the Income-tax Act for any assessment year prior to the assessment year beginning on the 1st day of April, 2017—

Declaration of undisclosed income.

(a) for which he has failed to furnish a return under section 139 of the Income-tax Act;

(b) which he has failed to disclose in a return of income furnished by him under the Income-tax Act before the date of commencement of this Scheme;

(c) which has escaped assessment by reason of the omission or failure on the part of such person to furnish a return under the Income-tax Act or to disclose fully and truly all material facts necessary for the assessment or otherwise.

(2) Where the income chargeable to tax is declared in the form of investment in any asset, the fair market value of such asset as on the date of commencement of this Scheme shall be deemed to be the undisclosed income for the purposes of sub-section (1).

(3) The fair market value of any asset shall be determined in such manner, as may be prescribed.

(4) No deduction in respect of any expenditure or allowance shall be allowed against the income in respect of which declaration under this section is made.

Charge of tax and surcharge.

184. (1) Notwithstanding anything contained in the Income-tax Act or in any Finance Act, the undisclosed income declared under section 183 within the time specified therein shall be chargeable to tax at the rate of thirty per cent. of such undisclosed income.

(2) The amount of tax chargeable under sub-section (1) shall be increased by a surcharge, for the purposes of the Union, to be called the *Krishi Kalyan Cess* on tax calculated at the rate of twenty-five per cent. of such tax so as to fulfil the commitment of the Government for the welfare of the farmers.

Penalty.

185. Notwithstanding anything contained in the Income-tax Act or in any Finance Act, the person making a declaration of undisclosed income shall, in addition to tax and surcharge under section 184, be liable to penalty at the rate of twenty-five per cent. of such tax.

Manner of declaration.

186. (1) A declaration under section 183 shall be made to the Principal Commissioner or the Commissioner and shall be in such form and be verified in such manner, as may be prescribed.

(2) The declaration shall be signed,—

(a) where the declarant is an individual, by the individual himself; where such individual is absent from India, by the individual concerned or by some person duly authorised by him in this behalf; and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(b) where the declarant is a Hindu undivided family, by the *Karta*, and where the *Karta* is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;

(c) where the declarant is a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign the declaration or where there is no managing director, by any director thereof;

(d) where the declarant is a firm, by the managing partner thereof, or where for any unavoidable reason such managing partner is not able to sign the declaration, or where there is no managing partner as such, by any partner thereof, not being a minor;

(e) where the declarant is any other association, by any member of the association or the principal officer thereof; and

(f) where the declarant is any other person, by that person or by some other person competent to act on his behalf.

(3) Any person, who has made a declaration under sub-section (1) of section 183 in respect of his income or as a representative assessee in respect of the income of any other person, shall not be entitled to make any other declaration, under that sub-section in respect of his income or the income of such other person, and any such other declaration, if made, shall be void.

Time for payment of tax.

187. (1) The tax and surcharge payable under section 184 and penalty payable under section 185 in respect of the undisclosed income, shall be paid on or before a date to be notified by the Central Government in the Official Gazette.

(2) The declarant shall file the proof of payment of tax, surcharge and penalty on or before the date notified under sub-section (1), with the Principal Commissioner or the Commissioner, as the case may be, before whom the declaration under section 183 was made.

(3) If the declarant fails to pay the tax, surcharge and penalty in respect of the declaration made under section 183 on or before the date specified under sub-section (1), the declaration filed by him shall be deemed never to have been made under this Scheme.

	<p>188. The amount of undisclosed income declared in accordance with section 183 shall not be included in the total income of the declarant for any assessment year under the Income-tax Act, if the declarant makes the payment of tax and surcharge referred to in section 184 and the penalty referred to in section 185, by the date specified under sub-section (J) of section 187.</p>	Undisclosed income declared not to be included in total income.
27 of 1957.	<p>189. A declarant under this Scheme shall not be entitled, in respect of undisclosed income declared or any amount of tax and surcharge paid thereon, to re-open any assessment or reassessment made under the Income-tax Act or the Wealth-tax Act, 1957, or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment or reassessment.</p>	Undisclosed income declared not to affect finality of completed assessments.
45 of 1988.	<p>190. The provisions of the Benami Transactions (Prohibition) Act, 1988 shall not apply in respect of the declaration of undisclosed income made in the form of investment in any asset, if the asset existing in the name of a <i>benamidar</i> is transferred to the declarant, being the person who provides the consideration for such asset, or his legal representative, within the period notified by the Central Government.</p>	Undisclosed income declared not to be treated as <i>benami</i> transaction in certain cases.
	<p>191. Any amount of tax and surcharge paid under section 184 or penalty paid under section 185 in pursuance of a declaration made under section 183 shall not be refundable.</p>	Tax in respect of voluntarily disclosed income not refundable.
27 of 1957.	<p>192. Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under section 183 shall be admissible in evidence against the declarant for the purpose of any proceeding relating to imposition of penalty, other than the penalty leviable under section 185, or for the purposes of prosecution under the Income-tax Act or the Wealth-tax Act, 1957.</p>	Declaration not admissible in evidence against declarant.
	<p>193. Notwithstanding anything contained in this Scheme, where a declaration has been made by misrepresentation or suppression of facts, such declaration shall be void and shall be deemed never to have been made under this Scheme.</p>	Declaration by misrepresentation of facts to be void.
	<p>194. (I) Where the undisclosed income is represented by cash (including bank deposits), bullion, investment in shares or any other assets specified in the declaration made under section 183—</p>	Exemption from wealth-tax in respect of assets specified in declaration.
27 of 1957.	<p>(a) in respect of which the declarant has failed to furnish a return under section 14 of the Wealth-tax Act, 1957, for the assessment year commencing on or before the 1st day of April, 2015; or</p>	
	<p>(b) which have not been shown in the return of net wealth furnished by him for the said assessment year or years; or</p>	
	<p>(c) which have been understated in value in the return of net wealth furnished by him for the said assessment year or years,</p>	
27 of 1957.	<p>then, notwithstanding anything contained in the Wealth-tax Act, 1957, or any rules made thereunder,—</p>	
	<p>(i) wealth-tax shall not be payable by the declarant in respect of the assets referred to in clause (a) or clause (b) and such assets shall not be included in his net wealth for the said assessment year or years;</p>	
	<p>(ii) the amount by which the value of the assets referred to in clause (c) has been understated in the return of net wealth for the said assessment year or years, to the extent such amount does not exceed the voluntarily disclosed income utilised for acquiring such assets, shall not be taken into account in computing the net wealth of the declarant for the said assessment year or years.</p>	
	<p><i>Explanation.</i>—Where a declaration under section 183 is made by a firm, the assets referred to in sub-clause (i) or, as the case may be, the amount referred to in sub-clause (ii) shall not be taken into account in computing the net wealth</p>	

of any partner of the firm or, as the case may be, in determining the value of the interest of any partner in the firm.

(2) The provisions of sub-section (1) shall not apply unless the conditions specified in sub-sections (1) and (2) of section 187 are fulfilled by the declarant.

Applicability of certain provisions of Income-tax Act and of Chapter V of Wealth-tax Act.

Scheme not to apply to certain persons.

195. The provisions of Chapter XV of the Income-tax Act relating to liability in special cases and of section 119, section 138 and section 189 of that Act or the provisions of Chapter V of the Wealth-tax Act, 1957 relating to liability in respect of assessment in special cases shall, so far as may be, apply in relation to proceedings under this Scheme as they apply in relation to proceedings under the Income-tax Act or, as the case may be, the Wealth-tax Act, 1957.

27 of 1957.

196. The provisions of this Scheme shall not apply—

(a) to any person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974:

52 of 1974.

Provided that—

(i) such order of detention, being an order to which the provisions of section 9 or section 12A of the said Act do not apply, has not been revoked on the report of the Advisory Board under section 8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention, being an order to which the provisions of section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section 9, or on the report of the Advisory Board under section 8, read with sub-section (2) of section 9 of the said Act; or

(iii) such order of detention, being an order to which the provisions of section 12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under section 8, read with sub-section (6) of section 12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

(b) in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Unlawful Activities (Prevention) Act, 1967 and the Prevention of Corruption Act, 1988;

45 of 1860.
61 of 1985.
37 of 1967.
49 of 1988

(c) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992;

27 of 1992.

(d) in relation to any undisclosed foreign income and asset which is chargeable to tax under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015;

22 of 2015.

(e) in relation to any undisclosed income chargeable to tax under the Income-tax Act for any previous year relevant to an assessment year prior to the assessment year beginning on the 1st day of April, 2017—

(i) where a notice under section 142 or sub-section (2) of section 143 or section 148 or section 153A or section 153C of the Income-tax Act has been issued in respect of such assessment year and the proceeding is pending before the Assessing Officer; or

(ii) where a search has been conducted under section 132 or requisition has been made under section 132A or a survey has been carried out under section

133A of the Income-tax Act in a previous year and a notice under sub-section (2) of section 143 for the assessment year relevant to such previous year or a notice under section 153A or under section 153C of the said Act for an assessment year relevant to any previous year prior to such previous year has not been issued and the time for issuance of such notice has not expired; or

(iii) where any information has been received by the competent authority under an agreement entered into by the Central Government under section 90 or section 90A of the Income-tax Act in respect of such undisclosed asset.

197. For the removal of doubts, it is hereby declared that—

Removal of doubts.

(a) save as otherwise expressly provided in sub-section (1) of section 183, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on any person other than the person making the declaration under this Scheme;

(b) where any declaration has been made under section 183 but no tax, surcharge and penalty referred to in section 184 and section 185 has been paid within the time specified under section 187, the undisclosed income shall be chargeable to tax under the Income-tax Act in the previous year in which such declaration is made;

(c) where any income has accrued, arisen or received or any asset has been acquired out of such income prior to commencement of this Scheme, and no declaration in respect of such income is made under this Scheme,—

(i) such income shall be deemed to have accrued, arisen or received, as the case may be; or

(ii) the value of the asset acquired out of such income shall be deemed to have been acquired or made,

in the year in which a notice under section 142, sub-section (2) of section 143 or section 148 or section 153A or section 153C of the Income-tax Act is issued by the Assessing Officer, and the provisions of the Income-tax Act shall apply accordingly.

198. (1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty:

Power to remove difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme shall come into force.

(2) Every order made under this section shall be laid before each House of Parliament.

199. (1) The Board may, subject to the control of the Central Government, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

Power to make rules.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for the form in which a declaration may be made under section 183 and the manner in which the same may be verified.

(3) Every rule made under this Scheme shall be laid, as soon as may be, after it is made, before each House of Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

CHAPTER X

THE DIRECT TAX DISPUTE RESOLUTION SCHEME, 2016

Short title and commencement.

200. (1) This Scheme may be called the Direct Tax Dispute Resolution Scheme, 2016.
(2) It shall come into force on the 1st day of June, 2016.

Definitions.

201. (1) In this Scheme, unless the context otherwise requires,—

(a) “declarant” means a person making a declaration under section 202;

(b) “designated authority” means an officer not below the rank of a Commissioner of Income-tax and notified by the Principal Chief Commissioner for the purposes of this Scheme;

(c) “disputed income”, in relation to an assessment year, means the whole or so much of the total income as is relatable to the disputed tax;

(d) “disputed tax” means the tax determined under the Income-tax Act, or the Wealth-tax Act, which is disputed by the assessee or the declarant, as the case may be;

(e) “disputed wealth”, in relation to an assessment year, means the whole or so much of the net wealth as is relatable to the disputed tax;

(f) “Income-tax Act” means the Income-tax Act, 1961;

43 of 1961.

(g) “specified tax” means a tax—

(i) the determination of which is in consequence of or validated by any amendment made to the Income-tax Act or the Wealth-tax Act with retrospective effect and relates to a period prior to the date on which the Act amending the Income-tax Act or the Wealth-tax Act, as the case may be, received the assent of the President; and

(ii) a dispute in respect of such tax is pending as on the 29th day of February, 2016;

(h) “tax arrear” means, the amount of tax, interest or penalty determined under the Income-tax Act or the Wealth-tax Act, in respect of which appeal is pending before the Commissioner of Income-tax (Appeals) or the Commissioner of Wealth-tax (Appeals) as on the 29th day of February, 2016;

(i) “Wealth-tax Act” means the Wealth-tax Act, 1957.

27 of 1957.

- (2) All other words and expressions used herein but not defined and defined in the Income-tax Act or the Wealth-tax Act, as the case may be, shall have the meanings respectively assigned to them in those Acts.

Declaration of tax payable.

202. Subject to the provisions of this Scheme, where a declarant files, on or after the 1st day of June, 2016 but on or before a date to be notified by the Central Government in the Official Gazette, a declaration to the designated authority in accordance with the provisions of section 203 in respect of tax arrear, or specified tax, then, notwithstanding anything contained in the Income-tax Act or the Wealth-tax Act or any other provision of any law for the time being in force, the amount payable under this Scheme by the declarant shall be as under, namely:—

- (1) in case of pending appeal related to tax arrear being—

(a) tax and interest,—

(i) in a case where the disputed tax does not exceed ten lakh rupees, the whole of the disputed tax and the interest on disputed tax till the date of assessment or reassessment, as the case may be; or

(ii) in any other case, the whole of disputed tax, twenty-five per cent. of the minimum penalty leviable and the interest on disputed tax till the date of assessment or reassessment, as the case may be;

(b) penalty, twenty-five per cent. of the minimum penalty leviable and the tax and interest payable on the total income finally determined.

(II) in case of specified tax, the amount of such tax so determined.

203. (1) A declaration under section 202 shall be made to the designated authority in such form and verified in such manner as may be prescribed.

Particulars to be furnished.

(2) Where the declaration is in respect of tax arrear, consequent to such declaration, appeal in respect of the disputed income, disputed wealth and tax arrear pending before the Commissioner of Income-tax (Appeals) or the Commissioner of Wealth-tax (Appeals), as the case may be, shall be deemed to have been withdrawn.

(3) Where the declaration is in respect of specified tax and the declarant has,—

(a) filed any appeal before the Commissioner of Income-tax (Appeals) or the Commissioner of Wealth-tax (Appeals) or the Appellate Tribunal or the High Court or the Supreme Court or any writ petition before the High Court or the Supreme Court against any order in respect of the specified tax, he shall withdraw such appeal or writ petition with the leave of the court wherever required and furnish proof of such withdrawal along with the declaration referred to in sub-section (1);

(b) initiated any proceeding for arbitration, conciliation or mediation or has given any notice thereof under any law for the time being in force or under any agreement entered into by India with any other country or territory outside India whether for protection of investment or otherwise, he shall withdraw such notice or the claim, if any, in such proceedings prior to making the declaration and furnish proof thereof along with the declaration referred to in sub-section (1).

(4) Where the declaration is in respect of specified tax, the declarant shall, without prejudice to the provisions of sub-section (3), furnish an undertaking, in such form and verified in such manner as may be prescribed, waiving his right, whether direct or indirect, to seek or pursue any remedy or any claim in relation to the specified tax which may otherwise be available to him under any law for the time being in force, in equity, by statute or under an agreement referred to in clause (b) of sub-section (3) or otherwise.

(5) Where,—

(a) any material particular furnished in the declaration is found to be false at any stage; or

(b) the declarant violates any of the conditions referred to in this Scheme; or

(c) the declarant acts in a manner which is not in accordance with the undertaking given by him under sub-section (4),

it shall be presumed as if the declaration was never made under the Scheme and all the consequences under the Income-tax Act or the Wealth-tax Act, as the case may be, under which the proceedings against the declarant are or were pending, shall be deemed to have been revived.

(6) No appellate authority or arbitrator, conciliator or mediator shall proceed to decide any issue relating to the specified tax mentioned in the declaration and in respect of which an order had been made under sub-section (1) of section 204 by the designated authority or the payment of the sum determined under that section.

204. (1) The designated authority shall, within a period of sixty days from the date of receipt of the declaration, determine the amount payable by the declarant in accordance with the provisions of this Scheme and grant a certificate in such form as may be prescribed, to the declarant setting forth therein the particulars of the tax arrear or the specified tax, as the case may be, and the sum payable after such determination.

Time and manner of payment.

(2) The declarant shall pay the sum determined by the designated authority as per the certificate granted under sub-section (1) within thirty days of the date of receipt of the certificate and intimate the fact of such payment to the designated authority along with proof thereof and the designated authority shall thereupon pass an order stating that the declarant has paid the sum.

(3) Every order passed under sub-section (1), determining the sum payable under this Scheme, shall be conclusive as to the matters stated therein and no matter covered by such order shall be re-opened in any other proceeding under the Income-tax Act or the Wealth-tax Act or under any other law for the time being in force, or as the case may be, under any agreement, whether for protection of investment or otherwise, entered into by India with any other country or territory outside India.

Immunity from initiation of proceedings in respect of offence and imposition of penalty in certain cases.

205. The designated authority shall, subject to the conditions provided in section 204, grant—

(a) immunity from instituting any proceedings in respect of an offence under the Income-tax Act or the Wealth-tax Act, as the case may be; or

(b) immunity from imposition or waiver, as the case may be, of penalty under the Income-tax Act or the Wealth-tax Act, as the case may be, in respect of,—

(i) specified tax covered in the declaration under section 202; or

(ii) tax arrear covered in the declaration to the extent the penalty exceeds the amount of penalty referred to in clause (i) of section 202;

(c) waiver of interest under the Income-tax Act or the Wealth-tax Act, as the case may be, in respect of,—

(i) specified tax covered in the declaration under the section 202;

(ii) tax arrear covered in the declaration to the extent the interest exceeds the amount of interest referred to in sub-clause (a) of clause (i) of section 202.

No refund of amount paid under scheme.

206. Any amount paid in pursuance of a declaration made under section 202 shall not be refundable under any circumstances.

No other benefit, concession or immunity to declarant.

207. Save as otherwise expressly provided in sub-section (3) of section 204 and section 205, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on the declarant in any proceedings other than those in relation to which the declaration has been made.

Scheme not to apply in certain cases.

208. The provisions of this Scheme shall not apply—

(a) in respect of tax arrear or specified tax,—

(i) relating to an assessment year in respect of which an assessment has been made under section 153A or 153C of the Income-tax Act or assessment or reassessment for any of the assessment years, in consequence of a search initiated under section 37A or requisition made under section 37B of the Wealth-tax Act if it relates to any tax arrear;

(ii) relating to an assessment or reassessment in respect of which a survey conducted under section 133A of the Income-tax Act or section 38A of the Wealth-tax Act, has a bearing if it relates to any tax arrear;

(iii) relating to an assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration under section 202;

(iv) relating to any undisclosed income from a source located outside India or undisclosed asset located outside India;

(v) relating to an assessment or reassessment made on the basis of information received under an agreement referred to in section 90 or section 90A of the Income-tax Act, if it relates to any tax arrear;

52 of 1974.

(b) to any person in respect of whom an order of detention has been made under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974:

Provided that—

(i) such order of detention, being an order to which the provisions of section 9 or section 12A of the said Act do not apply, has not been revoked on the report of the Advisory Board under section 8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention, being an order to which the provisions of section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section 9, or on the report of the Advisory Board under section 8, read with sub-section (2) of section 9, of the said Act; or

(iii) such order of detention, being an order to which the provisions of section 12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under section 8, read with sub-section (6) of section 12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

45 of 1860.
37 of 1967.
61 of 1985.
49 of 1988

(c) to any person in respect of whom prosecution for any offence punishable under the provisions of the Indian Penal Code, the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prevention of Corruption Act, 1988 or for the purpose of enforcement of any civil liability has been instituted on or before the filing of the declaration or such person has been convicted of any such offence punishable under any of those Acts;

27 of 1992.

(d) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

209. (1) The Central Government may, from time to time, issue such directions or orders to the authorities, as it may deem fit, for the proper administration of this Scheme:

Power of Central Government to issue directions, etc.

Provided that no direction or order shall be issued so as to require any designated authority to dispose of a particular case in a particular manner.

(2) Without prejudice to the generality of the foregoing power, the Central Government may, if it considers necessary or expedient so to do, for the purpose of proper and efficient administration of the Scheme and collection of revenue, issue, from time to time, general or special orders in respect of any class of cases, setting forth directions or instructions as to the guidelines, principles or procedures to be followed by the authorities in the work relating to administration of the Scheme and collection of revenue and any such order may, if the Central Government is of the opinion that it is necessary in the public interest so to do, be published in the Official Gazette in such manner as may be prescribed.

210. (1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty:

Power to remove difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

211. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

Power to make rules.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form in which a declaration may be made and the manner in which such declaration may be verified under sub-section (1) of section 203;

(b) the form of certificate which may be granted under sub-section (1) of section 204;

(c) the manner in which orders may be published under sub-section (2) of section 209;

(d) any other matter which by this scheme is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

(3) Every rule made by the Central Government under this Scheme shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

CHAPTER XI

THE INDIRECT TAX DISPUTE RESOLUTION SCHEME, 2016

Short title,
application and
commencement.

2016. 212. (1) This Scheme may be called the Indirect Tax Dispute Resolution Scheme,

2016. (2) It shall be applicable to the declarations made up to the 31st day of December,

(3) It shall come into force on the 1st day of June, 2016.

Definitions.

213. (1) In this Scheme, unless the context otherwise requires,—

(a) "Act" means the Customs Act, 1962 or the Central Excise Act, 1944 or Chapter V of the Finance Act, 1994, as the case may be;

52 of 1962.
1 of 1944.
32 of 1994.

(b) "Assistant Commissioner" means the Assistant Commissioner of Customs or the Assistant Commissioner of Central Excise or the Assistant Commissioner of Service Tax, as the case may be;

(c) "Commissioner" means the Commissioner of Customs or the Commissioner of Central Excise or the Commissioner of Service Tax, as the case may be;

(d) "declarant" means any person who makes a declaration under sub-section (1) of section 214;

(e) "designated authority" means an officer not below the rank of Assistant Commissioner who is authorised to act as Assistant Commissioner by the Commissioner for the purposes of this Scheme;

(f) "impugned order" means any order which is under challenge before the Commissioner (Appeals);

(g) "indirect tax dispute" means a dispute in respect of any of the provisions of the Act which is pending before the Commissioner (Appeals) as an appeal against the impugned order as on the 1st day of March, 2016;

(h) "prescribed" means prescribed by rules made under this Scheme;

(i) "tax" includes duty or tax levied under the Act.

(2) Words and expressions used herein and not defined but defined in the Act or the rules made thereunder shall have the meanings respectively assigned to them in the Act or the rules made thereunder.

214. (1) Subject to the provisions of this Scheme, a person may make a declaration to the designated authority on or before the 31st day of December, 2016 in such form and manner as may be prescribed.

Procedure for making declaration.

(2) The designated authority shall acknowledge the declaration in such form and manner as may be prescribed.

(3) The declarant shall pay tax due along with the interest thereon at the rate as provided in the Act and penalty equivalent to twenty-five per cent. of the penalty imposed in the impugned order, within fifteen days of the receipt of acknowledgement under sub-section (2) and intimate the designated authority within seven days of making such payment giving the details of payment made along with the proof thereof.

(4) On receipt of the proof of payment of tax, interest and penalty under sub-section (3), the designated authority shall, within fifteen days of the receipt of such proof, pass an order of discharge of dues referred to in sub-section (3) in such form as may be prescribed.

215. The provisions of this Scheme shall not apply, if—

Scheme not to apply in certain cases.

(a) the impugned order is in respect of search and seizure proceeding; or

(b) prosecution for any offence punishable under the Act has been instituted before the 1st day of June, 2016; or

(c) the impugned order is in respect of narcotic drugs or other prohibited goods; or

(d) impugned order is in respect of any offence punishable under the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985 or the Prevention of Corruption Act, 1988; or

(e) any detention order has been passed under the Conservation of Foreign Exchange and Prevention of Smuggling Act, 1974.

45 of 1860.
61 of 1985.
49 of 1988.

52 of 1974.

216. (1) Notwithstanding anything contained in any provision of the Act, upon the passing of an order under sub-section (4) of section 214, the appeal pending before the Commissioner (Appeals) shall stand disposed of and the declarant shall get immunity from all proceedings under the Act, in respect of the indirect tax dispute for which the declaration has been made under this Scheme.

Immunity from other proceedings under Act.

(2) A declaration made under sub-section (1) of section 214 shall become conclusive upon the issuance of an order under sub-section (4) of section 214 and no matter relating to the impugned order shall be reopened thereafter in any proceedings under the Act before any authority or court.

217. (1) Any amount paid in pursuance of a declaration made under sub-section (1) of section 214 shall not be refunded.

Consequences of order made under scheme.

(2) Any order passed under sub-section (4) of section 214 shall not be deemed to be an order on merits and has no binding effect.

Explanation.—For the removal of doubts, it is hereby declared that nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on the declarant other than the benefit, concession or immunity granted under section 216.

218. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

Power to make rules.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and the manner in which a declaration may be made under sub-section (1) of section 214;

(b) the form and the manner of acknowledging the declaration under sub-section (2) of section 214;

(c) the form and the manner of issuing an order of discharge under sub-section (4) of section 214;

(d) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

(3) Every rule made under this Scheme shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

CHAPTER XII

MISCELLANEOUS

PART I

AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

219. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

220. In the Reserve Bank of India Act, 1934 (herein referred to as the principal Act), in the Preamble, for paragraphs 2 and 3, the following paragraphs shall be substituted, namely:—

“AND WHEREAS it is essential to have a modern monetary policy framework to meet the challenge of an increasingly complex economy;

AND WHEREAS the primary objective of the monetary policy is to maintain price stability while keeping in mind the objective of growth;

AND WHEREAS the monetary policy framework in India shall be operated by the Reserve Bank of India;”

221. In section 2 of the principal Act,—

(i) after clause (b), the following clause shall be inserted, namely:—

“(bva) “Consumer Price Index” means the Consumer Price Index Combined published by the Government of India from time to time;”

(ii) after clause (c), the following clauses shall be inserted, namely:—

“(ci) “inflation” means the year wise change in monthly Consumer Price Index expressed in terms of percentage;

“(cii) “inflation target” means the inflation target determined in accordance with sub-section (1) of section 45ZA;”

(iii) after clause (cc), the following clauses shall be inserted, namely:—

“(cci) “Monetary Policy Committee” means the Committee constituted under sub-section (1) of section 45ZB;”

Commencement
and
Amendment of
Act 2 of 1934.
Amendment of
Preamble.

Amendment of
section 2.

(iv) after clause (cccc), the following clause shall be inserted, namely:—

'(cccci) "Policy Rate" means the rate for repo-transactions under sub-section (12AB) of section 17;'

222. After Chapter III E of the principal Act, the following Chapter shall be inserted, namely:—

Insertion of new Chapter III F.

"CHAPTER III F

MONETARY POLICY

45Z. The provisions of this Chapter shall have effect, notwithstanding anything inconsistent therewith contained in any other provisions of this Act.

Provisions of this Chapter to override other provisions of Act.

45ZA. (1) The Central Government shall, in consultation with the Bank, determine the inflation target in terms of the Consumer Price Index, once in every five years.

Inflation target.

(2) The Central Government shall, upon such determination, notify the inflation target in the Official Gazette.

45ZB. (1) The Central Government may, by notification in the Official Gazette, constitute a Committee to be called the Monetary Policy Committee of the Bank.

Constitution of Monetary Policy Committee.

(2) The Monetary Policy Committee shall consist of the following Members, namely:—

(a) the Governor of the Bank—Chairperson, *ex officio*;

(b) Deputy Governor of the Bank, in charge of Monetary Policy—Member, *ex officio*;

(c) one officer of the Bank to be nominated by the Central Board—Member, *ex officio*; and

(d) three persons to be appointed by the Central Government—Members.

(3) The Monetary Policy Committee shall determine the Policy Rate required to achieve the inflation target.

(4) The decision of the Monetary Policy Committee shall be binding on the Bank.

45ZC. (1) The Members of the Monetary Policy Committee referred to in clause (d) of sub-section (2) of section 45ZB shall be appointed by the Central Government from amongst persons of ability, integrity and standing, having knowledge and experience in the field of economics or banking or finance or monetary policy:

Eligibility and selection of Members appointed by Central Government.

Provided that no person shall be appointed as a Member, in case such person—

(i) has completed the age of seventy years on the date of appointment as Member;

(ii) is a Member of any Board or Committee of the Bank;

(iii) is an employee of the Bank;

(iv) is a public servant as defined under section 21 of the Indian Penal Code;

(v) is a Member of Parliament or any State Legislature;

(vi) has been at any time, adjudged as an insolvent;

(vii) has been convicted of an offence which is punishable with an imprisonment for a term of one hundred and eighty days or more;

(viii) is physically or mentally incapable of discharging the duties of a Member of the Monetary Policy Committee; or

(ix) has a material conflict of interest with the Bank and is unable to resolve such conflict.

(2) The Members of the Monetary Policy Committee referred to in clause (d) of sub-section (2) of section 45ZB shall be appointed by the Central Government on the recommendations made by Search-cum-Selection Committee consisting of the following members, namely:—

(a) Cabinet Secretary—Chairperson;

(b) Governor of the Reserve Bank of India or his representative (not below the rank of Deputy Governor)—member;

(c) Secretary, Department of Economic Affairs—member;

(d) three experts in the field of economics or banking or finance or Monetary policy to be nominated by the Central Government—members.

(3) While selecting the Members of the Monetary Policy Committee, the Search-cum-Selection Committee shall follow such procedure as may be prescribed by the Central Government.

45ZD. (1) The Members of the Monetary Policy Committee appointed under clause (d) of sub-section (2) of section 45ZB shall hold office for a period of four years and shall not be eligible for re-appointment.

(2) The terms and conditions of appointment of Members of the Monetary Policy Committee shall be such as may be prescribed by the Central Government and the remuneration and other allowances payable to such Members shall be such as may be specified by the regulations made by the Central Board.

(3) A Member may resign from the Monetary Policy Committee, at any time before the expiry of his tenure under sub-section (1), by giving to the Central Government, a written notice of not less than six weeks, and on the acceptance of the resignation by the Central Government, he shall cease to be a Member of the Monetary Policy Committee.

45ZE. (1) The Central Government may remove from office any Member of the Monetary Policy Committee appointed under clause (d) of sub-section (2) of section 45ZB, who—

(a) is, or at any time has been, adjudged as an insolvent; or

(b) has become physically or mentally incapable of acting as a Member; or

(c) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or

(d) has failed to adequately disclose any material conflict of interest at the time of his appointment; or

(e) does not attend three consecutive meetings of the Monetary Policy Committee without obtaining prior leave; or

(f) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member; or

(g) has acquired any post referred to in clauses (ii), (iii), (iv) and clause (v) of the proviso to sub-section (1) of section 45ZC; or

(h) has, in the opinion of the Central Government, so abused his position as to render his continuance in office detrimental to the public interest.

Terms and conditions of appointment of Members of Monetary Policy Committee.

Removal of Members of Monetary Policy Committee.

(2) No Member appointed under clause (d) of sub-section (2) of section 45ZB shall be removed under clause (d) or clause (e) or clause (f) or clause (g) or clause (h) of sub-section (1) unless he has been given a reasonable opportunity of being heard in the matter.

45ZF. No act or proceeding of the Monetary Policy Committee shall be invalid merely by reason of—

(a) any vacancy in, or any defect in the constitution of the Monetary Policy Committee; or

(b) any defect in the appointment of a person acting as a Member of the Monetary Policy Committee; or

(c) any irregularity in the procedure of the Monetary Policy Committee not affecting the merits of the case.

45ZG. (1) The Bank shall appoint a Secretary to the Monetary Policy Committee to provide secretariat support to the said Committee.

(2) The Secretary shall perform such functions and in such manner as may be specified by the regulations made by the Central Board.

45ZH. (1) The Bank shall provide all information to the Members of the Monetary Policy Committee that may be relevant to achieve the inflation target.

(2) In addition to information provided by the Bank under sub-section (1), any Member of the Monetary Policy Committee may, at any time, request the Bank for additional information, including any data, models or analysis.

(3) The Bank shall provide the information, as referred to in sub-section (2), to the Member of the Monetary Policy Committee, within reasonable time, unless—

(a) the information pertains to an entity or person and is not publicly available; or

(b) the information allows an entity or person to be identified and the information is not publicly available.

(4) Any information provided by the Bank to a Member of the Monetary Policy Committee shall be provided to all the Members of the Monetary Policy Committee.

45ZI. (1) The Bank shall organise at least four meetings of the Monetary Policy Committee in a year.

(2) The meeting schedule of the Monetary Policy Committee for a year shall be published by the Bank at least one week before the first meeting in that year.

(3) The meeting schedule may be changed only—

(a) by way of a decision taken at a prior meeting of the Monetary Policy Committee; or

(b) if, in the opinion of the Governor, an additional meeting is required or a meeting is required to be rescheduled due to administrative exigencies.

(4) Any change in meeting schedule shall be published by the Bank as soon as practicable.

(5) The quorum for a meeting of the Monetary Policy Committee shall be four Members, at least one of whom shall be the Governor and in his absence, the Deputy Governor who is the Member of the Monetary Policy Committee.

(6) The meetings of the Monetary Policy Committee shall be presided over by the Governor, and in his absence by the Deputy Governor who is a Member of the Monetary Policy Committee.

Vacancies, etc., not to invalidate proceedings of Monetary Policy Committee.

Secretary to Monetary Policy Committee

Information for Monetary Policy Committee Members.

Meetings of Monetary Policy Committee.

(7) Each Member of the Monetary Policy Committee shall have one vote.

(8) All questions which come up before any meeting of the Monetary Policy Committee shall be decided by a majority of votes by the Members present and voting, and in the event of an equality of votes, the Governor shall have a second or casting vote.

(9) The Central Government may, if it considers necessary, convey its views in writing to the Monetary Policy Committee from time to time.

(10) The vote of each Member of the Monetary Policy Committee for a proposed resolution shall be recorded against such Member.

(11) Each Member of the Monetary Policy Committee shall write a statement specifying the reasons for voting in favour of, or against the proposed resolution.

(12) The procedure, conduct, code of confidentiality and any other incidental matter for the functioning of the Monetary Policy Committee shall be such as may be specified by the regulations made by the Central Board.

(13) The proceeding of the Monetary Policy Committee shall be confidential.

Steps to be taken to implement decision of Monetary Policy Committee.

45ZJ. (1) The Bank shall publish a document explaining the steps to be taken by it to implement the decisions of the Monetary Policy Committee, including any changes thereto.

(2) The particulars to be included in such document and the frequency of publications of such document shall be such as may be specified by the regulations made by the Central Board.

Publication of decisions.

45ZK. The Bank shall publish, after the conclusion of every meeting of the Monetary Policy Committee, the resolution adopted by the said Committee;

Publication of proceedings of meeting of Monetary Policy Committee.

45ZL. The Bank shall publish, on the fourteenth day after every meeting of the Monetary Policy Committee, the minutes of the proceedings of the meeting which shall include the following, namely:—

(a) the resolution adopted at the meeting of the Monetary Policy Committee;

(b) the vote of each member of the Monetary Policy Committee, ascribed to such member, on resolutions adopted in the said meeting; and

(c) the statement of each member of the Monetary Policy Committee under sub-section (11) of section 45ZL on the resolutions adopted in the said meeting.

Monetary Policy Report.

45ZM. (1) The Bank shall, once in every six months, publish a document to be called the Monetary Policy Report, explaining—

(a) the sources of inflation; and

(b) the forecasts of inflation for the period between six to eighteen months from the date of publication of the document.

(2) The form and contents of the Monetary Policy Report shall be such as may be specified by the regulations made by the Central Board.

Failure to maintain inflation target.

45ZN. Where the Bank fails to meet the inflation target, it shall set out in a report to the Central Government—

(a) the reasons for failure to achieve the inflation target;

(b) remedial actions proposed to be taken by the Bank; and

(c) an estimate of the time-period within which the inflation target shall be achieved pursuant to timely implementation of proposed remedial actions.

Explanation.—For the purposes of this section, the factors that constitute failure shall be such as may be notified by the Central Government in the Official Gazette, within three months from the date of the commencement of Part I of Chapter XII of the Finance Act, 2016.

45ZO. (1) The Central Government may, by notification in the Official Gazette, make rules for the purpose of carrying out the provisions of this Chapter.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the procedure of functioning of the Search-cum-Selection Committee under sub-section (3) of section 45ZC;

(b) the terms and conditions of appointment, (other than the remuneration and other allowances), of Members of the Monetary Policy Committee under sub-section (2) of section 45ZD; and

(c) any other matter which is to be, or may be, prescribed by the Central Government by rules.”

223. In section 58 of the principal Act, in sub-section (2), after clause (q), the following clauses shall be inserted, namely:—

Amendment of section 58.

“(qa) the remuneration and other allowances payable to Members of the Monetary Policy Committee under sub-section (2) of section 45ZD;

(qb) the functions of the Secretary under sub-section (2) of section 45ZG;

(qc) the procedure, manner of conducting of meetings and related matters of the Monetary Policy Committee under sub-section (12) of section 45ZI;

(qd) the particulars and the frequency of publication of document under sub-section (2) of section 45ZJ;

(qe) the form and contents of the Monetary Policy Report to be published under sub-section (2) of section 45ZM;”

PART II

AMENDMENT TO THE CENTRAL SALES TAX ACT, 1956

224. In the Central Sales Tax Act, 1956, in section 3, after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

Amendment of Act 74 of 1956.

“*Explanation 3.*—Where the gas sold or purchased and transported through a common carrier pipeline or any other common transport or distribution system becomes co-mingled and fungible with other gas in the pipeline or system and such gas is introduced into the pipeline or system in one State and is taken out from the pipeline in another State, such sale or purchase of gas shall be deemed to be a movement of goods from one State to another.”

PART III

AMENDMENT TO THE OIL INDUSTRY (DEVELOPMENT) ACT, 1974

225. In the Oil Industry (Development) Act, 1974, in the Schedule, against Sl.No.1 relating to crude oil, for the entry in column 3, the entry “twenty per cent. *ad valorem*” shall be substituted.

Amendment of Schedule of Act 47 of 1974.

PART IV

AMENDMENT TO THE SMUGGLERS AND FOREIGN EXCHANGE MANIPULATORS

(FORFEITURE OF PROPERTY) ACT, 1976

226. In the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 with effect from the 1st day of June, 2016,—

Amendment of Act 13 of 1976.

(a) section 2A shall be omitted;

(b) in section 3, in sub-section (1), in clause (a), the words "for Forfeited Property" shall be omitted;

(c) in section 12,—

(i) in sub-section (1),—

(A) the words "to be called the Appellate Tribunal for Forfeited Property" shall be omitted;

(B) for the words "hearing appeals against the orders made under section 7, sub-section (1) of section 9 or section 10", the following shall be substituted, namely:—

"hearing appeals against the orders made—

(a) under section 7, sub-section (1) of section 9 or section 10;

(b) under section 68F, section 68-I, sub-section (1) of section 68K or section 68L of the Narcotic Drugs and Psychotropic Substances Act, 1985;

61 of 1985.

(c) by the Adjudicating Authority or any other authority under the Prevention of Money-laundering Act, 2002.";

15 of 2003.

(ii) in sub-section (2), the words "or is qualified to be" shall be omitted;

(iii) in sub-section (6A), for the words "Bench of two members", the words "Bench with one or two members" shall be substituted;

(iv) after sub-section (6A), the following sub-sections shall be inserted, namely:—

"(6B) In the event of the occurrence of any vacancy in the office of the Chairman by reason of his death, resignation or otherwise, the senior-most member, shall act as the Chairman until the date on which a new Chairman, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(6C) When the Chairman is unable to discharge his functions owing to absence, illness or any other cause, the senior-most member shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties."

PART V

AMENDMENT TO THE NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES ACT, 1985

Amendment of Act 61 of 1985.

227. In the Narcotic Drugs and Psychotropic Substances Act, 1985 with effect from the 1st day of June, 2016,—

(a) in section 68B, in clause (a), for the words "for Forfeited Property constituted under", the words "referred to in" shall be substituted;

(b) for section 68N, the following section shall be substituted, namely:—

"68N. The Appellate Tribunal constituted under sub-section (1) of section 12 of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 shall be the Appellate Tribunal for hearing appeals against the orders made under section 68F, section 68-I, sub-section (1) of section 68K or section 68L.";

13 of 1976.

(c) in section 76, in sub-section (2), clause (db) shall be omitted.

PART VI

AMENDMENTS TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999

228. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Commencement of this Part.

229. In the Foreign Exchange Management Act, 1999, after section 14, the following section shall be inserted, namely:—

Amendment of Act 42 of 1999.

“14A. (1) Save as otherwise provided in this Act, the Adjudicating Authority may, by order in writing, authorise an officer of Enforcement not below the rank of Assistant Director to recover any arrears of penalty from any person who fails to make full payment of penalty imposed on him under section 13 within the period of ninety days from the date on which the notice for payment of such penalty is served on him.

Power to recover arrears of penalty.

(2) The officer referred to in sub-section (1) shall exercise all the like powers which are conferred on the income-tax authority in relation to recovery of tax under the Income-tax Act, 1961 and the procedure laid down under the Second Schedule to the said Act shall *mutatis mutandis* apply in relation to recovery of arrears of penalty under this Act.”

43 of 1961.

PART VII

AMENDMENT TO THE CENTRAL ROAD FUND ACT, 2000

230. In section 10 of the Central Road Fund Act, 2000, with effect from the 1st day of June, 2016,—

Amendment of Act 54 of 2000.

(A) in sub-section (1), for clause (viii), the following clause shall be substituted, namely:—

“(viii) allocation of—

(a) thirty-three and one-half per cent. of the cess on high speed diesel and petrol for the development of rural roads;

(b) forty-one and one-half per cent. of the cess on high speed diesel and petrol for the development and maintenance of national highways;

(c) fourteen per cent. of the cess on high speed diesel and petrol for railways safety works, including the construction of road either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings, new lines, conversion of existing standard lines into gauge lines and electrification of rail lines:

Provided that no repair, maintenance or renovation work shall be carried out from the allocation of cess under this sub-clause;

(d) ten per cent. of the cess on high speed diesel and petrol on development and maintenance of State roads of inter-State and economic importance to be so approved by the Central Government; and

(f) one per cent. of the cess on high speed diesel and petrol on development and maintenance of road in border areas.”;

(B) sub-section (2) shall be omitted.

PART VIII

AMENDMENT TO THE FINANCE ACT, 2001

231. In the Finance Act, 2001, the Seventh Schedule shall be amended,—

(i) in the manner specified in the Twelfth Schedule;

Amendment of Act 14 of 2001.

(ii) in the manner specified in the Thirteenth Schedule, with effect from the 1st day of January, 2017.

PART IX

AMENDMENT TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

Amendment of Act 15 of 2003.

232. In the Prevention of Money-laundering Act, 2002 with effect from the 1st day of June, 2016,—

(a) in section 2, in sub-section (1), in clause (b), for the words “established under”, the words “referred to in” shall be substituted;

(b) for section 25, the following section shall be substituted, namely:—

Appellate Tribunal.

“25. The Appellate Tribunal constituted under sub-section (1) of section 12 of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 shall be the Appellate Tribunal for hearing appeals against the orders of the Adjudicating Authority and the other authorities under this Act.”;

13 of 1976.

(c) sections 27, 28, 30, 31, 32, 33 and 34 shall be omitted;

(d) in sections 36, 37, 38 and 40, for the word “Chairperson” wherever it occurs, the word “Chairman” shall be substituted;

(e) in section 73, in sub-section (2), clauses (s) and (t) shall be omitted.

PART X

AMENDMENT TO THE FINANCE (NO. 2) ACT, 2004

Amendment of Act 23 of 2004.

233. In the Finance (No.2) Act, 2004 with effect from the 1st day of June, 2016,—

(a) in section 98, in the Table, against serial number 4, in item (a), under column (3), for the entry “0.017 per cent.”, the entry “0.05 per cent.” shall be substituted;

(b) for section 113A, the following section shall be substituted, namely:—

Chapter VII not to apply in certain cases.

“113A. Notwithstanding anything contained in this Chapter, the provisions of this Chapter shall not apply to taxable securities transactions entered into by,—

(a) any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10 of the Income-tax Act, 1961; or

43 of 1961.

(b) any person on a recognised stock exchange located in an International Financial Services Centre where the consideration for such transaction is paid or payable in foreign currency.

Explanation.—For the purposes of this section, “International Financial Services Centre” shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005.’

28 of 2005.

PART XI

AMENDMENT TO THE FINANCE ACT, 2005

Amendment of Act 18 of 2005.

234. In the Finance Act, 2005, the Seventh Schedule shall be amended in the manner specified in the Fourteenth Schedule.

PART XII

AMENDMENT TO THE FINANCE ACT, 2010

Amendment of Act 14 of 2010.

235. In the Finance Act, 2010,—

(i) in Chapter VII or in any other law for the time being in force, for the words “Clean Energy Cess”, wherever they occur, the words “Clean Environment Cess” shall be substituted;

(ii) in the Tenth Schedule, for the entry in column (4) occurring against all the headings, the entry "Rs.400 per tonne" shall be substituted.

PART XIII

AMENDMENT TO THE FOREIGN CONTRIBUTION (REGULATION) ACT, 2010

236. In the Foreign Contribution (Regulation) Act, 2010, in section 2, in sub-section (1), in clause (j), in sub-clause (vi), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 26th September, 2010, namely:—

Amendment of section 2 of Act 42 of 2010.

42 of 1999.

"Provided that where the nominal value of share capital is within the limits specified for foreign investment under the Foreign Exchange Management Act, 1999, or the rules or regulations made thereunder, then, notwithstanding the nominal value of share capital of a company being more than one-half of such value at the time of making the contribution, such company shall not be a foreign source;"

PART XIV

AMENDMENT TO THE FINANCE ACT, 2013

237. In the Finance Act, 2013, after section 132, the following section shall be inserted, with effect from the 1st day of June, 2016, namely:—

Amendment of Act 17 of 2013.

'132A. Notwithstanding anything contained in this Chapter, the provisions of this Chapter shall not apply to taxable commodities transactions entered into by any person on a recognised association located in an International Financial Services Centre, where the consideration for such transaction is paid or payable in foreign currency.

Chapter VII not to apply in certain cases.

28 of 2005.

Explanation.—For the purposes of this section, "International Financial Services Centre" shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones, Act, 2005.'

PART XV

AMENDMENT TO THE FINANCE ACT, 2015

238. In the Finance Act, 2015,—

Amendment of Act 20 of 2015.

(a) in section 4, clause (ii) shall be omitted with effect from the 1st day of April, 2016;

(b) with effect from the 1st day of June, 2016,—

(i) in section 122, in sub-section (2), for the words "Any credit balance", the words "Notwithstanding anything contrary contained in any other law for the time being in force, any credit balance" shall be substituted;

(ii) in section 124, sub-section (5) shall be omitted;

(iii) in section 128, in sub-section (2), clause (c) shall be omitted.

PART XVI

REPEAL AND AMENDMENT OF CERTAIN ENACTMENTS

239. The enactments specified in the Fifteenth Schedule are hereby repealed or amended to the extent mentioned in the fourth column thereof.

Repeal and amendment of certain enactments.

240. (1) The repeal by this Act of the enactments specified in the Fifteenth Schedule or amendments therein shall not—

Savings.

(a) affect any other enactment in which the repealed enactment has been applied, incorporated or referred to;

(b) affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

(c) affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in or from any enactment hereby repealed;

(d) revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

(2) The mention of particular matters in sub-section (1) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals. 10 of 1897.

Collection and payment of arrears of duties.

241. Notwithstanding the repeal or amendment of the enactments specified in the Fifteenth Schedule, the proceeds of duties levied under the said enactments immediately preceding the date on which the Finance Bill, 2016 receives the assent of the President,—

(i) if collected by the collecting agencies but not paid into the Reserve Bank of India; or

(ii) if not collected by the collecting agencies,

shall be paid or as the case may be, collected and paid into the Reserve Bank of India for being credited to the Consolidated Fund of India.

THE FIRST SCHEDULE
(See section 2)

PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 2,50,000	Nil;
(2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	10 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 25,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,25,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

(1) where the total income does not exceed Rs. 3,00,000	Nil;
(2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000	10 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
(3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 20,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(4) where the total income exceeds Rs. 10,00,000	Rs. 1,20,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

(1) where the total income does not exceed Rs. 5,00,000	Nil;
(2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(3) where the total income exceeds Rs. 10,00,000	Rs. 1,00,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs.10,000 | 10 per cent. of the total income; |
| (2) where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 | Rs.1,000 plus 20 per cent. of the amount by which the total income exceeds Rs.10,000; |
| (3) where the total income exceeds Rs. 20,000 | Rs. 3,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company 30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of,—

- (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or
- (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,
- and where such agreement has, in either case, been approved by the Central Government
- (ii) on the balance, if any, of the total income
- 50 per cent.;
- 40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees, but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

(ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

	<i>Rate of income-tax</i>
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than "Interest on securities"	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on income by way of insurance commission	5 per cent.;
(v) on income by way of interest payable on—	10 per cent.;
(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	

	<i>Rate of income-tax</i>
(C) any security of the Central or State Government;	
(vi) on any other income	10 per cent.;
(b) where the person is not resident in India—	
(i) in the case of a non-resident Indian—	
(A) on any investment income	20 per cent.;
(B) on income by way of long-term capital gains referred to in section 115E or sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(C) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(D) on other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(E) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(F) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(G) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(F)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(H) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(I) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(J) on income by way of winnings from horse races	30 per cent.;
(K) on the whole of the other income	30 per cent.;
(ii) in the case of any other person—	
(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India.	10 per cent.;
* (C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the	10 per cent.;

	<i>Rate of income-tax</i>
agreement is in accordance with that policy	
(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(F) on income by way of winnings from horse races	30 per cent.;
(G) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(H) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(I) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(J) on the whole of the other income	30 per cent.
2. In the case of a company—	
(a) where the company is a domestic company—	
(i) on income by way of interest other than "Interest on securities"	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on any other income	10 per cent.;
(b) where the company is not a domestic company—	
(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(ii) on income by way of winnings from horse races	30 per cent.;
(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(iv) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy,	

	<i>Rate of income-tax</i>
for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vii) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(viii) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(ix) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(x) on any other income	40 per cent.

Explanation.— For the purpose of item 1(b)(i) of this Part, "investment income" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, being a non-resident, calculated at the rate of fifteen per cent. of such tax; and

(b) in the case of every co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent.,

where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees:

(ii) item 2 of this Part shall be increased by a surcharge, for purposes of the Union, in the case of every company other than a domestic company, calculated,—

(a) at the rate of two per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees; and

(b) at the rate of five per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head "Salaries" under section 192 of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BA or section 115BB or section 115BBA or section 115BBC or section 115BBD or section 115BBDA or section 115BBE or section 115BBF or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | | |
|-----|---|---|
| (1) | where the total income does not exceed Rs. 2,50,000 | Nil; |
| (2) | where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) | where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 25,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) | where the total income exceeds Rs. 10,00,000 | Rs. 1,25,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- | | | |
|-----|---|---|
| (1) | where the total income does not exceed Rs. 3,00,000 | Nil; |
| (2) | where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 3,00,000; |
| (3) | where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 20,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) | where the total income exceeds Rs. 10,00,000 | Rs. 1,20,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- | | | |
|-----|---|---|
| (1) | where the total income does not exceed Rs. 5,00,000 | Nil; |
| (2) | where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (3) | where the total income exceeds Rs. 10,00,000 | Rs. 1,00,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of fifteen per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | | |
|-----|--|---|
| (1) | where the total income does not exceed Rs. 10,000 | 10 per cent. of the total income; |
| (2) | where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 | Rs. 1,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) | where the total income exceeds Rs. 20,000 | Rs. 3,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees

by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(i) where its total turnover or the gross receipt in the previous year 2014-15 does not exceed five crore rupees: 29 per cent. of the total income;

(ii) other than that referred to in item (i) 30 per cent. of the total income;

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976.

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

(ii) on the balance, if any, of the total income 40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

(ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV

[See section 2(13)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the

agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2016, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2016.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2017, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016, is a loss, then, for the purposes of sub-section (10) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2017.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2008 (18 of 2008) or of the First Schedule to the Finance (No. 2) Act, 2009 (33 of 2009) or of the First Schedule to the Finance Act, 2010 (14 of 2010) or of the First Schedule to the Finance Act, 2011 (8 of 2011) or of the First Schedule to the Finance Act, 2012 (23 of 2012) or of the First Schedule to the Finance Act, 2013 (17 of 2013) or of the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) or of the First Schedule to the Finance Act, 2015 (20 of 2015) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 9.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE (See section 139)

Sl. No.	Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)	(4)
1.	G.S.R. 367 (E), dated the 27 th April, 2000 [51/2000-Customs, dated the 27 th April, 2000]	In the said notification, in the opening paragraph, for the words, figures and letter "under sections 3, 8 and 9A", the words, figures and letters "under sections 3, 8B and 9A" shall be substituted.	27 th April, 2000.
2.	G.S.R. 292(E), dated the 19 th April, 2002 [43/2002-Customs, dated the 19 th April, 2002]	In the said notification, in the opening paragraph, for the words, figures and letter "under sections 3, 8 and 9A", the words, figures and letters "under sections 3, 8B and 9A" shall be substituted.	19 th April, 2002.
3.	G.S.R. 281 (E), dated the 1 st April, 2003 [57/2003-Customs, dated the 1 st April, 2003]	In the said notification, in the Table, in column (3), against S. No.4, for the words, figures and letter "under sections 3, 8 and 9A", the words, figures and letters "under sections 3, 8B and 9A" shall be substituted.	1 st April, 2003.
4.	G.S.R. 604 (E), dated the 10 th September, 2004 [91/2004-Customs, dated the 10 th September, 2004]	In the said notification, in paragraph 2, for the words, figures and letter "under sections 3, 8 and 9A", the words, figures and letters "under sections 3, 8B and 9A" shall be substituted.	10 th September, 2004.
5.	G.S.R. 606(E), dated the 10 th September, 2004 [93/2004-Customs, dated the 10 th September, 2004]	In the said notification, in the opening paragraph, for the words, figures and letter "under sections 3, 8 and 9A", the words, figures and letters "under sections 3, 8B and 9A" shall be substituted.	10 th September, 2004.
6.	G.S.R. 260 (E), dated the 1 st May, 2006 [40/2006-Customs, dated the 1 st May, 2006]	In the said notification, in the opening paragraph, for the words, figures and letter "under sections 3, 8 and 9A", the words, figures and letters "under sections 3, 8B and 9A" shall be substituted.	1 st May, 2006.

THE THIRD SCHEDULE
[See section 141(f)]

In the First Schedule to the Customs Tariff Act,—

(1) in Chapter 27, in the Supplementary Note,—

(a) in clause (c), for the figures "1460:2000", the figures "1460:2005" shall be substituted;

(b) in clause (f), for the figures "1460", the figures "15770:2008" shall be substituted;

(2) in Chapter 40,—

(a) for the entry in column (4) occurring against tariff item 4016 95 90, the entry "20%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 4016 99 90, the entry "20%" shall be substituted;

(3) in Chapter 58, in heading 5801,—

(a) in sub-heading 5801.37, the entry in column (2) "--- Warp pile fabrics, 'epingle' (uncut):" shall be omitted;

(b) for tariff items 5801 37 11 and 5801 37 19 and the entries relating thereto, the following shall be substituted namely:—

(1)	(2)	(3)	(4)	(5)
"5801 37 10	--- Warp pile fabrics, uncut	m ²	10% or Rs.140 per sq. metre whichever is higher	-";

(4) in Chapter 71,—

(a) in heading 7104, for the tariff item 7104 90 00 and the entries relating thereto, the following shall be substituted, namely:—

(1)	(2)	(3)	(4)	(5)
"7104.90	- Other:			
7104 90 10	--- Laboratory-created or laboratory grown or manmade or cultured or synthetic diamonds		g/k	10%
7104 90 90	--- Other		kg.	10%

(b) for the entry in column (4) occurring against all the tariff items of heading 7117, the entry "15%" shall be substituted;

(5) in Chapter 76, for the entry in column (4) occurring against all tariff items of headings 7601, 7603, 7604, 7605, 7606 and 7607, the entry "7.5%" shall be substituted;

(6) in Chapter 79, for the entry in column (4) occurring against all tariff items of sub-heading 7901 20, the entry "7.5%" shall be substituted;

(7) in Chapter 84,—

(i) for the entry in column (4) occurring against all tariff items of heading 8402, the entry "10%" shall be substituted;

(ii) for the entry in column (4) occurring against all tariff items of heading 8404, the entry "10%" shall be substituted;

(iii) for the entry in column (4) occurring against all tariff items (except tariff item 8406 10 00) of heading 8406, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against all tariff items of heading 8410, the entry "10%" shall be substituted;

(v) for the entry in column (4) occurring against all tariff items (except tariff items 8411 11 00, 8411 12 00, 8411 21 00, 8411 22 00 and 8411 91 00) of heading 8411, the entry "10%" shall be substituted;

(vi) for the entry in column (4) occurring against tariff items 8412 80 19, 8412 80 20, 8412 80 30 and 8412 80 90 of heading 8412, the entry "10%" shall be substituted;

(vii) for the entry in column (4) occurring against tariff item 8419 19 20, the entry "10%" shall be substituted;

(8) In Chapter 85,—

(i) for the entry in column (4) occurring against all tariff items of heading 8501, the entry "10%" shall be substituted;

(ii) for the entry in column (4) occurring against all tariff items (except tariff items 8502 11 00, 8502 20 10 and 8502 40 00) of heading 8502, the entry "10%" shall be substituted;

(iii) for the entry in column (4) occurring against all tariff items (except tariff item 8503 00 90) of heading 8503, the entry "10%" shall be substituted;

(iv) for the entry in column (4) occurring against all tariff items (except tariff items 8504 31 00, 8504 32 00, 8504 40 10, 8504 40 30, 8504 50 10 and 8504 50 90) of heading 8504, the entry "10%" shall be substituted;

(v) in heading 8525, the tariff item 8525 50 50 and the entries relating thereto shall be omitted;

(vi) for the entry in column (4) occurring against all tariff items (except tariff items under sub-headings 8535 40 and 8535 90) of heading 8535, the entry "10%" shall be substituted;

(vii) for the entry in column (4) occurring against all tariff items (except tariff items 8536 10 10, 8536 41 00, 8536 61 10, 8536 61 90, 8536 69 10, 8536 69 90 and 8536 70 00) of heading 8536, the entry "10%" shall be substituted;

(viii) for the entry in column (4) occurring against all tariff items of heading 8537, the entry "10%" shall be substituted;

(ix) for the entry in column (4) occurring against all tariff items (except tariff items 8544 42 91, 8544 42 92, 8544 42 93, 8544 42 99, 8544 70 10 and 8544 70 90) of heading 8544, the entry "10%" shall be substituted;

(x) for the entry in column (4) occurring against all tariff items of heading 8546, the entry "10%" shall be substituted; and

(xi) for the entry in column (4) occurring against all tariff items of heading 8547, the entry "10%" shall be substituted;

(9) in Chapter 90, for the entry in column (4) occurring against tariff items 9028 90 10, 9030 31 00, 9030 90 10, 9032 89 10 and 9032 89 90, the entry "10%" shall be substituted;

(10) in Chapter 95,—

(a) for the entry in column (4) occurring against tariff item 9503 00 90, the entry "20%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 9505 10 00, the entry "20%" shall be substituted;

(c) for the entry in column (4) occurring against tariff item 9505 90 90, the entry "20%" shall be substituted.

THE FOURTH SCHEDULE

[See section 141 (ii)]

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

In the First Schedule to the Customs Tariff Act, 1975,—

(1) in Chapter 3,—

(i) in Note 1, in clause (c), for the words "livers and roes", the words "livers, roes and milt" shall be substituted;

(ii) in heading 0301, for tariff items 0301 93 00 and the entries relating thereto, the following shall be substituted, namely:—

"0301 93 00	--	Carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>)	kg.	30%	-
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(iii) for heading 0302, tariff items 0302 11 00 to 0302 85 00, sub-heading 0302 89, tariff items 0302 89 10 to 0302 90 00 and the entries relating thereto, the following shall be substituted, namely:—

"0302		FISH, FRESH OR CHILLED, EXCLUDING FISH FILLETS AND OTHER FISH MEAT OF HEADING 0304			
		<i>Salmonidae</i> , excluding edible fish offal of sub-headings 0302 91 to 0302 99:			
0302 11 00	--	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarkii</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>)	kg.	30%	-
0302 13 00	--	Pacific salmon (<i>Oncorhynchus nerka</i> , <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , <i>Oncorhynchus tshawytscha</i> , <i>Oncorhynchus kisutch</i> , <i>Oncorhynchus masou</i> and <i>Oncorhynchus rhodurus</i>)	kg.	30%	-
0302 14 00	--	Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	kg.	30%	-
0302 19 00	--	Other	kg.	30%	-
		<i>Flat fish</i> (<i>Pleuronectidae</i> , <i>Bothidae</i> , <i>Cynoglossidae</i> , <i>Soleidae</i> , <i>Scophthalmidae</i> and <i>Citharidae</i>), excluding edible fish offal of sub-headings 0302 91 to 0301 99:			
0302 21 00	--	Halibut (<i>Rheinhardtius hippoglossidae</i> , <i>Hippoglossus hippoglossus</i> , <i>Hippoglossus stenolepis</i>)	kg.	30%	-
0302 22 00	--	Plaice (<i>Pleuronectes platessa</i>)	kg.	30%	-
0302 23 00	--	Sole (<i>Solea spp.</i>)	kg.	30%	-
0302 24 00	--	Turbots (<i>Psetta maxima</i>)	kg.	30%	-
0302 29 00	--	Other	kg.	30%	-
		<i>Tunas</i> (of the genus <i>Thunnus</i>), skipjack or stripe-bellied bonito (<i>Euthynnus (Katsuwonus) pelamis</i>), excluding edible fish offal of sub-headings 0302 91 to 0301 99:			
0302 31 00	--	Albacore or long finned tunas (<i>Thunnus alalunga</i>)	kg.	30%	-
0302 32 00	--	Yellowfin tunas (<i>Thunnus albacares</i>)	kg.	30%	-
0302 33 00	--	Skipjack or stripe-bellied bonito	kg.	30%	-
0302 34 00	--	Bigeye tunas (<i>Thunnus obesus</i>)	kg.	30%	-
0302 35 00	--	Atlantic and Pacific bluefin tunas (<i>Thunnus thynnus</i> , <i>Thunnus orientalis</i>)	kg.	30%	-
0302 36 00	--	Southern bluefin tunas (<i>Thunnus maccoyii</i>)	kg.	30%	-

Tariff Item (1)	Description of goods (2)	Unit (3)	Rate of Duty	
			Standard (4)	Preferential (5)
1302 39 00 --	Other <i>Herrings (Clupea harengus, Clupea pallasii), anchovies (Engraulis spp.), sardines (Sardina pilchardus, Sardinops spp.), sardinella (Sardinella spp.), brisling or sprats (Sprattus sprattus), mackerel (Scomber scombrus, Scomber australasicus, Scomber japonicus), Indian mackerels (Rastrelliger spp.), seerfishes (Scomberomorus spp.), jack and horse mackerel (Trachurus spp.), jacks, crevalles (Caranx spp.), cobia (Rachycentron canadum), silver pomfrets (Pampus spp.), Pacific saury (Cololabis saira), scads (Decapterus spp.), capelin (Mallotus villosus), Sword fish (Xiphias gladius), Kawakawa (Euthynnus affinis), bonitos (Sarda spp.), marlins, sailfishes, spearfish (Istiophoridae), excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>	kg.	30%	-
1302 41 00 --	Herrings (<i>Clupea harengus, Clupea pallasii</i>)	kg.	30%	-
1302 42 00 --	Anchovies (<i>Engraulis spp.</i>)	kg.	30%	-
1302 43 00 --	Sardines (<i>Sardina pilchardus, Sardinops spp.</i>), sardinella (<i>Sardinella spp.</i>), brisling or sprats (<i>Sprattus sprattus</i>)	kg.	30%	-
1302 44 00 --	Mackerel (<i>Scomber scombrus, Scomber australasicus, Scomber japonicus</i>)	kg.	30%	-
1302 45 00 --	Jack and horse mackerel (<i>Trachurus spp.</i>)	kg.	30%	-
1302 46 00 --	Cobia (<i>Rachycentron canadum</i>)	kg.	30%	-
1302 47 00 --	Sword fish (<i>Xiphias gladius</i>)	kg.	30%	-
1302 49 00 --	Other <i>Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>	kg.	30%	-
0302 51 00 --	Cod (<i>Gadus morhua, Gadus ogac, Gadus macrocephalus</i>)	kg.	30%	-
0302 52 00 --	Haddock (<i>Melanogrammus aeglefinus</i>)	kg.	30%	-
0302 53 00 --	Coal fish (<i>Pollachinus virens</i>)	kg.	30%	-
0302 54 00 --	Hake (<i>Merluccius spp., Urophycis spp.</i>)	kg.	30%	-
0302 55 00 --	Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	30%	-
0302 56 00 --	Blue whittings (<i>Micromesistius poutassou, Micromesistius australis</i>)	kg.	30%	-
0302 59 00 --	Other <i>Tilapias (Oreochromis spp.), catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.), carp (Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.), eels (Anguilla spp.), Nile perch (Lates niloticus) and snakeheads (Channa spp.), excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>	kg.	30%	-
0302 71 00 --	Tilapias (<i>Oreochromis spp.</i>),	kg.	30%	-
0302 72 00 --	Catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>)	kg.	30%	-
0302 73 00 --	Carp (<i>Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i>):	kg.	30%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
0302 74 00	-- Eels (<i>Anguilla spp.</i>)	kg.	30%	-
0302 79 00	-- Other	kg.	30%	-
-	<i>Other fish excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>			
0302 81 00	-- Dogfish and other sharks	kg.	30%	-
0302 82 00	-- Rays and skates (<i>Rajidae</i>)	kg.	30%	-
0302 83 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	30%	-
0302 84 00	-- Seabass (<i>Dicentrarchus spp.</i>)	kg.	30%	-
0302 85 00	-- Seabream (<i>Sparidae</i>)	kg.	30%	-
0302 89	-- <i>Other:</i>			
0302 89 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	30%	-
0302 89 20	--- Dara	kg.	30%	-
0302 89 30	--- Pomfret	kg.	30%	-
0302 89 90	--- Other	kg.	30%	-
-	<i>Livers, roes, milt, fish fins, heads, tails, maws and other edible fish offal:</i>			
0302 91	-- <i>Livers, roes and milt:</i>			
0302 91 10	--- Livers, roes and milt	kg.	30%	-
0302 92	-- <i>Shark fins:</i>			
0302 92 10	--- Shark fins	kg.	30%	-
0302 99	-- <i>Other:</i>			
0302 99 10	--- Fish fins other than shark fins; heads, tails and maws	kg.	30%	-
0302 99 90	--- Other edible fish offal	kg.	30%	-";

(iv) for heading 0303, tariff items 0303 11 00 to 0303 69 00, sub-heading 0303 81, tariff items 0303 81 10 to 0303 84 00, sub-heading 0303 89, tariff items 0303 89 10 to 0303 89 99, sub-heading 0303 90, tariff items 0303 90 10 to 0303 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“0303	FISH, FROZEN, EXCLUDING FISH FILLETS AND OTHER FISH MEAT OF HEADING 0304			
-	<i>Salmonidae, excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>			
0303 11 00	-- Sockeye salmon (red salmon) (<i>Oncorhynchus nerka</i>)	kg.	30%	-
0303 12 00	-- Other Pacific salmon (<i>Oncorhynchus gorbuscha, Oncorhynchus keta, Oncorhynchus tshawytscha, Oncorhynchus kisutch, Oncorhynchus masou and Oncorhynchus rhodurus</i>)	kg.	30%	-
0303 13 00	-- Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	kg.	30%	-
0303 14 00	-- Trout (<i>Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarkii, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster</i>)	kg.	30%	-
0303 19 00	-- Other	kg.	30%	-
-	<i>Tilapias (Oreochromis spp.), catfish (Pangasius spp.), Silurus</i>			

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
	<i>spp., Clarias spp., Ictalurus spp.</i>), carp (<i>Cyprinus carpio</i> , <i>Carassius carassius</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobroma spp.</i> , eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads, (<i>Channa spp.</i>), excluding edible fish offal of sub-headings 0303 91 to 0303 99:			
0303 23 00	-- Tilapias (<i>Oreochromis spp.</i>)	kg.	30%	-
0303 24 00	-- Catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>)	kg.	30%	-
0303 25 00	-- Carp (<i>Cyprinus carpio</i> , <i>Carassius carassius</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobroma spp.</i>)	kg.	30%	-
0303 26 00	-- Eels (<i>Anguilla spp.</i>)	kg.	30%	-
0303 29 00	-- Other	kg.	30%	-
	<i>Flat fish (Pleuronectidae, Bothidae, Cynoglossidae, Soleidae, Scophthalmidae and Citharidae)</i> , excluding edible fish offal of sub-headings 0303 91 to 0303 99:			
0303 31 00	-- Halibut (<i>Rheinhardtius hippoglossidae</i> , <i>Hippoglossus hippoglossus</i> , <i>Hippoglossus stenolepis</i>)	kg.	30%	-
0303 32 00	-- Plaice (<i>Pleuronectes platessa</i>)	kg.	30%	-
0303 33 00	-- Sole (<i>Solea spp.</i>)	kg.	30%	-
0303 34 00	-- Turbots (<i>Psetta maxima</i>)	kg.	30%	-
0303 39 00	-- Other	kg.	30%	-
	<i>Tunas (of the genus Thunnus)</i> , skipjack or stripe-bellied bonito (<i>Euthynnus (Katsuwonus) pelamis</i>), excluding edible fish offal of sub-headings 0303 91 to 0303 99:			
0303 41 00	-- Albacore or long finned tunas (<i>Thunnus alalunga</i>)	kg.	30%	-
0303 42 00	-- Yellowfin tunas (<i>Thunnus albacares</i>)	kg.	30%	-
0303 43 00	-- Skipjack or stripe-bellied bonito	kg.	30%	-
0303 44 00	-- Bigeye tunas (<i>Thunnus obesus</i>)	kg.	30%	-
0303 45 00	-- Atlantic and Pacific bluefin tunas (<i>Thunnus thynnus</i> , <i>Thunnus orientalis</i>)	kg.	30%	-
0303 46 00	-- Southern bluefin tunas (<i>Thunnus maccoyii</i>)	kg.	30%	-
0303 49 00	-- Other	kg.	30%	-
	<i>Herrings (Clupea harengus, Clupea pallasii)</i> , anchovies (<i>Engraulis spp.</i>), sardines (<i>Sardina pilchardus</i> , <i>Sardinops spp.</i>), sardinella (<i>Sardinella spp.</i>), bristling or sprats (<i>Sprattus sprattus</i>), mackerel (<i>Scomber scombrus</i> , <i>Scomber australasicus</i> , <i>Scomber japonicus</i>), Indian mackerels (<i>Rastrelliger spp.</i>), seerfishes (<i>Scomberomorus spp.</i>), jack and horse mackerel (<i>Trachurus spp.</i>), jacks, crevalles (<i>Caranx spp.</i>), cobia (<i>Rachycentron canadum</i>), silver pomfrets (<i>Pampus spp.</i>), Pacific saury (<i>Cololabis saira</i>), scads (<i>Decapterus spp.</i>), capelin (<i>Mallotus villosus</i>), Sword fish (<i>Xiphias gladius</i>), Kawakawa (<i>Euthynnus affinis</i>), bonitos (<i>Sarda spp.</i>), marlins, sailfishes, spearfish (<i>Istiophoridae</i>), excluding edible fish offal of sub-headings 0303 91 to 0303 99:			

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
0303 51 00	-- Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	kg.	30%	-
0303 53 00	-- Sardines (<i>Sardina pilchardus</i> , <i>Sardinops spp.</i>), sardinella (<i>Sardinella spp.</i>), brisling or sprats (<i>Sprattus sprattus</i>)	kg.	30%	-
0303 54 00	-- Mackerel (<i>Scomber scombrus</i> , <i>Scomber australasicus</i> , <i>Scomber japonicus</i>)	kg.	30%	-
0303 55 00	-- Jack and horse mackerel (<i>Trachurus spp.</i>)	kg.	30%	-
0303 56 00	-- Cobia (<i>Rachycentron canadum</i>)	kg.	30%	-
0303 57 00	-- Sword fish (<i>Xiphias gladius</i>)	kg.	30%	-
0303 59 00	-- Other	kg.	30%	-
	<i>Fish of the families Bregmacerotidae, Eulichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>			
0303 63 00	-- Cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	kg.	30%	-
0303 64 00	-- Haddock (<i>Melanogrammus aeglefinus</i>)	kg.	30%	-
0303 65 00	-- Coal fish (<i>Pollachius virens</i>)	kg.	30%	-
0303 66 00	-- Hake (<i>Merluccius spp.</i> , <i>Urophycis spp.</i>)	kg.	30%	-
0303 67 00	-- Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	30%	-
0303 68 00	-- Blue whittings (<i>Micromesistius poutassou</i> , <i>Micromesistius australis</i>)	kg.	30%	-
0303 69 00	-- Other	kg.	30%	-
	<i>Other fish, excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>			
0303 81	-- <i>Dogfish and other sharks:</i>			
0303 81 10	--- Dogfish	kg.	30%	-
0303 81 90	--- Other Sharks	kg.	30%	-
0303 82 00	-- Rays and skates (<i>Rajidae</i>)	kg.	30%	-
0303 83 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	30%	-
0303 84 00	-- Seabass (<i>Dicentrarchus spp.</i>)	kg.	30%	-
0303 89	-- <i>Other:</i>			
0303 89 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	30%	-
0303 89 20	--- Dara	kg.	30%	-
0303 89 30	--- Ribbon fish	kg.	30%	-
0303 89 40	--- Seer	kg.	30%	-
0303 89 50	--- Pomfret (white or silver or black)	kg.	30%	-
0303 89 60	--- Ghol	kg.	30%	-
0303 89 70	--- Threadfin	kg.	30%	-
0303 89 80	--- Croakers, groupers and flounders	kg.	30%	-
0303 89 90	--- Other	kg.	30%	-
	<i>Livers, roes, mill, fish fins, heads, tails, maws and other edible fish offal:</i>			

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
0303 91	-- Livers, roes and milt:			
0303 91 10	--- Egg or egg yolk of fish	kg.	30%	-
0303 91 90	--- Other	kg.	30%	-
0303 92	-- Shark fins:			
0303 92 10	--- Shark fins	kg.	30%	-
0303 99	-- Other:			
0303 99 10	--- Fish fins other than shark fins, heads, tails and maws	kg.	30%	-
0303 99 90	--- Other edible fish offal	kg.	30%	-";

(v) in heading 0304,—

(a) for the entry in column (2) occurring after the entry against heading 0304, the following shall be substituted, namely:—

“ Fresh or chilled fillets of tilapias (*Oreochromis spp.*), catfish (*Pangasius spp.*, *Silurus spp.*, *Clarias spp.*, *Ictalurus spp.*), carp (*Cyprinus spp.*, *Carassius spp.*, *Ctenopharyngodon idellus*, *Hypophthalmichthys spp.*, *Cirrhinus spp.*, *Mylopharyngodon piceus*, *Catla catla*, *Labeo spp.*, *Osteochilus hasselti*, *Leptobarbus hoeveni*, *Megalobrama spp.*), eels (*Anguilla spp.*), Nile perch (*Lates niloticus*) and snakeheads (*Channa spp.*);”

(b) for tariff items 0304 46 00 to 0304 99 00 and the entries relating thereto, the following shall be substituted, namely:—

“0304 46 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	30%	-
0304 47 00	-- Dogfish and other sharks	kg.	30%	-
0304 48 00	-- Rays and skates (<i>Rajidae</i>)	kg.	30%	-
0304 49	-- Other:			
0304 49 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	30%	-
0304 49 30	--- Seer	kg.	30%	-
0304 49 40	--- Tuna	kg.	30%	-
0304 49 90	--- Other	kg.	30%	-
	Other, fresh or chilled:			
0304 51 00	-- Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	30%	-
0304 52 00	-- Salmonidae	kg.	30%	-
0304 53 00	-- Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae	kg.	30%	-
0304 54 00	-- Sword fish (<i>Xiphias gladius</i>)	kg.	30%	-
0304 55 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	30%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
0304 56 00	-- Dogfish and other sharks	kg.	30%	-
0304 57 00	-- Rays and skates (<i>Rajidae</i>)	kg.	30%	-
0304 59	-- <i>Other:</i>			
0304 59 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	30%	-
0304 59 30	--- Seer	kg.	30%	-
0304 59 40	--- Tuna	kg.	30%	-
0304 59 90	--- Other	kg.	30%	-
	- <i>Frozen fillets of tilapias (Oreochromis spp.), catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.), carp (Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.), eels (Anguilla spp.), Nile perch (Lates niloticus) and snakeheads (Channa spp.):</i>			
0304 61 00	-- Tilapias (<i>Oreochromis spp.</i>)	kg.	30%	-
0304 62 00	-- Catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>)	kg.	30%	-
0304 63 00	-- Nile Perch (<i>Lates niloticus</i>)	kg.	30%	-
0304 69 00	-- Other	kg.	30%	-
	- <i>Frozen fillets of fish of Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae:</i>			
0304 71 00	-- Cod (<i>Gadus morhua, Gadus ogac, Gadus macrocephalus</i>)	kg.	30%	-
0304 72 00	-- Haddock (<i>Melanogrammus aeglefinus</i>)	kg.	30%	-
0304 73 00	-- Coal fish (<i>Pollachius virens</i>)	kg.	30%	-
0304 74 00	-- Hake (<i>Merluccius spp., Urophycis spp.</i>)	kg.	30%	-
0304 75 00	-- Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	30%	-
0304 79 00	-- Other	kg.	30%	-
	- <i>Frozen fillets of other fish:</i>			
0304 81 00	-- Pacific salmon (<i>Oncorhynchus nerka, Oncorhynchus gorbuscha, Oncorhynchus keta, Oncorhynchus tshawytscha, Oncorhynchus kisutch, Oncorhynchus masou and Oncorhynchus rhodurus</i>), Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	kg.	30%	-
0304 82 00	-- Trout (<i>Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarkii, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster</i>)	kg.	30%	-
0304 83 00	-- Flat fish (<i>Pleuronectidae, Bothidae, Cynoglossidae, Soleidae, Scophthalmidae and Citharidae</i>)	kg.	30%	-
0304 84 00	-- Sword fish (<i>Xiphias gladius</i>)	kg.	30%	-
0304 85 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	30%	-
0304 86 00	-- Herrings (<i>Clupea harengus, Clupea pallasii</i>)	kg.	30%	-
0304 87 00	-- Tunas (of the genus <i>Thunnus</i>), skipjack or stripe-bellied bonito	kg.	30%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
	<i>(Euthynnus (Katsuwonus) pelamis)</i>			
0304 88	-- Dogfish, other sharks Rays and skates (<i>Rajidae</i>):			
0304 88 10	--- Dogfish	kg.	30%	-
0304 88 20	--- Other sharks	kg.	30%	-
0304 88 30	--- Rays and skates (<i>Rajidae</i>)	kg.	30%	-
0304 89	-- Other:			
0304 89 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	30%	-
0304 89 30	--- Seer	kg.	30%	-
0304 89 40	--- Tuna	kg.	30%	-
0304 89 90	--- Other	kg.	30%	-
-	Other, frozen:			
0304 91 00	-- Sword fish (<i>Xiphias gladius</i>)	kg.	30%	-
0304 92 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	30%	-
0304 93 00	-- Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	30%	-
0304 94 00	-- Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	30%	-
0304 95 00	-- Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	30%	-
0304 96 00	-- Dogfish and other sharks	kg.	30%	-
0304 97 00	-- Rays and skates (<i>Rajidae</i>)	kg.	30%	-
0304 99 00	-- Other	kg.	30%	-";

(vi) in heading 0305,—

(a) for tariff item 0305 20 00 and the entries relating thereto, the following shall be substituted, namely:—

"0305 20 00	-	Livers, roes and milt of fish, dried, smoked, salted or in brine	kg.	30%	-";
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(b) for tariff item 0305 31 00 and the entries relating thereto, the following shall be substituted, namely:—

"0305 31 00	--	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	30%	-";
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(c) for tariff item 0305 44 00 and the entries relating thereto, the following shall be substituted, namely:—

"0305 44 00	--	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius</i>	kg.	30%	-";
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Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
	<i>spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus. Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i> , eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)			

(d) after tariff item 0305 51 00 and the entries relating thereto, the following shall be inserted, namely:—

0305 52 00	--	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>), carp (<i>Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus. Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	30%	-
0305 53 00	--	Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, other than cod (<i>Gadus morhua, Gadus ogac, Gadus macrocephalus</i>)	kg.	30%	-
0305 54 00	--	Herrings (<i>Clupea harengus, Clupea pallasii</i>), anchovies (<i>Engraulis spp.</i>), sardines (<i>Sardina pilchardus, Sardinops spp.</i>), sardinella (<i>Sardinella spp.</i>), brisling or sprats (<i>Sprattus sprattus</i>), mackerel (<i>Scomber scombrus, Scomber australasicus, Scomber japonicus</i>), Indian mackerels (<i>Rastrelliger spp.</i>), seerfishes (<i>Scomberomorus spp.</i>), jack and horse mackerel (<i>Trachurus spp.</i>), jacks, crevalles (<i>Caranx spp.</i>), cobia (<i>Rachycentron canadum</i>), silver pomfrets (<i>Pampus spp.</i>), Pacific saury (<i>Cololabis saira</i>), scads (<i>Decapterus spp.</i>), capelin (<i>Mallotus villosus</i>), Sword fish (<i>Xiphias gladius</i>), Kawakawa (<i>Euthynnus affinis</i>), bonitos (<i>Sarda spp.</i>), marlins, sailfishes, spearfish (<i>Istiophoridae</i>)	kg.	30%	-";

(e) for tariff item 0305 64 00 and the entries relating thereto, the following shall be substituted, namely:—

0305 64 00	--	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>), carp (<i>Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	30%	-";
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(vii) in heading 0306, for tariff items 0306 19 00 to 0306 29 00 and the entries relating thereto, the following shall be substituted, namely:—

0306 19 00	--	Other, including flours, meals and pellets of crustaceans, fit for human consumption	kg.	30%	-
	-	<i>Live, fresh or chilled:</i>			
0306 31 00	--	Rock lobster and other sea crawfish (<i>Palinurus spp., Jasus spp.</i>)	kg.	30%	-
0306 32 00	--	Lobsters (<i>Homarus spp.</i>)	kg.	30%	-
0306 33 00	--	Crabs	kg.	30%	-
0306 34 00	--	Norway lobsters (<i>Nephrops norvegicus</i>)	kg.	30%	-
0306 35 00	--	Cold water shrimps and prawns (<i>Pandalus spp., Crangon crangon</i>)	kg.	30%	-
0306 36 00	--	Other shrimps and prawns	kg.	30%	-
0306 39 00	--	Other, including flours, meals and pellets of crustaceans, fit for human consumption	kg.	30%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
-	<i>Other:</i>			
0306 91 00	-- Rock lobster and other sea crawfish (<i>Palinurus spp.</i> , <i>Jasus spp.</i>)	kg.	30%	-
0306 92 00	-- Lobsters (<i>Homarus spp.</i>)	kg.	30%	-
0306 93 00	-- Crabs	kg.	30%	-
0306 94 00	-- Norway lobsters (<i>Nephrops norvegicus</i>)	kg.	30%	-
0306 95 00	-- Shrimps and prawns	kg.	30%	-
0306 99 00	-- Other, including flours, meals and pellets of crustaceans, fit for human consumption	kg.	30%	-";

(viii) in heading 0307,—

(a) after tariff item 0307 11 00 and the entries relating thereto, the following shall be inserted, namely:—

0307 12 00	-- Frozen	kg.	30%	-";
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(b) after tariff item 0307 21 00 and the entries relating thereto, the following shall be inserted, namely:—

0307 22 00	-- Frozen	kg.	30%	-";
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(c) after tariff item 0307 31 00 and the entries relating thereto, the following shall be inserted, namely:—

0307 32 00	-- Frozen	kg.	30%	-";
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(d) for tariff items 0307 39 90 to 0307 49 90 and the entries relating thereto, the following shall be substituted, namely:—

0307 39 90	--- Other	kg.	30%	-
-	<i>Cuttle fish and squid:</i>			
0307 42	-- <i>Live, fresh or chilled:</i>			
0307 42 10	--- Cuttle fish	kg.	30%	-
0307 42 20	--- Squid	kg.	30%	-
0307 43	-- <i>Frozen:</i>			
0307 43 10	--- Cuttle fish	kg.	30%	-
0307 43 20	--- Whole squids	kg.	30%	-
0307 43 30	--- Squid tubes	kg.	30%	-
0307 49	-- <i>Other:</i>			
0307 49 10	--- Cuttle fish	kg.	30%	-
0307 49 20	--- Whole squids	kg.	30%	-
0307 49 30	--- Squid tubes	kg.	30%	-
0307 49 40	--- Dried squids	kg.	30%	-
0307 49 90	--- Other	kg.	30%	-";

(e) after tariff item 0307 51 00 and the entries relating thereto, the following shall be inserted, namely:—

0307 52 00	-- Frozen	kg.	30%	-";
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(f) after tariff item 0307 71 00 and the entries relating thereto, the following shall be inserted, namely:—

0307 72 00	-- Frozen	kg.	30%	-";
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Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
(g) for tariff items 0307 79 00 to 0307 89 00 and the entries relating thereto, the following shall be substituted, namely:—				
“0307 79 00	-- Other	kg.	30%	-
	- <i>Abalone (Haliotis Spp.) and stromboid conchs (Strombus spp.):</i>			
0307 81 00	-- Live, fresh or chilled abalone (<i>Haliotis spp.</i>)	kg.	30%	-
0307 82 00	-- Live, fresh or chilled stromboid conchs (<i>Strombus spp.</i>)	kg.	30%	-
0307 83 00	-- Frozen abalone (<i>Haliotis spp.</i>)	kg.	30%	-
0307 84 00	-- Frozen stromboid conchs (<i>Strombus spp.</i>)	kg.	30%	-
0307 87 00	-- Other abalone (<i>Haliotis spp.</i>)	kg.	30%	-
0307 88 00	-- Other stromboid conchs (<i>Strombus spp.</i>)	kg.	30%	-”;
(h) after tariff item 0307 91 00 and the entries relating thereto, the following shall be inserted, namely:—				
“0307 92 00	-- Frozen	kg.	30%	-”;
(ix) in heading 0308,—				
(a) for the entry in column (2) occurring after the entry against heading 0308, the following shall be substituted, namely:—				
“- <i>Sea cucumbers (Stichopus japonicus, Holothuroidea)</i> ”;				
(b) after tariff item 0308 11 00 and the entries relating thereto, the following shall be inserted, namely:—				
“0308 12 00	-- Frozen	kg.	30%	-”;
(c) for tariff items 0308 19 00 to 0308 21 00 and the entries relating thereto, the following shall be substituted, namely:—				
“0308 19 00	-- Other	kg.	30%	-
	- <i>Sea urchins (Strongylocentrotus spp., Paracentrotus lividus, Loxechinus albus, Echinus esculentus):</i>			
0308 21 00	-- Live, fresh or chilled	kg.	30%	-
0308 22 00	-- Frozen	kg.	30%	-”;
(2) in Chapter 4, in Note 4,—				
(A) in clause (a), the word “or” shall be omitted;				
(B) after clause (a), the following clause shall be inserted, namely:—				
“(b) products obtained from milk by replacing one or more of its natural constituents (for example, butyric fats) by another substance (for example, oleic fats) (heading 1901 or 2106); or”;				
(C) the existing clause (b) shall be re-lettered as (c);				
(3) in Chapter 5, for Note 4, the following Note shall be substituted, namely:—				
“4. Throughout the Schedule, the expression “horsehair” means hair of the manes or tails of equine or bovine animals. Heading 0511 covers, <i>inter alia</i> , horsehair and horsehair waste, whether or not put up as a layer with or without supporting material.”;				
(4) in Chapter 8, in heading 0805, for tariff item 0805 20 00 and the entries relating thereto, the following shall be substituted, namely:—				
“- <i>Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:</i>				
0805 21 00	-- Mandarins (including tangerines and satsumas)	kg.	30%	-
0805 22 00	-- Clementines	kg.	30%	-
0805 29 00	-- Other	kg.	30%	-”;

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(5) in Chapter 12,—

(i) for heading 1211 and the entries relating thereto, the following shall be substituted, namely:—

“1211	PLANTS AND PARTS OF PLANTS (INCLUDING SEEDS AND FRUITS), OF A KIND USED PRIMARILY IN PERFUMERY, IN PHARMACY OR FOR INSECTICIDAL, FUNGICIDAL OR SIMILAR PURPOSE, FRESH, CHILLED, FROZEN OR DRIED, WHETHER OR NOT CUT, CRUSHED OR POWDERED”;			
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(ii) after tariff item 1211 40 00 and the entries relating thereto, the following shall be inserted, namely:—

“1211 50 00	- Ephedra	kg.	30%	-”;
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(6) in Chapter 13, in heading 1302, after tariff item 1302 13 00 and the entries relating thereto, the following shall be inserted, namely:—

“1302 14 00	-- Of ephedra	kg.	30%	-”;
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(7) in Chapter 16,—

(i) in Sub-heading Note 1, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(ii) in heading 1604, after tariff item 1604 17 00 and the entries relating thereto, the following shall be inserted, namely:—

“1604 18 00	-- Shark fins	kg.	30%	-”;
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(8) in Chapter 19, for sub-heading 1901 10 and the entries relating thereto, the following shall be substituted, namely:—

“1901 10	- <i>Preparations suitable for infants or young children, put up for retail sale.”;</i>			
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(9) in Chapter 20,—

(i) in Sub-heading Note 1, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(ii) in Sub-heading Note 2, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(10) in Chapter 21, in Sub-heading Note 3, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted ;

(11) in Chapter 22,—

(i) for sub-heading 2202 90, tariff items 2202 90 10 to 2202 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“ -	<i>Other:</i>			
2202 91 00	-- Non alcoholic beer	l	30%	-
2202 99	-- <i>Other:</i>			
2202 99 10	--- Soya milk drinks, whether or not sweetened or flavoured	l	30%	-
2202 99 20	--- Fruit pulp or fruit juice based drink	l	30%	-
2202 99 30	--- Beverages containing milk	l	30%	-
2202 99 90	--- Other	l	30%	-”;

(ii) after tariff item 2204 21 90 and the entries relating thereto, the following shall be inserted, namely:—

“2204 22	-- <i>In containers holding more than 2 l but not more than 10 l:</i>			
2204 22 10	--- Port and other red wines	l	150%	-
2204 22 20	--- Sherry and other white wines	l	150%	-
2204 22 90	--- Other	l	150%	-”;

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(iii) for tariff item 2206 00 00 and the entries relating thereto, the following shall be substituted, namely:—

2206 00 00	OTHER FERMENTED BEVERAGES (FOR EXAMPLE, CIDER, PERRY, MEAD, SAKE); MIXTURES OF FERMENTED BEVERAGES AND NON-ALCOHOLIC BEVERAGES, NOT ELSEWHERE SPECIFIED OR INCLUDED	l	150%	-";
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(12) in Chapter 27.—

(i) for Sub-heading Note 4, the following shall be substituted, namely:—

4. For the purposes of sub-heading 2710 12, "light oils and preparations" are those of which 90 % or more by volume (including losses) distil at 210 °C according to the ISO 3405 method (equivalent to the ASTM D 86 method).";

(ii) for tariff item 2707 50 00 and the entries relating thereto, the following shall be substituted, namely:—

2707 50 00	Other aromatic hydrocarbon mixtures of which 65 % or more by volume (including losses) distils at 250 °C by the ISO 3405 method (equivalent to the ASTM D 86 method)	kg.	10%	-";
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(13) in Chapter 28.—

(i) for Note 7, the following shall be substituted, namely:—

7. Heading 2853 includes copper phosphide (phosphor copper) containing more than 15 % by weight of phosphorus.":

(ii) after tariff item 2811 11 00 and the entries relating thereto, the following shall be inserted, namely:—

2811 12 00	Hydrogen cyanide (hydrocyanic acid)	kg.	10%	-";
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(iii) tariff item 2811 19 10 and the entries relating thereto shall be omitted:

(iv) for sub-heading 2812 10, tariff items 2812 10 10 to 2812 90 00 and the entries relating thereto, the following shall be substituted, namely:—

	<i>Chlorides and chloride oxides:</i>			
2812 11 00	Carbonyl dichloride (phosgene)	kg.	10%	-
2812 12 00	Phosphorous oxychloride	kg.	10%	-
2812 13 00	Phosphorous trichloride	kg.	10%	-
2812 14 00	Phosphorous pentachloride	kg.	10%	-
2812 15 00	Sulphur monochloride	kg.	10%	-
2812 16 00	Sulphur dichloride	kg.	10%	-
2812 17 00	Thionyl chloride	kg.	10%	-
2812 19	<i>Other:</i>			
2812 19 10	Sulphur oxychloride	kg.	10%	-
2812 19 20	Silicon tetrachloride	kg.	10%	-
2812 19 30	Arsenous trichloride	kg.	10%	-
2812 19 90	Other	kg.	10%	-
2812 90 00	Other	kg.	10%	-";

(v) the heading 2848, sub-heading 2848 00, tariff items 2848 00 10 to 2848 00 90 and the entries relating thereto shall be omitted:

(vi) for heading 2853, sub-heading 2853 00, tariff items 2853 00 10 to 2853 00 99 and the entries relating thereto, the following shall be substituted, namely:—

2853	PHOSPHIDES, WHETHER OR NOT CHEMICALLY DEFINED, EXCLUDING FERROPHOSPHORUS; OTHER INORGANIC COMPOUNDS (INCLUDING DISTILLED OR CONDUCTIVITY
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Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
	WATER AND WATER OF SIMILAR PURITY); LIQUID AIR (WHETHER OR NOT RARE GASES HAVE BEEN REMOVED); COMPRESSED AIR; AMALGAMS, OTHER THAN AMALGAMS OF PRECIOUS METALS			
2853 10 00	- Cyanogen chloride (chlorcyan)	kg.	10%	-
2853 90	- <i>Other:</i>			
2853 90 10	--- Distilled or conductivity water and water of similar purity	kg.	10%	-
2853 90 20	--- Liquid air, whether or not rare gases have been removed	kg.	10%	-
2853 90 30	--- Compressed air	kg.	10%	-
2853 90 40	--- Amalgams, other than of precious metals	kg.	10%	-
2853 90 90	--- Other	kg.	10%	-";

(14) in Chapter 29,—

(i) after tariff item 2903 82 00 and the entries relating thereto, the following shall be inserted, namely:—

"2903 83 00	--	Mirex (ISO)	kg.	10%	-";
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(ii) after tariff item 2903 92 29 and the entries relating thereto, the following shall be inserted, namely:—

"2903 93 00	--	Pentachlorobenzene (ISO)	kg.	10%	-
2903 94 00	--	Hexabromobiphenyls	kg.	10%	-";

(iii) in heading 2904,—

(a) after tariff item 2904 20 90 and the entries relating thereto, the following shall be inserted, namely:—

" - *Perfluorooctane sulphonic acid, its salts and perfluorooctane sulphonyl fluoride:*

2904 31 00	--	Perfluorooctane sulphonic acid	kg.	10%	-
2904 32 00	--	Ammonium perfluorooctane sulphonate	kg.	10%	-
2904 33 00	--	Lithium perfluorooctane sulphonate	kg.	10%	-
2904 34 00	--	Potassium perfluorooctane sulphonate	kg.	10%	-
2904 35 00	--	Other salts of perfluorooctane sulphonic acid	kg.	10%	-
2904 36 00	--	Perfluorooctane sulphonyl fluoride	kg.	10%	-";

(b) for sub-heading 2904 90, tariff items 2904 90 10 to 2904 90 90 and the entries relating thereto, the following shall be substituted, namely:—

" - *Other:*

2904 91 00	--	Trichloronitromethane (chloropicrin)	kg.	10%	-
2904 99	--	<i>Other:</i>			
2904 99 10	---	2, 5 dichloronitrobenzene	kg.	10%	-
2904 99 20	---	Dinitrochlorobenzene	kg.	10%	-
2904 99 30	---	Meta nitrochlorobenzene	kg.	10%	-
2904 99 40	---	Ortho nitrochlorobenzene	kg.	10%	-
2904 99 50	---	Para nitrochlorobenzene	kg.	10%	-
2904 99 60	---	2-nitrochlorotoluene	kg.	10%	-
2904 99 70	---	Sodium meta nitrochlorobenzene sulphonate	kg.	10%	-
2904 99 90	---	Other	kg.	10%	-";

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
(iv) after tariff item 2910 40 00 and the entries relating thereto, the following shall be inserted, namely:—				
"2910 50 00	- Endrin (ISO)	kg.	10%	-";
(v) in heading 2914,—				
(a) after tariff item 2914 61 00 and the entries relating thereto, the following shall be inserted, namely:—				
"2914 62 00	-- Coenzyme Q10 (ubidecarenone (INN))	kg.	10%	-";
(b) for sub-heading 2914 70, tariff items 2914 70 10 to 2914 70 90 and the entries relating thereto, the following shall be substituted, namely:—				
" - <i>Halogenated, sulphonated, nitrated or nitrosated derivatives:</i>				
2914 71 00	-- Chlordecone (ISO)	kg.	10%	-
2914 79	-- <i>Other:</i>			
2914 79 10	--- 1-chloro anthraquinone	kg.	10%	-
2914 79 20	--- Musk ketone	kg.	10%	-
2914 79 90	--- Other	kg.	10%	-";
(vi) after tariff item 2918 16 90 and the entries relating thereto, the following shall be inserted, namely:—				
"2918 17 00	-- 2, 2-Diphenyl-2-hydroxyacetic acid (benzilic acid)	kg.	10%	-";
(vii) for sub-heading 2920 90, tariff items 2920 90 10 to 2920 90 44 and the entries relating thereto, the following shall be substituted, namely:—				
" - <i>Phosphite esters and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives:</i>				
2920 21 00	-- Dimethyl phosphite	kg.	10%	-
2920 22 00	-- Diethyl phosphite	kg.	10%	-
2920 23 00	-- Trimethyl phosphite	kg.	10%	-
2920 24 00	-- Triethyl phosphite	kg.	10%	-
2920 29	-- <i>Other:</i>			
2920 29 10	--- Dimethyl sulphate	kg.	10%	-
2920 29 20	--- Diethyl sulphate	kg.	10%	-
2920 29 30	--- Tris (2, 3 Dibromopropyl) phosphate	kg.	10%	-
2920 29 90	--- Other	kg.	10%	-
2920 30 00	- Endosulfan (ISO)	kg.	10%	-";
(viii) for sub-heading 2921 19, tariff items 2921 19 11 to 2921 19 90 and the entries relating thereto, the following shall be substituted, namely:—				
"2921 12 00	-- 2-(N, N-Dimethylamino)ethylchloride hydrochloride	kg.	10%	-
2921 13 00	-- 2-(N, N-Diethylamino)ethylchloride hydrochloride	kg.	10%	-
2921 14 00	-- 2-(N, N-Diisopropylamino)ethylchloride hydrochloride	kg.	10%	-
2921 19	-- <i>Other:</i>			
2921 19 10	--- 2-Chloro N, N-Diisopropyl ethylamine	kg.	10%	-
2921 19 20	--- 2-Chloro N, N-Dimethyl ethanamine	kg.	10%	-
2921 19 90	--- Other	kg.	10%	-";
(ix) for sub-heading 2922 12, tariff items 2922 12 10 to 2922 12 90 and the entries relating thereto, the following shall be substituted, namely:—				

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
"2922 12 00 --	Diethanolamine and its salts	kg.	10%	-";
(x) for sub-heading 2922 13, tariff items 2922 13 10 to 2922 13 90, tariff item 2922 14 00, sub-heading 2922 19, tariff items 2922 19 40 to 2922 19 90 and the entries relating thereto, the following shall be substituted, namely:—				
"2922 14 00 --	Dextropropoxyphene (INN) and its salts	kg.	10%	-
2922 15 00 --	Triethanolamine	kg.	10%	-
2922 16 00 --	Diethanolammonium perfluorooctane sulphonate	kg.	10%	-
2922 17 --	<i>Methyldiethanolamine and ethyldiethanolamine:</i>			
2922 17 10 ---	Methyldiethanolamine	kg.	10%	-
2922 17 20 ---	Ethyldiethanolamine	kg.	10%	-
2922 18 00 --	2-(N, N-Diisopropylamino) ethanol	kg.	10%	-
2922 19 --	<i>Other:</i>			
2922 19 10 ---	2-Hydroxy N, N-Diisopropyl ethylamine	kg.	10%	-
2922 19 90 ---	Other	kg.	10%	-";
(xi) after tariff item 2923 20 90 and the entries relating thereto, the following shall be inserted, namely:—				
"2923 30 00 -	Tetraethylammonium perfluorooctane sulphonate	kg.	10%	-
2923 40 00 -	Didecyltrimethylammonium perfluorooctane sulphonate	kg.	10%	-";
(xii) after tariff item 2924 24 00 and the entries relating thereto, the following shall be inserted, namely:—				
"2924 25 00 --	Alachlor (ISO)	kg.	10%	-";
(xiii) after tariff item 2926 30 00 and the entries relating thereto, the following shall be inserted, namely:—				
"2926 40 00 -	Alpha-phenylacetoacetonitrile	kg.	10%	-";
(xiv) for tariff item 2930 50 00 and the entries relating thereto, the following shall be substituted, namely:—				
"2930 60 00 -	2-(N, N-Diethylamino)ethanethiol	kg.	10%	-
2930 70 00 -	Bis(2-hydroxyethyl)sulfide (thiodiglycol (INN))	kg.	10%	-
2930 80 00 -	Aldicarb (ISO), captafol (ISO) and methamidophos (ISO)	kg.	10%	-";
(xv) after tariff item 2931 20 00 and the entries relating thereto, the following shall be inserted, namely:—				
" --	<i>Other organo-phosphorous derivatives:</i>			
2931 31 00 --	Dimethyl methylphosphonate	kg.	10%	-
2931 32 00 --	Dimethyl propylphosphonate	kg.	10%	-
2931 33 00 --	Diethyl ethylphosphonate	kg.	10%	-
2931 34 00 --	Sodium 3-(trihydroxysilyl)propyl methylphosphonate	kg.	10%	-
2931 35 00 --	2, 4, 6-tripropyl-1, 3, 5, 2, 4, 6-trioxatriphosphinane 2, 4, 6-trioxide	kg.	10%	-
2931 36 00 --	(5-Ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl)methyl methylphosphonate	kg.	10%	-
2931 37 00 --	Is[(5-ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl)methyl] methylphosphonate	kg.	10%	-
2931 38 00 --	Salt of methylphosphonic acid and (aminoiminomethyl)urea (1: 1)	kg.	10%	-
2931 39 00 --	Other	kg.	10%	-";
(xvi) after tariff item 2932 13 00 and the entries relating thereto, the following shall be inserted, namely:—				
"2932 14 00 --	Sucralose	kg.	10%	-";

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(xvii) after tariff item 2933 91 00 and the entries relating thereto, the following shall be inserted, namely:—

"2933 92 00	--	Azinphos-methyl (ISO)	kg.	10%	-";
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(xviii) for heading 2935, sub-heading 2935 00, tariff items 2935 00 11 to 2935 00 90 and the entries relating thereto, the following shall be substituted, namely:—

"2935		SULPHONAMIDES			
2935 10 00	-	N-Methylperfluorooctane sulphonamide	kg.	10%	-
2935 20 00	-	N-Ethylperfluorooctane sulphonamide	kg.	10%	-
2935 30 00	-	N-Ethyl-N-(2-hydroxyethyl) perfluorooctane sulphonamide	kg.	10%	-
2935 40 00	-	N-(2-Hydroxyethyl)-N-methylperfluorooctane sulphonamide	kg.	10%	-
2935 50 00	-	Other perfluorooctane sulphonamides	kg.	10%	-
2935 90	-	<i>Other:</i>			
	---	<i>Sulphameithoxazole, sulphafurazole, sulphadiazine, sulphadimidine, sulphacetamide:</i>			
2935 90 11	----	Sulphamethoxazole	kg.	10%	-
2935 90 12	----	Sulphafurazole	kg.	10%	-
2935 90 13	----	Sulphadiazine	kg.	10%	-
2935 90 14	----	Sulphadimidine	kg.	10%	-
2935 90 15	----	Sulphacetamide	kg.	10%	-
	---	<i>Sulphamethoxyipyridarine, sulphamethiazole, sulphamoxole, sulphamide:</i>			
2935 90 21	----	Sulphamethoxyipyridarine	kg.	10%	-
2935 90 22	----	Sulphamethiazole	kg.	10%	-
2935 90 23	----	Sulphamoxole	kg.	10%	-
2935 90 24	----	Sulphamide	kg.	10%	-
2935 90 90	---	Other	kg.	10%	-";

(xix) for the tariff item 2937 31 00 and the entries relating thereto, the following shall be substituted, namely:—

"2937 31 00	--	Epinephrine	kg.	10%	10%";
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(xx) in the entry under column (2) occurring after tariff item 2937 90 90 and the entries relating thereto, the word "VEGETABLE" shall be omitted;

(xxi) for heading 2939 and the entries relating thereto, the following shall be substituted, namely:—

"2939		ALKALOIDS, NATURAL OR REPRODUCED BY SYNTHESIS, AND THEIR SALTS, ETHERS, ESTERS AND OTHER DERIVATIVES";			
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(xxii) for tariff items 2939 69 00 to 2939 99 00 and the entries relating thereto, the following shall be substituted, namely:—

"2939 69 00	--	Other	kg.	10%	-
	-	<i>Other, of vegetal origin:</i>			
2939 71 00	--	Cocaine, ecgonine, levometamfetamine, metamfetamine (INN), metamfetamine racemate; salts, esters and other derivatives thereof	kg.	10%	-
2939 79 00	--	Other	kg.	10%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

2939 80 00 - Other kg. 10% -";

(15) in Chapter 30,—

(i) after Note 4, the following shall be inserted, namely:—

“Sub-heading Notes:

1. For the purposes of sub-headings 3002 13 and 3002 14, the following are to be treated:

(a) as unmixed products, pure products, whether or not containing impurities;

(b) as products which have been mixed:

(1) the products mentioned in (a) above dissolved in water or in other solvents;

(2) the products mentioned in (a) and (b) (1) above with an added stabiliser necessary for their preservation or transport; and

(3) the products mentioned in (a), (b) (1) and (b) (2) above with any other additive.

2. Sub-headings 3003 60 and 3004 60 cover medicaments containing artemisinin (INN) for oral ingestion combined with other pharmaceutical active ingredients, or containing any of the following active principles, whether or not combined with other pharmaceutical active ingredients: amodiaquine (INN); artelinic acid or its salts; arteminol (INN); artemotil (INN); artemether (INN); artesunate (INN); chloroquine (INN); dihydroartemisinin (INN); lumefantrine (INN); mefloquine (INN); piperaquine (INN); pyrimethamine (INN) or sulfadoxine (INN).”;

(ii) for sub-heading 3002 10, tariff items 3002 10 11 to 3002 10 99 and the entries relating thereto, the following shall be substituted, namely:—

	“ -	<i>Antisera, other blood fractions and immunological products, whether or not modified or obtained by biotechnological processes:</i>			
3002 11 00	--	Malaria diagnostic test kits	kg.	10%	10%
3002 12	--	<i>Antisera and other blood fractions:</i>			
3002 12 10	---	For diphtheria	kg.	10%	10%
3002 12 20	---	For tetanus	kg.	10%	10%
3002 12 30	---	For rabies	kg.	10%	10%
3002 12 40	---	For snake venom	kg.	10%	10%
3002 12 90	---	Other	kg.	10%	10%
3002 13	--	<i>Immunological products, unmixed, not put up in measured doses or in forms or packings for retail sale:</i>			
3002 13 10	---	Immunological products, unmixed, not put up in measured doses or in forms or packings for retail sale	kg.	10%	10%
3002 14	--	<i>Immunological products, mixed, not put up in measured doses or in forms or packings for retail sale:</i>			
3002 14 10	---	Immunological products, mixed, not put up in measured doses or in forms or packings for retail sale	kg.	10%	10%
3002 15 00	--	Immunological products, put up in measured doses or in forms or packings for retail sale	kg.	10%	10%
3002 19 00	--	Other	kg.	10%	10%”;

(iii) for tariff items 3003 20 00 to 3003 40 00 and the entries relating thereto, the following shall be substituted, namely:—

“3003 20 00	-	Other, containing antibiotics	kg.	10%	10%
	-	<i>Other, containing hormones or other products of heading 2937:</i>			
3003 31 00	--	Containing insulin	kg.	10%	10%

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
3003 39 00	-- Other	kg.	10%	10%
	- <i>Other, containing alkaloids or derivatives thereof:</i>			
3003 41 00	-- Containing ephedrine or its salts	kg.	10%	10%
3003 42 00	-- Containing pseudoephedrine (INN) or its salts	kg.	10%	10%
3003 43 00	-- Containing norephedrine or its salts	kg.	10%	10%
3003 49 00	-- Other	kg.	10%	10%
3003 60 00	- Other, containing antimalarial active principles described in Sub-heading Note 2 to this Chapter	kg.	10%	10%";

(iv) in heading 3004,—

(a) for sub-heading 3004 20 and the entries relating thereto, the following shall be substituted, namely:—

"3004 20 -- *Other, containing antibiotics.*";

(b) for tariff item 3004 20 99, sub-heading 3004 31 and the entries relating thereto, the following shall be substituted, namely:—

"3004 20 99 ---- Other kg. 10% 10%

- *Other, containing hormones and other products of heading 2937:*

3004 31 -- *Containing insulin.*";

(c) for sub-heading 3004 40, tariff items 3004 40 10 to 3004 40 90 and the entries relating thereto, the following shall be substituted, namely:—

"- *Other, containing alkaloids or derivatives thereof:*

3004 41 00	-- Containing ephedrine or its salts	kg.	10%	10%
3004 42 00	-- Containing pseudoephedrine (INN) or its salts	kg.	10%	10%
3004 43 00	-- Containing norephedrine or its salts	kg.	10%	10%
3004 49	-- <i>Other:</i>			
3004 49 10	--- Atropin and salts thereof	kg.	10%	10%
3004 49 20	--- Caffein and salts thereof	kg.	10%	10%
3004 49 30	--- Codeine and derivatives, with or without ephedrine hydrochloride	kg.	10%	10%
3004 49 40	--- Ergot preparations, ergotamine and salts thereof	kg.	10%	10%
3004 49 50	--- Papavarine hydrochloride	kg.	10%	10%
3004 49 60	--- Bromohexin and solbutamol	kg.	10%	10%
3004 49 70	--- Theophylline and salts thereof	kg.	10%	10%
3004 49 90	--- Other	kg.	10%	10%";

(d) for sub-heading 3004 50 and the entries relating thereto, the following shall be substituted, namely:—

"3004 50 - *Other, containing vitamins or other products of heading 2936.*";

(e) after tariff item 3004 50 90 and the entries relating thereto, the following shall be inserted, namely:—

"3004 60 00 - Other, containing antimalarial active principles described in Sub-heading Note 2 to this Chapter kg. 10% 10%";

(16) in Chapter 31, in heading 3103, for tariff item 3103 10 00 and the entries relating thereto, the following shall be substituted, namely:—

"- *Superphosphates:*

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
3103 11 00 --	Containing by weight 35 % or more of diphosphorus pentaoxide (P ₂ O ₅)	kg.	10%	-
3103 19 00 --	Other	kg.	10%	-";

(17) in Chapter 37, in heading 3705, for tariff item 3705 10 00, sub-heading 3705 90, tariff items 3705 90 10 and 3705 90 90 and the entries relating thereto, the following shall be substituted, namely:—

3705 00 00 --	PHOTOGRAPHIC PLATES AND FILM, EXPOSED AND DEVELOPED, OTHER THAN CINEMATOGRAPHIC FILM	kg.	10%	-";
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(18) in Chapter 38.—

(i) for Sub-heading Notes 1 and 2, the following shall be substituted, namely:—

* Sub-heading Notes:

1. Sub-headings 3808 52 and 3808 59 cover only goods of heading 3808, containing one or more of the following substances: alachlor (ISO); aldicarb (ISO); aldrin (ISO); azinphos-methyl (ISO); binapacryl (ISO); camphechlor (ISO) (toxaphene); captafol (ISO); chlordane (ISO); chlordimeform (ISO); chlorobenzilate (ISO); DDT (ISO) (clofenotane (INN), 1, 1, 1-trichloro-2, 2-bis(p-chlorophenyl)ethane); dieldrin (ISO, INN); 4, 6- dinitro-o-cresol (DNOC (ISO)) or its salts; dinoseb (ISO), its salts or its esters; endosulfan (ISO); ethylene dibromide (ISO) (1, 2-dibromoethane); ethylene dichloride (ISO) (1, 2-dichloroethane); fluoroacetamide (ISO); heptachlor (ISO); hexachlorobenzene (ISO); 1, 2, 3, 4, 5, 6- hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN); mercury compounds; methamidophos (ISO); monocrotophos (ISO); oxirane (ethylene oxide); parathion (ISO); parathion-methyl (ISO) (methylparathion); penta- and octabromodiphenyl ethers; pentachlorophenol (ISO), its salts or its esters; perfluorooctane sulphonic acid and its salts; perfluorooctane sulphonamides; perfluorooctane sulphonyl fluoride; phosphamidon (ISO); 2, 4, 5-T (ISO) (2, 4, 5-trichlorophenoxyacetic acid), its salts or its esters; tributyltin compounds.

Sub-heading 3808 59 also covers dustable powder formulations containing a mixture of benomyl (ISO), carbofuran (ISO) and thiram (ISO).

2. Sub-headings 3808 61 to 3808 69 cover only goods of heading 3808, containing alpha-cypermethrin (ISO), bendiocarb (ISO), bifenthrin (ISO), chlorfenapyr (ISO), cyfluthrin (ISO), deltamethrin (INN, ISO), etofenprox (INN), fenitrothion (ISO), lambda-cyhalothrin (ISO), malathion (ISO), pirimiphos-methyl (ISO) or propoxur (ISO).

3. Sub-headings 3824 81 to 3824 88 cover only mixtures and preparations containing one or more of the following substances: oxirane (ethylene oxide), polybrominated biphenyls (PBBs), polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs), tris(2, 3-dibromopropyl) phosphate, aldrin (ISO), camphechlor (ISO) (toxaphene), chlordane (ISO), chlordecone (ISO), DDT (ISO) (clofenotane (INN), 1, 1, 1-trichloro-2, 2-bis(pchlorophenyl)ethane), dieldrin (ISO, INN), endosulfan (ISO), endrin (ISO), heptachlor (ISO), mirex (ISO), 1, 2, 3, 4, 5, 6-hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN), pentachlorobenzene (ISO), hexachlorobenzene (ISO), perfluorooctane sulphonic acid, its salts, perfluorooctane sulphonamides, perfluorooctane sulphonyl fluoride or tetra-, penta-, hexa-, hepta- or octabromodiphenyl ethers.

4. For the purposes of tariff items 3825 41 00 and 3825 49 00, "waste organic solvents" are wastes containing mainly organic solvents, not fit for further use as presented as primary products, whether or not intended for recovery of solvents.;

(ii) for sub-heading 3808 50 and tariff item 3808 50 00 and the entries relating thereto, the following shall be substituted, namely:—

<i>Goods specified in Sub-heading Note 1 to this Chapter:</i>				
3808 52 00 --	DDT (ISO) (clofenotane (INN)), in packings of a net weight content not exceeding 300 g.	kg.	10%	-
3808 59 00 --	Other	kg.	10%	-
<i>Goods specified in Sub-heading Note 2 to this Chapter:</i>				
3808 61 00 --	In packings of a net weight content not exceeding 300 g	kg.	10%	-
3808 62 00 --	In packings of a net weight content exceeding 300 g but not exceeding 7.5 kg.	kg.	10%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
3808 69 00	-- Other	kg.	10%	-";
(iii) for sub-heading 3812 30 and tariff items 3812 30 10 to 3812 30 90 and the entries relating thereto, the following shall be substituted, namely:—				
" -	<i>Anti-oxidising preparations and other compound stabilizers for rubber or plastics:</i>			
3812 31 00	-- Mixtures of oligomers of 2, 2, 4-trimethyl-1, 2-dihydroquinoline (TMQ)	kg.	10%	-
3812 39	-- <i>Other:</i>			
3812 39 10	--- Anti-oxidants for rubber	kg.	10%	-
3812 39 20	--- Softeners for rubber	kg.	10%	-
3812 39 30	--- Vulcanizing agents for rubber	kg.	10%	-
3812 39 90	--- Other	kg.	10%	-";
(iv) for tariff items 3824 79 00 to 3824 83 00, sub-heading 3824 90, tariff items 3824 90 11 to 3824 90 90 and the entries relating thereto, the following shall be substituted, namely:—				
"3824 79 00	-- Other	kg.	10%	-
-	<i>Goods specified in Sub-heading Note 3 to this Chapter:</i>			
3824 81 00	-- Containing oxirane (ethylene oxide)	kg.	10%	-
3824 82 00	-- Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	kg.	10%	-
3824 83 00	-- Containing tris(2, 3-dibromopropyl) phosphate	kg.	10%	-
3824 84 00	-- Containing aldrin (ISO), camphechlor (ISO) (toxaphene), chlordane (ISO), chlordane (ISO), DDT (ISO) (clofenotane (INN), 1, 1, 1-trichloro-2, 2-bis(p-chlorophenylethane), dieldrin (ISO, INN), endosulfan (ISO), endrin (ISO), heptachlor (ISO) or mirex (ISO)	kg.	10%	-
3824 85 00	-- Containing 1, 2, 3, 4, 5, 6-hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN)	kg.	10%	-
3824 86 00	-- Containing pentachlorobenzene (ISO) or hexachlorobenzene (ISO)	kg.	10%	-
3824 87 00	-- Containing perfluorooctane sulphonic acid, its salts, perfluorooctane sulphonamides, or perfluorooctane sulphonyl fluoride	kg.	10%	-
3824 88 00	-- Containing tetra-, penta-, hexa- hepta- or octabromodiphenyl ethers	kg.	10%	-
3824 91 00	-- Mixtures and preparations consisting mainly of (5-ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl)methyl methyl methylphosphonate and bis[(5-ethyl-2-methyl-2-oxido-1, 3, 2- dioxaphosphinan-5-yl) methyl] methylphosphonate:			
3824 99	-- <i>Other:</i>			
---	<i>Ammoniacal gas liquors and spent oxide produced in coal gas purification, case hardening compound, heat transfer salts; mixture of diphenyl and diphenyl oxide as heat transfer medium, mixed polyethylene glycols; salts for curing or salting, surface tension reducing agents:</i>			
3824 99 11	---- Ammoniacal gas liquors and spent oxide produced in coal gas purification	kg.	10%	-
3824 99 12	---- Case hardening compound	kg.	10%	-
3824 99 13	---- Heat transfer salts	kg.	10%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
3824 99 14	Mixture of diphenyl and diphenyl oxide as heat transfer medium	kg.	10%	-
3824 99 15	Mixed polyethylene glycols	kg.	10%	-
3824 99 16	Salts for curing or salting	kg.	10%	-
3824 99 17	Surface tension reducing agents	kg.	10%	-
	<i>Electroplating salts; water treatment chemicals; ion exchanger, correcting fluid; precipitated silica and silica gel; oil well chemical:</i>			
3824 99 21	Electroplating salts	kg.	10%	-
3824 99 22	Water treatment chemicals; ion exchanger (INN) such as permutits, zero-lites	kg.	10%	-
3824 99 23	Gramophone records making material	kg.	10%	-
3824 99 24	Correcting fluid	kg.	10%	-
3824 99 25	Precipitated silica and silica gel	kg.	10%	-
3824 99 26	Oil well chemical	kg.	10%	-
	<i>Mixture containing perhalogenated derivatives of acyclic hydrocarbons containing two or more different halogens other than chlorine and fluorine; ferrite powder; capacitor fluids - PCB type; dipping oil for treatment of grapes; Poly brominated biphenyls, poly chlorinated biphenyls, Poly chlorinated terphenyls, crocidolite; goods of a kind known as "hazardous waste"; phosphogypsum:</i>			
3824 99 31	Mixture containing perhalogenated derivatives of acyclic hydrocarbons containing two or more different halogens other than chlorine and fluorine	kg.	10%	-
3824 99 32	Ferrite powder	kg.	10%	-
3824 99 33	Capacitor fluids - PCB type	kg.	10%	-
3824 99 34	Dipping oil for treatment of grapes	kg.	10%	-
3824 99 35	Poly brominated biphenyls, poly chlorinated biphenyls, Poly chlorinated terphenyls, crocidolite	kg.	10%	-
3824 99 36	Goods of a kind known as "hazardous waste"	kg.	10%	-
3824 99 37	Phosphogypsum	kg.	10%	-
3824 99 38	Phosphonic Acid, Methyl-compound with (aminoimino methyl) urea (1: 1)	kg.	10%	-
3824 99 90	Other	kg.	10%	-";

(19) in Chapter 39,—

(i) in Note 2, in clause (z), after the words "propelling pencils", the words " and monopods, bipods, tripods and similar articles" shall be inserted;

(ii) in Sub-heading Note I, in clause (a), in sub-clause (2), after the figures "3901 30," the figures "3901 40," shall be inserted;

(iii) in heading 3901, after tariff item 3901 30 00 and the entries relating thereto, the following shall be inserted, namely:—

"3901 40 00	-	Ethylene-alpha-olefin copolymers, having a specific gravity of less than 0.94	kg.	10%	-";
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(iv) in heading 3907, for sub-heading 3907 60 and tariff items 3907 60 10 to 3907 60 90 and the entries relating thereto, the following shall be substituted, namely:—

" - Poly(ethylene terephthalate):

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
3907 61 00	-- Having a viscosity number of 78 ml/g or higher	kg.	10%	-
3907 69	-- <i>Other:</i>			
3907 69 10	--- Having a viscosity number less than 78 ml/g but not less than 72 ml/g	kg.	10%	--
3907 69 20	--- Having a viscosity number less than 72 ml/g but not less than 64 ml/g	kg.	10%	-
3907 69 90	--- Other	kg.	10%	-";

(v) for sub-heading 3909 30 and tariff items 3909 30 10 to 3909 30 90 and the entries relating thereto, the following shall be substituted namely:—

"	-- <i>Other amino-resins:</i>			
3909 31 00	-- Poly(methylene phenyl isocyanate) (crude MDI, polymeric MDI)	kg.	10%	-
3909 39	-- <i>Other:</i>			
3909 39 10	--- Poly(phenylene oxide)	kg.	10%	-
3909 39 90	--- Other	kg.	10%	-";

(20) in Chapter 40, in heading 4011, for tariff items 4011 50 90 to 4011 99 00 and the entries relating thereto, the following shall be substituted, namely:—

"4011 50 90	--- Other	u	10%	-
4011 70 00	- Of a kind used on agricultural or forestry vehicles and machines	u	10%	-
4011 80 00	- Of a kind used on construction, mining or industrial handling vehicles and machines	u	10%	-
4011 90 00	- Other	u	10%	-";

(21) in Chapter 42,—

(i) in heading 4202,—

(a) for sub-heading 4202 22 and the entries relating thereto, the following shall be substituted, namely:—

"4202 22 -- *With outer surface of sheeting of plastics or of textile materials: "*

(b) for sub-heading 4202 32 and the entries relating thereto, the following shall be substituted, namely:—

"4202 32 -- *With outer surface of sheeting of plastics or of textile materials: "*

(c) for tariff item 4202 92 00 and the entries relating thereto, the following shall be substituted, namely:—

"4202 92 00 -- With outer surface of sheeting of plastics or of textile materials u 10% -";

(22) in Chapter 44,—

(i) in Note 1, in clause (g), for the word "pencils", the words "pencils, and monopods, bipods, tripods and similar articles" shall be substituted;

(ii) the Sub-heading Note 2 shall be omitted;

(iii) in heading 4401,—

(a) for sub-heading 4401 10, tariff items 4401 10 10, 4401 10 90 and the entries relating thereto, the following shall be substituted namely:—

"	-- <i>Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms:</i>			
4401 11	-- <i>Coniferous:</i>			
4401 11 10	--- In logs	mt	5%	-
4401 11 90	--- Other	mt	5%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
401 12	-- <i>Non-coniferous:</i>			
401 12 10	--- In logs	mt	5%	-
401 12 90	--- Other	mt	5%	-";
(b) for tariff items 4401 22 00 and 4401 31 00 and the entries relating thereto, the following shall be substituted, namely:—				
4401 22 00	-- Non-coniferous	mt	5%	-
	- <i>Sawdust and wood waste and scrap, agglomerated, in logs, briquettes, pellets or similar forms:</i>			
4401 31 00	-- Wood pellets	mt	5%	-";
(c) after tariff item 4401 39 00 and the entries relating thereto, the following shall be inserted, namely:—				
4401 40 00	- Sawdust and wood waste and scrap, not agglomerated	mt	5%	-";
(iv) in heading 4403,—				
(a) for tariff item 4403 10 00, sub-heading 4403 20 and tariff items 4403 20 10 to 4403 41 00 and the entries relating thereto, the following shall be substituted, namely:—				
	-- <i>Treated with paint, stains, creosote or other preservatives:</i>			
4403 11 00	-- Coniferous	m ³	5%	-
4403 12 00	-- Non-coniferous	m ³	5%	-
	- <i>Other, coniferous:</i>			
4403 21	-- <i>Of pine (Pinus spp.), of which any cross-sectional dimension is 15 cm or more:</i>			
4403 21 10	--- Saw logs and veneer logs	m ³	5%	-
4403 21 20	--- Poles, pilings and posts	m ³	5%	-
4403 21 90	--- Other	m ³	5%	-
4403 22	-- <i>Of pine (Pinus spp.), other:</i>			
4403 22 10	--- Saw logs and veneer logs	m ³	5%	-
4403 22 20	--- Poles, pilings and posts	m ³	5%	-
4403 22 90	--- Other	m ³	5%	-
4403 23	-- <i>Of fir (Abies spp.) and spruce (Picea spp.), of which any cross-sectional dimension is 15 cm or more:</i>			
4403 23 10	--- Saw logs and veneer logs	m ³	5%	-
4403 23 20	--- Poles, pilings and posts	m ³	5%	-
4403 23 90	--- Other	m ³	5%	-
4403 24	-- <i>Of fir (Abies spp.) and spruce (Picea spp.), other:</i>			
4403 24 10	--- Saw logs and veneer logs	m ³	5%	-
4403 24 20	--- Poles, pilings and posts	m ³	5%	-
4403 24 90	--- Other	m ³	5%	-
4403 25	-- <i>Other, of which any cross-sectional dimension is 15 cm or more:</i>			
4403 25 10	--- Saw logs and veneer logs	m ³	5%	-
4403 25 20	--- Poles, pilings and posts	m ³	5%	-
4403 25 90	--- Other	m ³	5%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
4403 26	-- <i>Other:</i>			
4403 26 10	--- Saw logs and veneer logs	m ³	5%	-
4403 26 20	--- Poles, pilings and posts	m ³	5%	-
4403 26 90	--- Other	m ³	5%	-
	<i>Other, of tropical wood:</i>			
4403 41 00	-- Dark red meranti, light red meranti and meranti bakau	m ³	5%	-";
(b) for tariff item 4403 92 00 and the entries relating thereto, the following shall be substituted, namely:—				
"4403 93 00	-- Of beech (<i>Fagus spp.</i>), of which any cross-sectional dimension is 15 cm or more	m ³	5%	-
4403 94 00	-- Of beech (<i>Fagus spp.</i>), other	m ³	5%	-
4403 95 00	-- Of birch (<i>Betula spp.</i>), of which any cross-sectional dimension is 15 cm or more	m ³	5%	-
4403 96 00	-- Of birch (<i>Betula spp.</i>), other	m ³	5%	-
4403 97 00	-- Of poplar and aspen (<i>Populus spp.</i>)	m ³	5%	-
4403 98 00	-- Of eucalyptus (<i>Eucalyptus spp.</i>)	m ³	5%	-";
(c) for tariff item 4403 99 19 to 4403 99 21 and the entries relating thereto, the following shall be substituted, namely:—				
"4403 99 19	----- Rose Wood (<i>Dalbergia Latifolia</i>)	m ³	5%	-
	--- <i>Sal (Chorea robusta, Sandalwood (Santalum album), Semul (Bombax ceiba), Walnut wood (Juglans binata), Anjam (Hardwickia binata), Sisso (Dalbergia sisso) and White cedar (Dysozylum spp.) and the like:</i>			
4403 99 21	----- <i>Sal (Chorea robusta)</i>	m ³	5%	-";
(d) the tariff item 4403 99 26 and the entries relating thereto shall be omitted;				
(e) for tariff item 4403 99 29 and the entries relating thereto, the following shall be substituted, namely:—				
"4403 99 90	--- Other	m ³	5%	-";
(v) in heading 4406, for tariff items 4406 10 00 and 4406 90 00 and the entries relating thereto, the following shall be substituted, namely:—				
	-- <i>Not impregnated:</i>			
4406 11 00	-- Coniferous	kg.	10%	-
4406 12 00	-- Non-coniferous	kg.	10%	-
	<i>Other:</i>			
4406 91 00	-- Coniferous	kg.	10%	-
4406 92 00	-- Non-coniferous	kg.	10%	-";
(vi) in heading 4407,—				
(a) for sub-heading 4407 10, tariff items 4407 10 10 to 4407 21 00 and the entries relating thereto, the following shall be substituted, namely:—				
	-- <i>Coniferous:</i>			
4407 11 00	-- Of pine (<i>Pinus spp.</i>)	m ³	10%	-
4407 12 00	-- Of fir (<i>Abies spp.</i>) and Spruce (<i>Picea spp.</i>)	m ³	10%	-
4407 19	-- <i>Other:</i>			

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
407 19 10	--- Douglas fir (<i>Pseudotsuga menziesii</i>)	m ³	10%	-
1407 19 90	--- Other	m ³	10%	-
	- <i>Of tropical wood:</i>			
1407 21 00	-- Mahogany (<i>Swietenia spp.</i>)	m ³	10%	—
	(b) after tariff item 4407 95 00 and the entries relating thereto, the following shall be inserted, namely:—			
4407 96 00	-- Of birch (<i>Betula spp.</i>)	m ³	10%	-
1407 97 00	-- Of poplar and aspen (<i>Populus spp.</i>)	m ³	10%	—
	(c) tariff item 4407 99 10 and the entries relating thereto shall be omitted;			
	(vii) in heading 4408,—			
	(a) for tariff item 4408 10 90 to sub-heading 4408 31, and the entries relating thereto, the following shall be substituted, namely:—			
4408 10 90	--- Other	kg.	10%	-
	- <i>Of tropical wood:</i>			
1408 31	-- <i>Of Dark red meranti, Light red meranti, Meranti bakau:—</i>			
	(b) after tariff item 4409 21 00 and the entries relating thereto, the following shall be inserted, namely:—			
4409 22 00	-- Of tropical wood	kg.	10%	—
	(viii) in heading 4412,—			
	(a) for sub-heading 4412 31 and the entries relating thereto, the following shall be substituted, namely:—			
4412 31	-- <i>With at least one outer ply of tropical wood:—</i>			
	(b) for sub-heading 4412 32, tariff items 4412 32 10 to 4412 32 90, sub-heading 4412 39, tariff items 4412 39 10 to 4412 39 90 and the entries relating thereto, the following shall be substituted, namely:—			
4412 33	-- <i>Other, with at least one outer ply of non-coniferous wood of the species alder (<i>Alnus spp.</i>), ash (<i>Fraxinus spp.</i>), beech (<i>Fagus spp.</i>), birch (<i>Betula spp.</i>), cherry (<i>Prunus spp.</i>), chestnut (<i>Castanea spp.</i>), elm (<i>Ulmus spp.</i>), eucalyptus (<i>Eucalyptus spp.</i>), hickory (<i>Carya spp.</i>), horse chestnut (<i>Aesculus spp.</i>), lime (<i>Tilia spp.</i>), maple (<i>Acer spp.</i>), oak (<i>Quercus spp.</i>), plane tree (<i>Platanus spp.</i>), poplar and aspen (<i>Populus spp.</i>), robinia (<i>Robinia spp.</i>), tulipwood (<i>Liriodendron spp.</i>) or walnut (<i>Juglans spp.</i>):</i>			
4412 33 10	--- Decorative plywood	m ³	10%	-
4412 33 20	--- Tea chest panels, shooks whether or not packed in sets	m ³	10%	-
4412 33 30	--- Marine and aircraft plywood	m ³	10%	-
4412 33 40	--- Cutting and trimmings of plywood of width not exceeding 5 cm	m ³	10%	-
4412 33 90	--- Other	m ³	10%	-
4412 34	-- <i>Other, with at least one outer ply of non-coniferous wood not specified under sub-heading 4412 33:</i>			
4412 34 10	--- Decorative plywood	m ³	10%	-
4412 34 20	--- Tea chest panels, shooks whether or not packed in sets	m ³	10%	-
4412 34 30	--- Marine and aircraft plywood	m ³	10%	-
4412 34 40	--- Cutting and trimmings of plywood of width not exceeding 5 cm	m ³	10%	-
4412 34 90	--- Other	m ³	10%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
4412 39	-- <i>Other, with both outer plies of coniferous wood:</i>			
4412 39 10	--- Decorative plywood	m ³	10%	-
4412 39 20	--- Tea chest panels, shooks whether or not packed in sets	m ³	10%	-
4412 39 30	--- Marine and aircraft plywood	m ³	10%	-
4412 39 40	--- Cutting and trimmings of plywood of width not exceeding 5 cm	m ³	10%	-
4412 39 90	--- Other	m ³	10%	-";

(ix) in heading 4418, for tariff items 4418 71 00 to 4418 90 00 and the entries relating thereto, the following shall be substituted, namely:—

--	<i>Assembled flooring panels:</i>			
4418 73 00	-- Of bamboo or with at least the top layer (wear layer) of bamboo	kg.	10%	-
4418 74 00	-- Other, for mosaic floors	kg.	10%	-
4418 75 00	-- Other, multilayer	kg.	10%	-
4418 79 00	-- Other	kg.	10%	-
-	<i>Other:</i>			
4418 91 00	-- Of bamboo	kg.	10%	-
4418 99 00	-- Other	kg.	10%	-";

(x) for heading 4419, sub-heading 4419 00, tariff items 4419 00 10 and 4419 00 20 and the entries relating thereto, the following shall be substituted, namely:—

"4419 TABLEWARE AND KITCHENWARE, OF WOOD				
-	<i>Of bamboo:</i>			
4419 11 00	-- Bread boards, chopping boards and similar boards	kg.	10%	-
4419 12 00	-- Chopsticks	kg.	10%	-
4419 19 00	-- Other	kg.	10%	-
4419 90	- <i>Other:</i>			
4419 90 10	--- Bread boards, chopping boards and similar boards	kg.	10%	-
4419 90 20	--- Chopsticks	kg.	10%	-
4419 90 90	--- Other	kg.	10%	-";

(xi) in heading 4421, for sub-heading 4421 90, tariff items 4421 90 11 to 4421 90 90 and the entries relating thereto, the following shall be substituted, namely:—

--	<i>Other:</i>			
4421 91	-- <i>Of bamboo:</i>			
---	<i>Spools, cops, bobbins, sewing thread reels and the like of turned wood:</i>			
4421 91 11	---- For cotton machinery	kg.	10%	-
4422 91 12	---- For jute machinery	kg.	10%	-
4423 91 13	---- For silk regenerated and synthetic fibre machinery	kg.	10%	-
4424 91 14	---- For other machinery	kg.	10%	-
4421 91 19	---- Other	kg.	10%	-
4421 91 20	--- Wood Paving Blocks	kg.	10%	-
4421 91 30	--- Match splints	kg.	10%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
4421 91 40	--- Pencil slats	kg.	10%	-
4421 91 50	--- Parts of wood, namely oars, paddles and rudders for ships, boats and other similar floating structures	kg.	10%	-
4421 91 60	--- Parts of domestic decorative articles used as tableware and kitchenware	kg.	10%	-
4421 91 70	--- Articles of densified wood not included or specified elsewhere	kg.	10%	-
4421 91 90	--- Other	kg.	10%	-
4421 99	-- <i>Other:</i>			
	--- <i>Spools, cops, bobbins, sewing thread reels and the like of turned wood:</i>			
4421 99 11	---- For cotton machinery	kg.	10%	-
4421 99 12	---- For jute machinery	kg.	10%	-
4421 99 13	---- For silk regenerated and synthetic fibre machinery	kg.	10%	-
4421 99 14	---- For other machinery	kg.	10%	-
4421 99 19	---- Other	kg.	10%	-
4421 99 20	--- Wood Paving Blocks	kg.	10%	-
4421 99 30	--- Match splints	kg.	10%	-
4421 99 40	--- Pencil slats	kg.	10%	-
4421 99 50	--- Parts of wood, namely oars, paddles and rudders for ships, boats and other similar floating structures	kg.	10%	-
4421 99 60	--- Parts of domestic decorative articles used as tableware and kitchenware	kg.	10%	-
4421 99 70	--- Articles of densified wood not included or specified elsewhere	kg.	10%	-
4421 99 90	--- Other	kg.	10%	-";

(23) in Chapter 48,—

(i) in Note 4, after the words, figures and letters "more than 65 g/m²", the words, brackets, figures and letters", and apply only to paper: (a) in strips or rolls of a width exceeding 28 cm; or (b) in rectangular (including square) sheets with one side exceeding 28 cm and the other side exceeding 15 cm in the unfolded state" shall be inserted;

(ii) in Note 8, the figures and word "4801, and" shall be omitted;

(24) in Chapter 54,—

(i) in heading 5402, for the entry in column (2) occurring after the entry against the heading 5402, the following entry shall be substituted, namely:—

" - *High tenacity yarn of nylon or other polyamides, whether or not textured.*";

(ii) for sub-heading 5402 20 and the entries relating thereto, the following shall be substituted, namely:—

"5402 20 -- *High tenacity yarn of polyesters, whether or not textured.*";

(iii) after tariff item 5402 52 00 and the entries relating thereto, the following shall be inserted, namely:—

"5402 53 00 -- Of polypropylene kg. 10% -";

(iv) after tariff item 5402 62 00 and the entries relating thereto, the following shall be inserted, namely:—

"5402 63 00 -- Of polypropylene kg. 10% -";

(25) in Chapter 55,—

(i) for heading 5502, sub-heading 5502 00, tariff items 5502 10 00 to 5502 90 00 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
“5502	ARTIFICIAL FILAMENT TOW			
5502 10	-- <i>Of cellulose acetate:</i>			
5502 10 10	--- Viscose rayon tow	kg.	10%	-
5502 10 90	--- Other	kg.	10%	-
5502 90	-- <i>Other:</i>			
5502 90 10	--- Viscose rayon tow	kg.	10%	-
5502 90 90	--- Other	kg.	10%	-”;

(ii) after tariff item 5506 30 00 and the entries relating thereto, the following shall be inserted, namely:—

“5506 40 00	- Of polypropylene	kg.	10%	-”;
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(26) in Chapter 56, for heading 5601, sub-heading 5601 21 and the entries relating thereto, the following shall be substituted, namely:—

“5601 **WADDING OF TEXTILE MATERIALS AND ARTICLES THEREOF;
TEXTILE FIBRES, NOT EXCEEDING 5 MM IN LENGTH
(FLOCK), TEXTILE DUST AND MILL NEPS**

- *Wadding of textile materials and articles thereof:*

5601 21 -- *Of cotton:”;*

(27) in Chapter 57, in heading 5704, after tariff item 5704 10 00 and the entries relating thereto, the following shall be inserted, namely:—

“5704 20	- <i>Tiles, having a maximum surface area exceeding 0.3 m² but not exceeding 1 m²:</i>			
5704 20 10	--- Cotton	m ²	10% or Rs.35 per sq. metre, whichever is higher	-
5704 20 20	--- Woollen, other than artware	m ²	10% or Rs.35 per sq. metre, whichever is higher	-
5704 20 90	--- Other	m ²	10% or Rs.35 per sq. metre, whichever is higher	-”;

(28) in Chapter 60,—

(i) after Note 3, the following shall be inserted, namely:—

“Sub-heading Note:

Sub-heading 6005 35 covers fabrics of polyethylene monofilament or of polyester multifilament, weighing not less than 30 g/m² and not more than 55 g/m², having a mesh size of not less than 20 holes/cm² and not more than 100 holes/cm², and impregnated or coated with alpha-cypermethrin (ISO), chlorfenapyr (ISO), deltamethrin (INN, ISO), lambda-cyhalothrin (ISO), permethrin (ISO) or pirimiphos-methyl (ISO).”;

(ii) for tariff items 6005 31 00 to 6005 34 00 and the entries relating thereto, the following shall be substituted, namely:—

“6005 35 00	-- Fabrics specified in Sub-heading Note. 1 to this Chapter	kg.	10%	-
6005 36 00	-- Other, unbleached or bleached	kg.	10%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
6005 37 00 --	Other, dyed	kg.	10%	-
6005 38 00 --	Other, of yarns of different colours	kg.	10%	-
6005 39 00 --	Other, printed	kg.	10%	-";

(29) in Chapter 63,—

(i) after Note 3, the following shall be inserted, namely:—

“Sub-heading Note:

Sub-heading 6304 20 covers articles made from fabrics, impregnated or coated with alpha-cypermethrin (ISO), chlorfenapyr (ISO), deltamethrin (INN, ISO), lambda-cyhalothrin (ISO), permethrin (ISO) or pirimiphosmethyl (ISO).”;

(ii) in heading 6304, after tariff item 6304 19 90 and the entries relating thereto, the following shall be inserted, namely:—

“6304 20 00 -	Bed nets, of warp knit fabrics specified in Sub-heading Note 1 to this Chapter	u	10%	-";
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(30) in Chapter 68, in Note 1, for clause (m), the following clause shall be substituted, namely:—

“(m) articles of heading 9602, if made of materials specified in Note 2 (b) to Chapter 96, or of heading 9606 (for example, buttons), of heading 9609 (for example, slate pencils), heading 9610 (for example, drawing slates) or of heading 9620 (monopods, bipods, tripods and similar articles); or”;

(31) in Chapter 69,—

(i) for heading 6907, sub-heading 6907 10, tariff items 6907 10 10 and 6907 10 90, sub-heading 6907 90, tariff items 6907 90 10 and 6907 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“6907	CERAMIC FLAGS AND PAVING, HEARTH OR WALL TILES; CERAMIC MOSAIC CUBES AND THE LIKE, WHETHER OR NOT ON A BACKING; FINISHING CERAMICS			
-	<i>Flags and paving, hearth or wall tiles, other than those of sub-headings 6907 30 and 6907 40:</i>			
6907 21 00 --	Of a water absorption coefficient by weight not exceeding 0.5%	m ²	10%	-
6907 22 00 --	Of a water absorption coefficient by weight exceeding 0.5% but not exceeding 10%	m ²	10%	-
6907 23 00 --	Of a water absorption coefficient by weight exceeding 10%	m ²	10%	-
6907 30 -	<i>Mosaic cubes and the like, other than those of sub-heading 6907 40:</i>			
6907 30 10 ---	Mosaic cubes and the like, other than those of sub-heading 6907 40	m ²	10%	-
6907 40 -	<i>Finishing ceramics:</i>			
6907 40 10 ---	Finishing ceramics	m ²	10%	-";

(ii) the heading 6908, sub-heading 6908 10, tariff items 6908 10 10 to 6908 10 90, sub-heading 6908 90 and tariff items 6908 90 10 to 6908 90 90 and the entries relating thereto shall be omitted;

(32) in Section XV, in Note 1, for clause (m), the following clause shall be substituted, namely:—

“(m) hand sieves, buttons, pens, pencil-holders, pen nibs, monopods, bipods, tripods and similar articles or other articles of Chapter 96 (miscellaneous manufactured articles); or”;

(33) in Chapter 74, in Note 1, for clause (c), the following clause shall be substituted, namely:—

“(c) *Master alloys*
Alloys containing with other elements more than 10 per cent. by weight, of copper not usefully malleable and commonly used as an additive in the manufacture of other alloys or as de-oxidants, de-sulphuring agents

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

or for similar uses in the metallurgy of non-ferrous metals. However, copper phosphide (phosphor copper) containing more than 15% by weight of phosphorous falls in heading 2853.”;

(34) in Chapter 82, for the entry in column (2) occurring against the heading 8205, for the words “MACHINE TOOLS”, the words “MACHINE-TOOLS OR WATER-JET CUTTING MACHINES” shall be substituted;

(35) in Chapter 83, for the entry occurring against heading 8308, the following shall be substituted, namely:—

“8308

CLASPS, FRAMES WITH CLASPS, BUCKLES, BUCKLE-CLASPS, HOOKS, EYES, EYELETS AND THE LIKE, OF BASE METAL, OF A KIND USED FOR CLOTHING OR CLOTHING ACCESSORIES, FOOTWEAR, JEWELLERY, WRIST WATCHES, BOOKS, AWNINGS, LEATHER GOODS, TRAVEL GOODS OR SADDLERY OR FOR OTHER MADE UP ARTICLES; TUBULAR OR BIFURCATED RIVETS, OF BASE METAL; BEADS AND SPANGLES, OF BASE METAL”;

(36) in Section XVI, in Note 1, for clause (q), the following clause shall be substituted, namely:—

“(q) typewriter or similar ribbons, whether or not on spools or in cartridges (classified according to their constituent material, or in heading 9612 if inked or otherwise prepared for giving impressions), or monopods, bipods, tripods and similar articles, of heading 9620.”;

(37) in Chapter 84,—

(i) in Note 1,—

(A) in clause (f), the word “or” shall be omitted;

(B) after clause (f), the following clause shall be inserted, namely:—

“(g) radiators for the articles of Section XVII; or”;

(C) the existing clause (g) shall be re-lettered as (h);

(ii) in Note 2, in clause (e), for the words “machinery or plant”, the words “machinery, plant or laboratory equipment” shall be substituted;

(iii) in Note 9, for clause (A), the following clause shall be substituted, namely:—

“(A) Notes 9 (a) and 9 (b) to Chapter 85 also apply with respect to the expressions “semiconductor devices” and “electronic integrated circuits”, respectively, as used in this Note and in heading 8486. However, for the purposes of this Note and of heading 8486, the expression “semiconductor devices” also covers photosensitive semiconductor devices and light-emitting diodes (LED).”;

(iv) in Sub-heading Notes,—

(A) the following new Sub-heading Note 1 shall be inserted, namely:—

“1. For the purposes of sub-heading 8465 20, the term “machining centres” applies only to machine-tools for working wood, cork, bone, hard rubber, hard plastics or similar hard materials, which can carry out different types of machining operations by automatic tool change from a magazine or the like in conformity with a machining programme.”;

(B) the existing Sub-heading Note 1 shall be re-numbered as Sub-heading Note 2 and after Sub-heading Note 2 as so re-numbered, the following Sub-heading Note shall be inserted, namely:—

“3. For the purposes of sub-heading 8481 20, the expression “valves for oleohydraulic or pneumatic transmissions” means valves which are used specifically in the transmission of “fluid power” in a hydraulic or pneumatic system, where the energy source is supplied in the form of pressurised fluids (liquid or gas). These valves may be of any type (for example, pressure-reducing type, check type). Sub-heading 8481 20 takes precedence over all other sub-headings of heading 8481.”;

(C) the existing Sub-heading Note 2 shall be re-numbered as Sub-heading Note 4;

(v) in heading 8415, for sub-heading 8415 10 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
'8415 10	- <i>Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system";</i>			
(vi) in heading 8424,—				
(a) after tariff item 8424 30 00 and the entries relating thereto, the following shall be inserted, namely:—				
	"- <i>Agricultural or horticultural sprayers:</i>			
8424 41 00	-- Portable sprayers	u	7.5%	-
8424 49 00	-- Other	u	7.5%	-";
(b) for tariff item 8424 81 00 and the entries relating thereto, the following shall be substituted, namely:—				
"8424 82 00	-- Agricultural or horticultural	u	7.5%	-";
(vii) in heading 8432,—				
(a) for tariff item 8432 30 00 and the entries relating thereto, the following shall be substituted, namely:—				
	"- <i>Seeders, planters and transplanters:</i>			
8432 31 00	-- No-till direct seeders, planters and transplanters	u	7.5%	-
8432 39 00	-- Other	u	7.5%	-";
(b) for tariff item 8432 40 00 and the entries relating thereto, the following shall be substituted, namely:—				
	"- <i>Manure spreaders and fertiliser distributors:</i>			
8432 41 00	-- Manure spreaders	u	7.5%	-
8432 42 00	-- Fertiliser distributors	u	7.5%	-";
(viii) for heading 8442 and the entries relating thereto, the following shall be substituted, namely:—				
"8442	MACHINERY, APPARATUS AND EQUIPMENT (OTHER THAN THE MACHINES OF HEADINGS 8456 TO 8465) FOR PREPARING OR MAKING PLATES, PRINTING COMPONENTS; PLATES, CYLINDERS AND LITHOGRAPHIC STONES, PREPARED FOR PRINTING PURPOSES (FOR EXAMPLE, PLANED, GRAINED OR POLISHED);			
(ix) in heading 8456,—				
(a) for tariff item 8456 10 00 and the entries relating thereto, the following shall be substituted, namely:—				
	"- <i>Operated by laser or other light or photon beam processes:</i>			
8456 11 00	-- Operated by laser	u	7.5%	-
8456 12 00	-- Operated by other light or photon beam processes	u	7.5%	-";
(b) after tariff item 8456 30 00 and the entries relating thereto, the following shall be inserted, namely:—				
"8456 40 00	- Operated by plasma arc processes	u	7.5%	-
8456 50 00	- Water-jet cutting machines	u	7.5%	-";
(x) for sub-heading 8459 40, tariff items 8459 40 10 to 8459 40 90 and the entries relating thereto, the following shall be substituted, namely:—				
	"- <i>Other boring machines:</i>			
	8459 41	--	<i>Numerically controlled:</i>	
8459 41 10	--- Jig boring machines, horizontal	u	7.5%	-
8459 41 20	--- Fine boring machines, horizontal	u	7.5%	-
8459 41 30	--- Fine boring machines, vertical	u	7.5%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
8459 41 90	Other	u	7.5%	-
8459 49	<i>Other:</i>			
8459 49 10	Jig boring machines, horizontal	u	7.5%	-
8459 49 20	Fine boring machines, horizontal	u	7.5%	-
8459 49 30	Fine boring machines, vertical	u	7.5%	-
8459 49 90	Other	u	7.5%	-";

(xi) for heading 8460, tariff items 8460 11 00 to 8460 21 00, sub-heading 8460 29, tariff items 8460 29 10 to 8460 29 90 and the entries relating thereto, the following shall be substituted, namely:—

"8460	MACHINE-TOOLS FOR DEBURRING, SHARPENING, GRINDING, HONING, LAPPING, POLISHING OR OTHERWISE FINISHING METAL, OR CERMETS BY MEANS OF GRINDING STONES, ABRASIVES OR POLISHING PRODUCTS, OTHER THAN GEAR CUTTING, GEAR GRINDING OR GEAR FINISHING MACHINES OF HEADING 8461			
	<i>Flat-surface grinding machines:</i>			
8460 12 00	Numerically controlled	u	7.5%	-
8460 19 00	Other	u	7.5%	-
	<i>Other grinding machines:</i>			
8460 22 00	Centreless grinding machines, numerically controlled	u	7.5%	-
8460 23 00	Other cylindrical grinding machines, numerically controlled	u	7.5%	-
8460 24 00	Other, numerically controlled	u	7.5%	-
8460 29	<i>Other:</i>			
8460 29 10	Cylindrical grinders	u	7.5%	-
8460 29 20	Internal grinders	u	7.5%	-
8460 29 30	Centreless grinders	u	7.5%	-
8460 29 40	Profile grinders	u	7.5%	-
8460 29 90	Other	u	7.5%	-";

(xii) after tariff item 8465 10 00 and the entries relating thereto, the following shall be inserted, namely:—

"8465 20 00	Machining centres	u	7.5%	-";
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(xiii) in heading 8466,—

(a) for heading 8466, and the entries relating thereto, the following shall be substituted, namely:—

"8466	PARTS AND ACCESSORIES SUITABLE FOR USE SOLELY OR PRINCIPALLY WITH THE MACHINES OF HEADINGS 8456 TO 8465 INCLUDING WORK OR TOOL HOLDERS, SELF-OPENING DIEHEADS, DIVIDING HEADS AND OTHER SPECIAL ATTACHMENTS FOR THE MACHINES; TOOL HOLDERS FOR ANY TYPE OF TOOL, FOR WORKING IN THE HAND";			
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(b) for sub-heading 8466 30 and the entries relating thereto, the following shall be substituted, namely:—

"8466 30	<i>Dividing heads and other special attachments for machines: "</i>			
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(xiv) the heading 8469, sub-heading 8469 00, tariff items 8469 00 10 to 8469 00 90 and the entries relating thereto shall be omitted;

(xv) in heading 8472, for tariff item 8472 90 90 and the entries relating thereto the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
	“ --- Other:”			
8472 90 91	Word-processing machines	u	free	-
8472 90 92	Automatic typewriters	u	10%	-
8472 90 93	Braille typewriters, electric	u	7.5%	-
8472 90 94	Braille typewriters, non-electric	u	7.5%	-
8472 90 95	Other typewriters, electric or non-electric	u	10%	-
8472 90 99	Other	u	7.5%	-”;

(xvi) in heading 8473,—

(a) for heading 8473 and the entries relating thereto, the following shall be substituted, namely:—

“8473 PARTS AND ACCESSORIES (OTHER THAN COVERS, CARRYING CASES AND THE LIKE) SUITABLE FOR USE SOLELY OR PRINCIPALLY WITH MACHINES OF HEADINGS 8470 TO 8472”;

(b) the tariff item 8473 10 00 and the entries relating thereto shall be omitted;

(c) for tariff item 8473 50 00 and the entries relating thereto, the following shall be substituted, namely:—

“8473 50 00 - Parts and accessories equally suitable for use with the machines of two or more of the headings 8470 to 8472 u free -”;

(38) in Chapter 85,—

(i) in the Notes, after Note 2, the following shall be inserted, namely:—

‘3. For the purposes of heading 8507, the expression “electric accumulators” includes those presented with ancillary components which contribute to the accumulator’s function of storing and supplying energy or protect it from damage, such as electrical connectors, temperature control devices (for example, thermistors) and circuit protection devices. They may also include a portion of the protective housing of the goods in which they are to be used.’;

(ii) the existing Notes 3, 4, 5, 6, 7, 8 and 9 shall respectively be re-numbered as 4, 5, 6, 7, 8, 9 and 10;

(iii) in Note 9 as so re-numbered, in clause (b), after sub-clause (iii), the following new sub-clause shall be inserted, namely:—

‘(iv) Multi-component integrated circuits (MCOs): a combination of one or more monolithic, hybrid, or multi-chip integrated circuits with at least one of the following components: silicon-based sensors, actuators, oscillators, resonators or combinations thereof, or components performing the functions of articles classifiable under headings 8532, 8533, 8541, or inductors classifiable under heading 8504, formed to all intents and purposes indivisibly into a single body like an integrated circuit, as a component of a kind used for assembly onto a printed circuit board (PCB) or other carrier, through the connecting of pins, leads, balls, lands, bumps, or pads.

For the purpose of this definition:

(1) “Components” may be discrete, manufactured independently then assembled onto the rest of the MCO, or integrated into other components.

(2) “Silicon based” means built on a silicon substrate, or made of silicon materials, or manufactured onto integrated circuit die.

(3) (a) “Silicon based sensors” consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of detecting physical or chemical quantities and transducing these into electric signals, caused by resulting variations in electric properties or displacement of a mechanical structure. “Physical or chemical quantities” relates to real world phenomena, such as pressure, acoustic waves, acceleration, vibration, movement, orientation, strain, magnetic field strength, electric field strength, light, radioactivity, humidity, flow, chemicals concentration, etc.

(b) “Silicon based actuators” consist of microelectronic and mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of converting electrical signals into physical movement.

(c) “Silicon based resonators” are components that consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures in response to an external input.

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(d) "Silicon based oscillators" are active components that consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures.;

(iv) in heading 8528, for tariff items 8528 41 00 to 8528 69 00 and the entries relating thereto, the following shall be substituted, namely:—

8528 42 00	--	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471	u	10%	-
8528 49 00	--	Other	u	10%	-
	-	<i>Other monitors:</i>			
8528 52 00	--	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471	u	10%	-
8528 59 00	--	Other	u	10%	-
	-	<i>Projectors:</i>			
8528 62 00	--	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471	u	10%	-
8528 69 00	--	Other	u	10%	-";

(v) for tariff item 8531 20 00 and the entries relating thereto, the following shall be substituted, namely:—

8531 20 00	-	Indicator panels incorporating liquid crystal devices (LCD) or light-emitting diodes (LED)	u	Free	-";
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(vi) in heading 8539,—

(a) for heading 8539 and the entries relating thereto, the following shall be substituted, namely:—

8539		ELECTRIC FILAMENT OR DISCHARGE LAMPS INCLUDING SEALED BEAM LAMP UNITS AND ULTRA-VIOLET OR INFRARED LAMPS; ARC LAMPS; LIGHT-EMITTING DIODE (LED) LAMPS";			
------	--	--	--	--	--

(b) after tariff item 8539 49 00 and the entries relating thereto, the following shall be inserted, namely:—

8539 50 00	-	Light-emitting diode (LED) lamps	u	10%	-";
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(vii) in heading 8541,—

(a) for heading 8541 and the entries relating thereto, the following shall be substituted, namely:—

8541		DIODES, TRANSISTORS AND SIMILAR SEMI-CONDUCTOR DEVICES; PHOTSENSITIVE SEMI-CONDUCTOR DEVICES; INCLUDING PHOTO VOLTAIC CELLS, WHETHER OR NOT ASSEMBLED IN MODULES OR MADE UP INTO PANELS; LIGHT-EMITTING DIODES (LED); MOUNTED PIEZO-ELECTRIC CRYSTALS";			
------	--	--	--	--	--

(b) for tariff item 8541 10 00 and the entries relating thereto, the following shall be substituted, namely:—

8541 10 00	-	Diodes, other than photosensitive or light-emitting diodes (LED)	u	Free	-";
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(c) for sub-heading 8541 40 and the entries relating thereto, the following shall be substituted, namely:—

8541 40	-	<i>Photosensitive semi-conductor devices, including photo voltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes (LED);</i>			
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(39) in Section XVII, in Note 2, for clause (e), the following clause shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
“(e) machines and apparatus of headings 8401 to 8479, or parts thereof, other than the radiators for the articles of this Section, articles of heading 8481 or 8482 or, provided they constitute integral parts of engines and motors, articles of heading 8483;”				
(40) in Chapter 87,—				
(i) in heading 8701,—				
(a) for tariff item 8701 10 00, the following shall be substituted, namely:—				
8701 10 00	Single axle tractors	u	10%	—
(b) for sub-heading 8701 90, tariff items 8701 90 10 and 8701 90 90 and the entries relating thereto, the following shall be substituted, namely:—				
“ - <i>Other, of an engine power:</i>				
8701 91 00	Not exceeding 18 kW	u	10%	-
8701 92 00	Exceeding 18 kW but not exceeding 37 kW	u	10%	-
8701 93 00	Exceeding 37 kW but not exceeding 75 kW	u	10%	-
8701 94 00	Exceeding 75 kW but not exceeding 130 kW	u	10%	-
8701 95 00	Exceeding 130 kW	u	10%	—
(ii) in heading 8702, for sub-heading 8702 10, tariff items 8702 10 11 to 8702 10 99, sub-heading 8702 90, tariff items 8702 90 11 to 8702 90 99, the following shall be substituted, namely:—				
8702 10	<i>With only compression-ignition internal combustion piston engine (diesel or semi-diesel):</i>			
--- <i>Vehicles for transport of not more than 13 persons, including the driver:</i>				
8702 10 11	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 10 12	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 10 18	Other, air-conditioned	u	40%	-
8702 10 19	Other, non air-conditioned	u	40%	-
--- <i>Other:</i>				
8702 10 21	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 10 22	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 10 28	Other, air-conditioned	u	40%	-
8702 10 29	Other, non air-conditioned	u	40%	-
8702 20	<i>With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion:</i>			
--- <i>Vehicles for transport of not more than 13 persons, including the driver:</i>				
8702 20 11	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 20 12	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 20 18	Other, air-conditioned	u	40%	-
8702 20 19	Other, non air-conditioned	u	40%	-
--- <i>Other:</i>				
8702 20 21	Integrated monocoque vehicle, air-conditioned	u	40%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
8702 20 22	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 20 28	Other, air-conditioned	u	40%	-
8702 20 29	Other, non air-conditioned	u	40%	-
8702 30	<i>With both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion:</i>			
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>			
8702 30 11	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 30 12	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 30 18	Other, air-conditioned	u	40%	-
8702 30 19	Other, non air-conditioned	u	40%	-
	<i>Other:</i>			
8702 30 21	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 30 22	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 30 28	Other, air-conditioned	u	40%	-
8702 30 29	Other, non air-conditioned	u	40%	-
8702 40	<i>With only electric motor for propulsion:</i>			
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>			
8702 40 11	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 40 12	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 40 18	Other, air-conditioned	u	40%	-
8702 40 19	Other, non air-conditioned	u	40%	-
	<i>Other:</i>			
8702 40 21	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 40 22	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 40 28	Other, air-conditioned	u	40%	-
8702 40 29	Other, non air-conditioned	u	40%	-
8702 90	<i>Other:</i>			
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>			
8702 90 11	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 90 12	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 90 18	Other, air-conditioned	u	40%	-
8702 90 19	Other, non air-conditioned	u	40%	-
	<i>Other:</i>			
8702 90 21	Integrated monocoque vehicle, air-conditioned	u	40%	-
8702 90 22	Integrated monocoque vehicle, non air-conditioned	u	40%	-
8702 90 28	Other, air-conditioned	u	40%	-

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
8702 90 29	Other, non air-conditioned	u	40%	-";
<i>(iii) in heading 8703,—</i>				
<i>(a) in the entry in column (2) occurring after tariff item 8703 10 90 and the entries relating thereto, after the word "with", the word "only" shall be inserted;</i>				
<i>(b) in the entry in column (2) occurring after tariff item 8703 24 99 and the entries relating thereto, for the words "with compression ignition" the words "with only compression-ignition" shall be substituted;</i>				
<i>(c) the tariff items 8703 31 20 and 8703 32 20 and the entries relating thereto shall be omitted;</i>				
<i>(d) after tariff item 8703 33 99 and the entries relating thereto, the following shall be inserted, namely:—</i>				
8703 40	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>			
8703 40 10	Vehicles principally designed for transport of more than seven persons, including driver	u	125%	-
8703 40 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	125%	-
8703 40 30	Motor cars	u	125%	-
8703 40 40	Three-wheeled vehicles	u	125%	-
8703 40 90	Other	u	125%	-
8703 50	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>			
8703 50 10	Vehicles principally designed for transport of more than seven persons, including driver	u	125%	-
8703 50 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	125%	-
8703 50 30	Motor cars	u	125%	-
8703 50 40	Three-wheeled vehicles	u	125%	-
8703 50 90	Other	u	125%	-
8703 60	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>			
8703 60 10	Vehicles principally designed for transport of more than seven persons, including driver	u	125%	-
8703 60 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	125%	-
8703 60 30	Motor cars	u	125%	-
8703 60 40	Three-wheeled vehicles	u	125%	-
8703 60 90	Other	u	125%	-
8703 70	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>			

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
8703 70 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	125%	-
8703 70 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	125%	-
8703 70 30	--- Motor cars	u	125%	-
8703 70 40	--- Three-wheeled vehicles	u	125%	-
8703 70 90	--- Other	u	125%	-
8703 80	- <i>Other vehicles, with only electric motor for propulsion:</i>			
8703 80 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	125%	-
8703 80 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	125%	-
8703 80 30	--- Motor cars	u	125%	-
8703 80 40	--- Three-wheeled vehicles	u	125%	-
8703 80 90	--- Other	u	125%	-";

(e) for sub-heading 8703 90, tariff items 8703 90 10 and 8703 90 90 and the entries relating thereto, the following shall be substituted, namely:—

"8703 90 00	- Other	u	125%	-";
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(iv) in heading 8711,—

(a) after tariff item 8711 50 00 and the entries relating thereto, the following shall be inserted, namely:—

"8711 60	- <i>With electric motor for propulsion:</i>			
8711 60 10	--- Motor cycles	u	100%	-
8711 60 20	--- Scooters	u	100%	-
8711 60 30	--- Mopeds	u	100%	-
8711 60 90	--- Others	u	100%	-";

(b) for sub-heading 8711 90, tariff items 8711 90 10 to 8711 90 99 and the entries relating thereto, the following shall be substituted, namely:—

"8711 90	- <i>Other:</i>			
8711 90 10	--- Side cars	u	100%	-
8711 90 90	--- Other	u	100%	-";

(41) in Chapter 90,—

(i) in Note 1,—

(A) in clause (g), after the word "machine-tools", the words "or water-jet cutting machines" shall be inserted;

(B) after clause (k), the following clause shall be inserted, namely:—

"(l) monopods, bipods, tripods and similar articles, of heading 9620;"

(C) the existing clauses (l) and (m) shall respectively be re-lettered as (m) and (n);

(ii) in heading 9006, the tariff item 9006 10 00 and the entries relating thereto shall be omitted;

(42) in Chapter 92, in Note 1, for clause (d), the following clause shall be substituted, namely:—

"(d) brushes for cleaning musical instruments (heading 9603), or monopods, bipods, tripods and similar articles (heading 9620); or";

Tariff Item	Description of goods	Unit	Rate of Duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)
(43) in Chapter 94,—				
(i) in Note 1,—				
(A) in clause (k), the word "or" shall be omitted;				
(B) in clause (l), the word "or" shall be inserted at the end;				
(C) after clause (l), the following clause shall be inserted, namely:—				
"(m) monopods, bipods, tripods and similar articles (heading 9620).";				
(ii) for tariff item 9401 51 00 and the entries relating thereto, the following shall be substituted, namely:—				
401 52 00	-- Of bamboo	u	10%	-
01 53 00	-- Of rattan	u	10%	-";
(iii) for tariff item 9403 81 00 and the entries relating thereto, the following shall be substituted, namely:—				
401 82 00	--- Of bamboo	u	10%	-
01 83 00	-- Of rattan	u	10%	-";
(iv) for heading 9406, sub-heading 9406 00, tariff items 9406 00 11 to 9406 00 99 and the entries relating thereto, the following shall be substituted, namely:—				
406	PREFABRICATED BUILDINGS			
06 10	- - - <i>Of wood:</i>			
06 10 10	--- Green-houses	u	10%	-
06 10 20	--- For cold storage	u	10%	-
06 10 30	--- Silos for storing ensilage	u	10%	-
06 10 90	--- Other	u	10%	-
06 90	- <i>Other:</i>			
06 90 10	--- Green-houses	u	10%	-
06 90 20	--- For cold storage	u	10%	-
06 90 30	--- Silos for storing ensilage	u	10%	-
06 90 90	--- Other	u	10%	-";
(44) in Chapter 95,—				
(i) in Note 1,—				
(A) for clause (e), the following clause shall be substituted, namely:—				
"(e) fancy dress of textiles, of Chapter 61 or 62; sports clothing and special articles of apparel of textiles, of Chapter 61 or 62, whether or not incorporating incidentally protective components such as pads or padding in the elbow, knee or groin areas (for example, fencing clothing or soccer goalkeeper jerseys).";				
(B) after clause (t), the following clause shall be inserted, namely:—				
"(u) monopods, bipods, tripods and similar articles (heading 9620).";				
(C) the existing clauses (u) and (v) shall respectively be re-lettered as (v) and (w);				
(45) in Chapter 96, after tariff item 9619 00 90 and the entries relating thereto, the following shall be inserted, namely:—				
9620 00 00	- MONOPODS, BIPODS, TRIPODS AND SIMILAR ARTICLES	u	10%	-";

THE FIFTH SCHEDULE

[See section 145 (i)]

In the Third Schedule to the Central Excise Act,—

(a) for S. Nos. 40 and 41 and the entries relating thereto, the following S. Nos. and entries shall be substituted, namely:—

S. No.	Heading, sub-heading or tariff items	Description of goods
(1)	(2)	(3)
"40.	3401	All goods
41.	3402	All goods";

(b) after S. No. 63 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:—

S. No.	Heading, sub-heading or tariff items	Description of goods
(1)	(2)	(3)
"63A.	7607	All goods";

(c) after S. No. 81C and the entries relating thereto, the following S. No. and entries shall be inserted, namely:—

S. No.	Heading, sub-heading or tariff items	Description of goods
(1)	(2)	(3)
"81D.	8517 62	Wrist wearable devices (commonly known as smart watches)";

(d) against S.No. 100, in column (3), for the words "Parts, components and assemblies", the words "Parts, components, accessories and assemblies" shall be substituted;

(e) against S.No. 100A, in column (3), for the words "Parts, components and assemblies", the words "Parts, components, accessories and assemblies" shall be substituted.

THE SIXTH SCHEDULE

[See section 145(ii)]

In the Third Schedule to the Central Excise Act,—

(a) against S. No. 58, for the entry in column (3), the entry "vitrified tiles, whether polished or not, glazed tiles" shall be substituted;

(b) S. No. 59 and the entries relating thereto shall be omitted.

THE SEVENTH SCHEDULE

[See section 146 (i)]

In the First Schedule to the Central Excise Tariff Act,—

(a) in Chapter 22, for the entries in column (4) occurring against tariff items 2202 10 10, 2202 10 20 and 2202 10 90, the entry “21%” shall be substituted;

(b) in Chapter 24,—

(i) for the entries in column (4) occurring against tariff items 2401 10 10, 2401 10 20, 2401 10 30, 2401 10 40, 2401 10 50, 2401 10 60, 2401 10 70, 2401 10 80, 2401 10 90, 2401 20 10, 2401 20 20, 2401 20 30, 2401 20 40, 2401 20 50, 2401 20 60, 2401 20 70, 2401 20 80 and 2401 20 90, the entry “64%” shall be substituted;

(ii) for the entry in column (4) occurring against tariff items 2402 10 10 and 2402 10 20, the entry “12.5% or Rs. 3755 per thousand whichever is higher” shall be substituted;

(iii) for the entry in column (4) occurring against tariff item 2402 90 10, the entry “Rs. 3755 per thousand” shall be substituted;

(iv) for the entry in column (4) occurring against tariff items 2402 90 20 and 2402 90 90, the entry “12.5% or Rs. 3755 per thousand, whichever is higher” shall be substituted;

(v) for the entries in column (4) occurring against tariff items 2403 19 29, the entry “Rs. 80 per thousand” shall be substituted;

(vi) for the entries in column (4) occurring against tariff items 2403 99 10, 2403 99 30 and 2403 99 90, the entry “81%” shall be substituted.

(c) in Chapter 27, in the Supplementary Note,—

(i) in clause (e), for the figures “1460:2000”, the figures “1460:2005” shall be substituted;

(ii) in clause (f), for the figures “1460”, the figures “15770:2008” shall be substituted;

(d) in Chapter 58, in heading 5801,—

(i) in sub-heading 5801 37, the entry in column (2) “--- Warp pile fabrics, ‘epingle’ (uncut):” shall be omitted;

(ii) for tariff items 5801 37 11 and 5801 37 19 and the entries relating thereto, the following shall be substituted, namely:—

(1)	(2)	(3)	(4)
“5801 37 10	--- Warp pile fabrics, uncut	m ²	12.5%”;

(e) in Chapter 71, in heading 7104, for the tariff item 7104 90 00 and the entries relating thereto, the following shall be substituted, namely:—

(1)	(2)	(3)	(4)
“7104 90	- Other:		
7104 90 10	--- Laboratory-created or laboratory grown or manmade or cultured or synthetic diamonds	c/k	12.5%
7104 90 90	--- Other	kg.	12.5%”;

(f) in Chapter 85, in heading 8525, the tariff item 8525 50 50 and the entries relating thereto shall be omitted.

THE EIGHTH SCHEDULE

[See section 146 (ii)]

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
In the First Schedule to the Central Excise Tariff Act, 1985,—			
(i) in Chapter 3,—			
(i) in Note 1, in clause (c), for the words “livers and roes”, the words “livers, roes and milt” shall be substituted;			
(ii) in heading 0301, for tariff item 0301 93 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0301 93 00	-- Carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>)	kg.	Nil”;
(iii) for heading 0302, tariff items 0302 11 00 to 0302 85 00, sub-heading 0302 89, tariff items 0302 89 10 to 0302 90 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0302	FISH, FRESH OR CHILLED, EXCLUDING FISH FILLETS AND OTHER FISH MEAT OF HEADING 0304		
	- <i>Salmonidae</i> , excluding edible fish offal of sub-headings 0302 91 to 0302 99:		
0302 11 00	-- Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarkii</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>)	kg.	Nil
0302 13 00	-- Pacific salmon (<i>Oncorhynchus nerka</i> , <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , <i>Oncorhynchus tshawytscha</i> , <i>Oncorhynchus kisutch</i> , <i>Oncorhynchus masou</i> and <i>Oncorhynchus rhodurus</i>)	kg.	Nil
0302 14 00	-- Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	kg.	Nil
0302 19 00	-- Other	kg.	Nil
	- Flat fish (<i>Pleuronectidae</i> , <i>Bothidae</i> , <i>Cynoglossidae</i> , <i>Soleidae</i> , <i>Scophthalmidae</i> and <i>Citharidae</i>), excluding edible fish offal of sub-headings 0302 91 to 0301 99:		
0302 21 00	-- Halibut (<i>Rheinhardtius hippoglossidae</i> , <i>Hippoglossus hippoglossus</i> , <i>Hippoglossus stenolepis</i>)	kg.	Nil
0302 22 00	-- Plaice (<i>Pleuronectes platessa</i>)	kg.	Nil
0302 23 00	-- Sole (<i>Solea spp.</i>)	kg.	Nil
0302 24 00	-- Turbots (<i>Psetta maxima</i>)	kg.	Nil
0302 29 00	-- Other	kg.	Nil
	- Tunas (of the genus <i>Thunnus</i>), skipjack or stripe-bellied bonito (<i>Euthynnus (Katsuwonus) pelamis</i>), excluding edible fish offal of sub-headings 0302 91 to 0301 99:		
0302 31 00	-- Albacore or long finned tunas (<i>Thunnus alalunga</i>)	kg.	Nil
0302 32 00	-- Yellowfin tunas (<i>Thunnus albacares</i>)	kg.	Nil
0302 33 00	-- Skipjack or stripe-bellied bonito	kg.	Nil
0302 34 00	-- Bigeye tunas (<i>Thunnus obesus</i>)	kg.	Nil
0302 35 00	-- Atlantic and Pacific bluefin tunas (<i>Thunnus thynnus</i> , <i>Thunnus orientalis</i>)	kg.	Nil
0302 36 00	-- Southern bluefin tunas (<i>Thunnus maccoyii</i>)	kg.	Nil
0302 39 00	-- Other	kg.	Nil

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
-	<i>Herrings (Clupea harengus, Clupea pallasii), anchovies (Engraulis spp.), sardines (Sardina pilchardus, Sardinops spp.), sardinella (Sardinella spp.), brisling or sprats (Sprattus sprattus), mackerel (Scomber scombrus, Scomber australasicus, Scomber japonicus), Indian mackerels (Rastrelliger spp.), seerfishes (Scomberomorus spp.), jack and horse mackerel (Trachurus spp.), jacks, crevalles (Caranx spp.), cobia (Rachycentron canadum), silver pomfrets (Pampus spp.), Pacific saury (Cololabis saira), scads (Decapterus spp.), capelin (Mallotus villosus), Sword fish (Xiphias gladius), Kawakawa (Euthynnus affinis), bonitos (Sarda spp.), marlins, sailfishes, spearfish (Istiophoridae), excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>		
0302 41 00	Herrings (<i>Clupea harengus, Clupea pallasii</i>)	kg.	Nil
0302 42 00	Anchovies (<i>Engraulis spp.</i>)	kg.	Nil
0302 43 00	Sardines (<i>Sardina pilchardus, Sardinops spp.</i>), sardinella (<i>Sardinella spp.</i>), brisling or sprats (<i>Sprattus sprattus</i>)	kg.	Nil
0302 44 00	Mackerel (<i>Scomber scombrus, Scomber australasicus, Scomber japonicus</i>)	kg.	Nil
0302 45 00	Jack and horse mackerel (<i>Trachurus spp.</i>)	kg.	Nil
0302 46 00	Cobia (<i>Rachycentron canadum</i>)	kg.	Nil
0302 47 00	Sword fish (<i>Xiphias gladius</i>)	kg.	Nil
0302 49 00	Other	kg.	Nil
-	<i>Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>		
0302 51 00	Cod (<i>Gadus morhua, Gadus ogac, Gadus macrocephalus</i>)	kg.	Nil
0302 52 00	Haddock (<i>Melanogrammus aeglefinus</i>)	kg.	Nil
0302 53 00	Coal fish (<i>Pollachinus virens</i>)	kg.	Nil
0302 54 00	Hake (<i>Merluccius spp., Urophycis spp.</i>)	kg.	Nil
0302 55 00	Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	Nil
0302 56 00	Blue whittings (<i>Micromesistius poutassou, Micromesistius australis</i>)	kg.	Nil
0302 59 00	Other	kg.	Nil
-	<i>Tilapias (Oreochromis spp.), catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.), carp (Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.), eels (Anguilla spp.), Nile perch (Lates niloticus) and snakeheads (Channa spp.), excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>		
0302 71 00	Tilapias (<i>Oreochromis spp.</i>)	kg.	Nil
0302 72 00	Catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>)	kg.	Nil
0302 73 00	Carp (<i>Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i>)	kg.	Nil
0302 74 00	Eels (<i>Anguilla spp.</i>)	kg.	Nil
0302 79 00	Other	kg.	Nil

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
-	<i>Other fish excluding edible fish offal of sub-headings 0302 91 to 0302 99:</i>		
0302 81 00	Dogfish and other sharks	kg.	Nil
0302 82 00	Rays and skates (<i>Rajidae</i>)	kg.	Nil
0302 83 00	Tooth fish (<i>Dissostichus spp.</i>)	kg.	Nil
0302 84 00	Seabass (<i>Dicentrarchus spp.</i>)	kg.	Nil
0302 85 00	Seabream (<i>Sparidae</i>)	kg.	Nil
0302 89	<i>Other:</i>		
0302 89 10	Hilsa (<i>Tenulosa ilisha</i>)	kg.	Nil
0302 89 20	Dara	kg.	Nil
0302 89 30	Pomfret	kg.	Nil
0302 89 90	Other	kg.	Nil
-	<i>Livers, roes, milt, fish fins, heads, tails, maws and other edible fish offal:</i>		
0302 91	<i>Livers, roes and milt:</i>		
0302 91 10	Livers, roes and milt	kg.	Nil
0302 92	<i>Shark fins:</i>		
0302 92 10	Shark fins	kg.	Nil
0302 99	<i>Other:</i>		
0302 99 10	Fish fins other than shark fins; heads, tails and maws	kg.	Nil
0302 99 90	Other edible fish offal	kg.	Nil ² ;

(iv) for heading 0303, tariff items 0303 11 00 to 0303 69 00, sub-heading 0303 81, tariff items 0303 81 10 to 0303 84 00, sub-heading 0303 89, tariff items 0303 89 10 to 0303 89 99, sub-heading 0303 90, tariff items 0303 90 10 to 0303 90 90 and the entries relating thereto, the following shall be substituted, namely:—

0303	FISH, FROZEN, EXCLUDING FISH FILLETS AND OTHER FISH MEAT OF HEADING 0304		
-	<i>Salmonidae, excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 11 00	Sockeye salmon (red salmon) (<i>Oncorhynchus nerka</i>)	kg.	Nil
0303 12 00	Other Pacific salmon (<i>Oncorhynchus gorbusha, Oncorhynchus keta, Oncorhynchus tshawytscha, Oncorhynchus kisutch, Oncorhynchus masou and Oncorhynchus rhodurus</i>)	kg.	Nil
0303 13 00	Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	kg.	Nil
0303 14 00	Trout (<i>Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarkii, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster</i>)	kg.	Nil
0303 19 00	Other	kg.	Nil
-	<i>Tilapias (Oreochromis spp.), catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.), carp (Cyprinus carpio, Carassius carassius, Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp., eels (Anguilla spp.), Nile perch (Lates niloticus) and snakeheads, (Channa spp.), excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 23 00	Tilapias (<i>Oreochromis spp.</i>)	kg.	Nil
0303 24 00	Catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>)	kg.	Nil

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
0303 25 00 --	Carp (<i>Cyprinus carpio</i> , <i>Carassius carassius</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys</i> spp., <i>Cirrhinus</i> spp., <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo</i> spp., <i>Osteochilus hasseltii</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobroma</i> spp.)	kg.	Nil
0303 26 00 --	Eels (<i>Anguilla</i> spp.)	kg.	Nil
0303 29 00 --	Other	kg.	Nil
	<i>Flat fish (Pleuronectidae, Bothidae, Cynoglossidae, Soleidae, Scophthalmidae and Citharidae), excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 31 00 --	Halibut (<i>Rheinhardtius hippoglossidae</i> , <i>Hippoglossus hippoglossus</i> , <i>Hippoglossus stenolepis</i>)	kg.	Nil
0303 32 00 --	Plaice (<i>Pleuronectes platessa</i>)	kg.	Nil
0303 33 00 --	Sole (<i>Solea</i> spp.)	kg.	Nil
0303 34 00 --	Turbots (<i>Psetta maxima</i>)	kg.	Nil
0303 39 00 --	Other	kg.	Nil
	<i>Tunas (of the genus Thunnus), skipjack or stripe-bellied bonito (Euthynnus (Katsuwonus) pelamis), excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 41 00 --	Albacore or long finned tunas (<i>Thunnus alalunga</i>)	kg.	Nil
0303 42 00 --	Yellowfin tunas (<i>Thunnus albacares</i>)	kg.	Nil
0303 43 00 --	Skipjack or stripe-bellied bonito	kg.	Nil
0303 44 00 --	Bigeye tunas (<i>Thunnus obesus</i>)	kg.	Nil
0303 45 00 --	Atlantic and Pacific bluefin tunas (<i>Thunnus thynnus</i> , <i>Thunnus orientalis</i>)	kg.	Nil
0303 46 00 --	Southern bluefin tunas (<i>Thunnus maccoyii</i>)	kg.	Nil
0303 49 00 --	Other	kg.	Nil
	<i>Herrings (Clupea harengus, Clupea pallasii), anchovies (Engraulis spp.), sardines (Sardina pilchardus, Sardinops spp.), sardinella (Sardinella spp.), brisling or sprats (Sprattus sprattus), mackerel (Scomber scombrus, Scomber australasicus, Scomber japonicus), Indian mackerels (Rastrelliger spp.), seerfishes (Scomberomorus spp.), jack and horse mackerel (Trachurus spp.), jacks, crevalles (Caranx spp.), cobia (Rachycentron canadum), silver pomfrets (Pampus spp.), Pacific saury (Cololabis saira), scads (Decapterus spp.), capelin (Mallotus villosus), Sword fish (Xiphias gladius), Kawakawa (Euthynnus affinis), bonitos (Sarda spp.), marlins, sailfishes, spearfish (Istiophoridae), excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 51 00 --	Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	kg.	Nil
0303 53 00 --	Sardines (<i>Sardina pilchardus</i> , <i>Sardinops</i> spp.), sardinella (<i>Sardinella</i> spp.), brisling or sprats (<i>Sprattus sprattus</i>)	kg.	Nil
0303 54 00 --	Mackerel (<i>Scomber scombrus</i> , <i>Scomber australasicus</i> , <i>Scomber japonicus</i>)	kg.	Nil
0303 55 00 --	Jack and horse mackerel (<i>Trachurus</i> spp.)	kg.	Nil
0303 56 00 --	Cobia (<i>Rachycentron canadum</i>)	kg.	Nil
0303 57 00 --	Sword fish (<i>Xiphias gladius</i>)	kg.	Nil
0303 59 00 --	Other.	kg.	Nil

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
	<i>Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 63 00	-- Cod (<i>Gadus morhua, Gadus ogac, Gadus macrocephalus</i>)	kg.	Nil
0303 64 00	-- Haddock (<i>Melanogrammus aeglefinus</i>)	kg.	Nil
0303 65 00	-- Coal fish (<i>Pollachius virens</i>)	kg.	Nil
0303 66 00	-- Hake (<i>Merluccius spp., Urophycis spp.</i>)	kg.	Nil
0303 67 00	-- Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	Nil
0303 68 00	-- Blue whittings (<i>Micromesistius poutassou, Micromesistius australis</i>)	kg.	Nil
0303 69 00	-- Other	kg.	Nil
	<i>Other fish, excluding edible fish offal of sub-headings 0303 91 to 0303 99:</i>		
0303 81	-- <i>Dogfish and other sharks:</i>		
0303 81 10	--- Dogfish	kg.	Nil
0303 81 90	--- Other Sharks	kg.	Nil
0303 82 00	-- Rays and skates (<i>Rajidae</i>)	kg.	Nil
0303 83 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	Nil
0303 84 00	-- Seabass (<i>Dicentrarchus spp.</i>)	kg.	Nil
0303 89	-- <i>Other:</i>		
0303 89 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	Nil
0303 89 20	--- Dara	kg.	Nil
0303 89 30	--- Ribbon fish	kg.	Nil
0303 89 40	--- Seer	kg.	Nil
0303 89 50	--- Pomfret (white or silver or black)	kg.	Nil
0303 89 60	--- Ghol	kg.	Nil
0303 89 70	--- Threadfin	kg.	Nil
0303 89 80	--- Croakers, groupers and flounders	kg.	Nil
0303 89 90	--- Other	kg.	Nil
	<i>Livers, roes, milt, fish fins, heads, tails, maws and other edible fish offal:</i>		
0303 91	-- <i>Livers, roes and milt:</i>		
0303 91 10	--- Egg or egg yolk of fish	kg.	Nil
0303 91 90	--- Other	kg.	Nil
0303 92	-- <i>Shark fins:</i>		
0303 92 10	--- Shark fins	kg.	Nil
0303 99	-- <i>Other:</i>		
0303 99 10	--- Fish fins other than shark fins, heads, tails and maws	kg.	Nil
0303 99 90	--- Other edible fish offal	kg.	Nil

(v) in heading 0304,—

(a) for the entry in column (2) occurring after the entry against heading 0304, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
"-	<i>Fresh or chilled fillets of tilapias (Oreochromis spp.), catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.), carp (Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.), eels (Anguilla spp.), Nile perch (Lates niloticus) and snakeheads (Channa spp.):"</i>		
(b) for tariff items 0304 46 00 to 0304 99 00 and the entries relating thereto, the following shall be substituted, namely:—			
"0304 46 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	Nil
0304 47 00	-- Dogfish and other sharks	kg.	Nil
0304 48 00	-- Rays and skates (<i>Rajidae</i>)	kg.	Nil
0304 49	-- Other:		
0304 49 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	Nil
0304 49 30	--- Seer	kg.	Nil
0304 49 40	--- Tuna	kg.	Nil
0304 49 90	--- Other	kg.	Nil
	<i>Other, fresh or chilled:</i>		
0304 51 00	-- Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>), carp (<i>Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	Nil
0304 52 00	-- Salmonidae	kg.	Nil
0304 53 00	-- Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae	kg.	Nil
0304 54 00	-- Sword fish (<i>Xiphias gladius</i>)	kg.	Nil
0304 55 00	-- Tooth fish (<i>Dissostichus spp.</i>)	kg.	Nil
0304 56 00	-- Dogfish and other sharks	kg.	Nil
0304 57 00	-- Rays and skates (<i>Rajidae</i>)	kg.	Nil
0304 59	-- Other:		
0304 59 10	--- Hilsa (<i>Tenualosa ilisha</i>)	kg.	Nil
0304 59 30	--- Seer	kg.	Nil
0304 59 40	--- Tuna	kg.	Nil
0304 59 90	--- Other	kg.	Nil
	<i>Frozen fillets of tilapias (Oreochromis spp.), catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.), carp (Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.), eels (Anguilla spp.), Nile perch (Lates niloticus) and snakeheads (Channa spp.):</i>		
0304 61 00	-- Tilapias (<i>Oreochromis spp.</i>)	kg.	Nil
0304 62 00	-- Catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>)	kg.	Nil

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
0304 63 00 --	Nile Perch (<i>Lates niloticus</i>)	kg.	Nil
0304 69 00 --	Other	kg.	Nil
	<i>Frozen fillets of fish of Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae:</i>		
0304 71 00 --	Cod (<i>Gadus morhua, Gadus ogac, Gadus macrocephalus</i>)	kg.	Nil
0304 72 00 --	Haddock (<i>Melanogrammus aeglefinus</i>)	kg.	Nil
0304 73 00 --	Coal fish (<i>Pollachius virens</i>)	kg.	Nil
0304 74 00 --	Hake (<i>Merluccius spp., Urophycis spp.</i>)	kg.	Nil
0304 75 00 --	Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	Nil
0304 79 00 --	Other	kg.	Nil
	<i>Frozen fillets of other fish:</i>		
0304 81 00 --	Pacific salmon (<i>Oncorhynchus nerka, Oncorhynchus gorbuscha, Oncorhynchus keta, Oncorhynchus tshawytscha, Oncorhynchus kisutch, Oncorhynchus masou and Oncorhynchus rhodurus</i>), Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	kg.	Nil
0304 82 00 --	Trout (<i>Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarkii, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster</i>)	kg.	Nil
0304 83 00 --	Flat fish (<i>Pleuronectidae, Bothidae, Cynoglossidae, Soleidae, Scopthalmidae and Citharidae</i>)	kg.	Nil
0304 84 00 --	Sword fish (<i>Xiphias gladius</i>)	kg.	Nil
0304 85 00 --	Tooth fish (<i>Dissostichus spp.</i>)	kg.	Nil
0304 86 00 --	Herrings (<i>Clupea harengus, Clupea pallasii</i>)	kg.	Nil
0304 87 00 --	Tunas (of the genus <i>Thunnus</i>), skipjack or stripe-bellied bonito (<i>Euthynnus, Katsuwonus, pelamis</i>)	kg.	Nil
0304 88 --	<i>Dogfish, other sharks Rays and skates (Rajidae):</i>		
0304 88 10 ---	Dogfish	kg.	Nil
0304 88 20 ---	Other sharks	kg.	Nil
0304 88 30 ---	Rays and skates (<i>Rajidae</i>)	kg.	Nil
0304 89 --	<i>Other:</i>		
0304 89 10 ---	Hilsa (<i>Tenualosa ilisha</i>)	kg.	Nil
0304 89 30 ---	Seer	kg.	Nil
0304 89 40 ---	Tuna	kg.	Nil
0304 89 90 ---	Other	kg.	Nil
	<i>Other, frozen:</i>		
0304 91 00 --	Sword fish (<i>Xiphias gladius</i>)	kg.	Nil
0304 92 00 --	Tooth fish (<i>Dissostichus spp.</i>)	kg.	Nil
0304 93 00 --	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.</i>), carp (<i>Cyprinus spp., Carassius spp., Ctenopharyngodon idellus, Hypophthalmichthys spp., Cirrhinus spp., Mylopharyngodon piceus, Catla catla, Labeo spp., Osteochilus hasselti, Leptobarbus hoeveni, Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	Nil

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
0304 94 00 --	Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	Nil
0304 95 00 --	Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, Alaska Pollack (<i>Theragra chalcogramma</i>)	kg.	Nil
0304 96 00 --	Dogfish and other sharks	kg.	Nil
0304 97 00 --	Rays and skates (<i>Rajidae</i>)	kg.	Nil
0304 99 00 --	Other	kg.	Nil”;
(vi) in heading 0305,—			
(a) for tariff item 0305 20 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0305 20 00 -	Livers, roes and milt of fish, dried, smoked, salted or in brine	kg.	Nil”;
(b) for tariff item 0305 31 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0305 31 00 --	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	Nil”;
(c) for tariff item 0305 44 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0305 44 00 --	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	Nil”;
(d) after tariff item 0305.51 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0305 52 00 --	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	Nil
0305 53 00 --	Fish of the families Bregmacerotidae, Euclichthyidae, Gadidae, Macrouridae, Melanonidae, Merlucciidae, Moridae and Muraenolepididae, other than cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	kg.	Nil
0305 54 00 --	Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>), anchovies (<i>Engraulis spp.</i>), sardines (<i>Sardina pilchardus</i> , <i>Sardinops spp.</i>), sardinella (<i>Sardinella spp.</i>), brisling or sprats (<i>Sprattus sprattus</i>), mackerel (<i>Scomber scombrus</i> , <i>Scomber australasicus</i> , <i>Scomber japonicus</i>), Indian mackerels (<i>Rastrelliger spp.</i>), seerfishes (<i>Scomberomorus spp.</i>), jack and horse mackerel (<i>Trachurus spp.</i>), jacks, crevalles (<i>Caranx spp.</i>), cobia (<i>Rachycentron canadum</i>), silver pomfrets (<i>Pampus spp.</i>), Pacific saury (<i>Cololabis saira</i>), scads (<i>Decapterus spp.</i>), capelin (<i>Mallotus villosus</i>), Sword fish (<i>Xiphias gladius</i>), Kawakawa (<i>Euthynnus affinis</i>), bonitos (<i>Sarda spp.</i>), marlins, sailfishes, spearfish (<i>Istiophoridae</i>)	kg.	Nil”;
(e) for tariff item 0305 64 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0305 64 00 --	Tilapias (<i>Oreochromis spp.</i>), catfish (<i>Pangasius spp.</i> , <i>Silurus spp.</i> , <i>Clarias spp.</i> , <i>Ictalurus spp.</i>), carp (<i>Cyprinus spp.</i> , <i>Carassius spp.</i> , <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys spp.</i> , <i>Cirrhinus spp.</i> , <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo spp.</i> , <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama spp.</i>), eels (<i>Anguilla spp.</i>), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa spp.</i>)	kg.	Nil”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
(vii) in heading 0306, for tariff items 0306 19 00 to 0306 29 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0306 19 00	-- Other, including flours, meals and pellets of crustaceans, fit for human consumption	kg.	Nil
	- <i>Live, fresh or chilled:</i>		
0306 31 00	-- Rock lobster and other sea crawfish (<i>Palinurus spp., Jasus spp.</i>)	kg.	Nil
0306 32 00	-- Lobsters (<i>Homarus spp.</i>)	kg.	Nil
0306 33 00	-- Crabs	kg.	Nil
0306 34 00	-- Norway lobsters (<i>Nephrops norvegicus</i>)	kg.	Nil
0306 35 00	-- Cold water shrimps and prawns (<i>Pandalus spp., Crangon crangon</i>)	kg.	Nil
0306 36 00	-- Other shrimps and prawns	kg.	Nil
0306 39 00	-- Other, including flours, meals and pellets of crustaceans, fit for human consumption	kg.	Nil
	- <i>Other:</i>		
0306 91 00	-- Rock lobster and other sea crawfish (<i>Palinurus spp., Jasus spp.</i>)	kg.	Nil
0306 92 00	-- Lobsters (<i>Homarus spp.</i>)	kg.	Nil
0306 93 00	-- Crabs	kg.	Nil
0306 94 00	-- Norway lobsters (<i>Nephrops norvegicus</i>)	kg.	Nil
0306 95 00	-- Shrimps and prawns	kg.	Nil
0306 99 00	-- Other, including flours, meals and pellets of crustaceans, fit for human consumption	kg.	Nil”;
(viii) in heading 0307,—			
(a) after tariff item 0307 11 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0307 12 00	-- Frozen	kg.	Nil”;
(b) after tariff item 0307 21 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0307 22 00	-- Frozen	kg.	Nil”;
(c) after tariff item 0307 31 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0307 32 00	-- Frozen	kg.	Nil”;
(d) for tariff items 0307 39 90 to 0307 49 90 and the entries relating thereto, the following shall be substituted, namely:—			
“0307 39 90	--- Other	kg.	Nil
	- <i>Cuttle fish and squid:</i>		
0307 42	-- <i>Live, fresh or chilled:</i>		
0307 42 10	--- Cuttle fish	kg.	Nil
0307 42 20	--- Squid	kg.	Nil
0307 43	-- <i>Frozen:</i>		
0307 43 10	--- Cuttle fish	kg.	Nil
0307 43 20	--- Whole squids	kg.	Nil
0307 43 30	--- Squid tubes	kg.	Nil
0307 49	-- <i>Other:</i>		

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
0307 49 10 ---	Cuttle fish	kg.	Nil
0307 49 20 ---	Whole squids	kg.	Nil
0307 49 30 ---	Squid tubes	kg.	Nil
0307 49 40 ---	Dried squids	kg.	Nil
0307 49 90 ---	Other	kg.	Nil”;
(e) after tariff item 0307 51 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0307 52 00 -- -	Frozen	kg.	Nil”;
(f) after tariff item 0307 71 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0307 72 00 - -	Frozen	kg.	Nil”;
(g) for tariff items 0307 79 00 to 0307 89 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0307 79 00 --	Other	kg.	Nil
-	<i>Abalone (Haliotis Spp.) and stromboid conchs (Strombus spp.):</i>		
0307 81 00 --	Live, fresh or chilled abalone (<i>Haliotis spp.</i>)	kg.	Nil
0307 82 00 --	Live, fresh or chilled stromboid conchs (<i>Strombus spp.</i>)	kg.	Nil
0307 83 00 --	Frozen abalone (<i>Haliotis spp.</i>)	kg.	Nil
0307 84 00 --	Frozen stromboid conchs (<i>Strombus spp.</i>)	kg.	Nil
0307 87 00 --	Other abalone (<i>Haliotis spp.</i>)	kg.	Nil
0307 88 00 --	Other stromboid conchs (<i>Strombus spp.</i>)	kg.	Nil”;
(h) after tariff item 0307 91 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0307 92 00 - -	Frozen	kg.	Nil”;
(ix) in heading 0308,—			
(a) for the entry in column (2) occurring after the entry against heading 0308, the following shall be substituted, namely:—			
“- <i>Sea cucumbers (Stichopus japonicus, Holothuroidea)</i> ”;			
(b) after tariff item 0308 11 00 and the entries relating thereto, the following shall be inserted, namely:—			
“0308 12 00 - -	Frozen	kg.	Nil”;
(c) for tariff items 0308 19 00 to 0308 21 00 and the entries relating thereto, the following shall be substituted, namely:—			
“0308 19 00 --	Other	kg.	Nil
-	<i>Sea urchins (Strongylocentrotus spp., Paracentrotus lividus, Loxechinus albus, Echinus esculentus):</i>		
0308 21 00 --	Live, fresh or chilled	kg.	Nil
0308 22 00 - -	Frozen	kg.	Nil”;

(2) in Chapter 4, in Note 4,—

(A) in clause (a), the word “or” shall be omitted;

(B) after clause (a), the following clause shall be inserted, namely:—

“(b) products obtained from milk by replacing one or more of its natural constituents (for example, butyric fats) by another substance (for example, oleic fats) (heading 1901 or 2106); or”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

(C) the existing clause (b) shall be re-lettered as (c);

(3) in Chapter 5, for Note 4, the following Note shall be substituted, namely:—

“4. Throughout the Schedule, the expression “horsehair” means hair of the manes or tails of equine or bovine animals. Heading 0511 covers, *inter alia*, horsehair and horsehair waste, whether or not put up as a layer with or without supporting material.”;

(4) in Chapter 8, in heading 0805, for tariff item 0805 20 00 and the entries relating thereto, the following shall be substituted, namely:—

“- Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:			
0805 21 00	--	Mandarins (including tangerines and satsumas)	kg. Nil
0805 22 00	--	Clementines	kg. Nil
0805 29 00	--	Other	kg. Nil”;

(5) in Chapter 12,—

(i) for heading 1211 and the entries relating thereto, the following shall be substituted, namely:—

“1211		PLANTS AND PARTS OF PLANTS (INCLUDING SEEDS AND FRUITS), OF A KIND USED PRIMARILY IN PERFUMERY, IN PHARMACY OR FOR INSECTICIDAL, FUNGICIDAL OR SIMILAR PURPOSE, FRESH, CHILLED, FROZEN OR DRIED, WHETHER OR NOT CUT, CRUSHED OR POWDERED”;	
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(ii) after tariff item 1211 40 00 and the entries relating thereto, the following shall be inserted, namely:—

“1211 50 00	-	Ephedra	kg. ”;
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(6) in Chapter 13, in heading 1302, after tariff item 1302 13 00 and the entries relating thereto, the following shall be inserted, namely:—

“1302 14 00	--	Of ephedra	kg. 12.5%”;
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(7) in Chapter 16,—

(i) in Sub-heading Note 1, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(ii) in heading 1604, after tariff item 1604 17 00 and the entries relating thereto, the following shall be inserted, namely:—

“1604 18 00	--	Shark fins	kg. 6%”;
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(8) in Chapter 19, for sub-heading 1901 10 and the entries relating thereto, the following shall be substituted, namely:—

“1901 10	-	<i>Preparations suitable for infants or young children, put up for retail sale.</i> ”;	
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(9) in Chapter 20,—

(i) in Sub-heading Note 1, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(ii) in Sub-heading Note 2, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(10) in Chapter 21, in Sub-heading Note 3, for the words “as infant food”, the words “as food suitable for infants or young children” shall be substituted;

(11) in Chapter 22,—

(i) for sub-heading 2202 90, tariff items 2202 90 10 to 2202 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“- Other:			
2202 91 00	--	Non alcoholic beer	18%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2202 99 --	<i>Other:</i>		
2202 99 10 ---	Soya milk drinks, whether or not sweetened or flavoured	l	18%
2202 99 20 ---	Fruit pulp or fruit juice based drink	l	6%
2202 99 30 ---	Beverages containing milk.	l	12.5%
2202 99 90 ---	Other	l	12.5%";
(ii) after tariff item 2204 21 90 and the entries relating thereto, the following shall be inserted, namely:—			
"2204 22 --			
2204 22 10 ---			
2204 22 20 ---			
2204 22 90 ---			-";
(iii) for tariff item 2206 00 00 and the entries relating thereto, the following shall be substituted, namely:—			
"2206 00 00 -			-";
(12) in Chapter 27,—			
(i) for Sub-heading Note 4, the following shall be substituted, namely:—			
'4. For the purposes of sub-heading 2710 12, "light oils and preparations" are those of which 90 % or more by volume (including losses) distil at 210 °C according to the ISO 3405 method (equivalent to the ASTM D 86 method).';			
(ii) for tariff item 2707 50 00 and the entries relating thereto, the following shall be substituted, namely:—			
"2707 50 00 -	Other aromatic hydrocarbon mixtures of which 65 % or more by volume (including losses) distils at 250 °C by the ISO 3405 method (equivalent to the ASTM D 86 method)	kg.	14%";
(13) in Chapter 28,—			
(i) for Note 7, the following shall be substituted, namely:—			
"7. Heading 2853 includes copper phosphide (phosphor copper) containing more than 15 % by weight of phosphorus.";			
(ii) after tariff item 2811 11 00 and the entries relating thereto, the following shall be inserted, namely:—			
"2811 12 00 --	Hydrogen cyanide (hydrocyanic acid)	kg.	12.5%";
(iii) tariff item 2811 19 10 and the entries relating thereto shall be omitted;			
(iv) for sub-heading 2812 10, tariff items 2812 10 10 to 2812 90 00 and the entries relating thereto, the following shall be substituted namely:—			
<i>Chlorides and chloride oxides:</i>			
2812 11 00 --	Carbonyl dichloride (phosgene)	kg.	12.5%
2812 12 00 --	Phosphorous oxychloride	kg.	12.5%
2812 13 00 --	Phosphorous trichloride	kg.	12.5%
2812 14 00 --	Phosphorous pentachloride	kg.	12.5%
2812 15 00 --	Sulphur monochloride	kg.	12.5%
2812 16 00 --	Sulphur dichloride	kg.	12.5%
2812 17 00 --	Thionyl chloride	kg.	12.5%
<i>Other:</i>			
2812 19 10 ---	Sulphur oxychloride	kg.	12.5%
2812 19 20 ---	Silicon tetrachloride	kg.	12.5%
2812 19 30 ---	Arsenous trichloride	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2812 19 90 ---	Other	kg.	12.5%
2812 90 00 -	Other	kg.	12.5%";

(v) the heading 2848, sub-heading 2848 00, tariff items 2848 00 10 to 2848 00 90 and the entries relating thereto shall be omitted;

(vi) for heading 2853, sub-heading 2853 00, tariff items 2853 00 10 to 2853 00 99 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
2853	PHOSPHIDES, WHETHER OR NOT CHEMICALLY DEFINED, EXCLUDING FERROPHOSPHORUS; OTHER INORGANIC COMPOUNDS (INCLUDING DISTILLED OR CONDUCTIVITY WATER AND WATER OF SIMILAR PURITY); LIQUID AIR (WHETHER OR NOT RARE GASES HAVE BEEN REMOVED); COMPRESSED AIR; AMALGAMS, OTHER THAN AMALGAMS OF PRECIOUS METALS		
2853 10 00 -	Cyanogen chloride (chlorocyan)	kg.	12.5%
2853 90 -	<i>Other:</i>		
2853 90 10 ---	Distilled or conductivity water and water of similar purity	kg.	12.5%
2853 90 20 ---	Liquid air, whether or not rare gases have been removed	kg.	12.5%
2853 90 30 ---	Compressed air	kg.	Nil
2853 90 40 ---	Amalgams, other than of precious metals	kg.	12.5%
2853 90 90 ---	Other	kg.	12.5%";

(14) in Chapter 29,—

(i) after tariff item 2903 82 00 and the entries relating thereto, the following shall be inserted, namely:—

2903 83 00 --	Mirex (ISO)	kg.	12.5%";
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(ii) after tariff item 2903 92 29 and the entries relating thereto, the following shall be inserted, namely:—

2903 93 00 --	Pentachlorobenzene (ISO)	kg.	12.5%
2903 94 00 --	Hexabromobiphenyls	kg.	12.5%";

(iii) in heading 2904,—

(a) after tariff item 2904 20 90 and the entries relating thereto, the following shall be inserted, namely:—

	<i>Perfluorooctane sulphonic acid, its salts and perfluorooctane sulphonyl fluoride:</i>		
2904 31 00 --	Perfluorooctane sulphonic acid	kg.	12.5%
2904 32 00 --	Ammonium perfluorooctane sulphonate	kg.	12.5%
2904 33 00 --	Lithium perfluorooctane sulphonate	kg.	12.5%
2904 34 00 --	Potassium perfluorooctane sulphonate	kg.	12.5%
2904 35 00 --	Other salts of perfluorooctane sulphonic acid	kg.	12.5%
2904 36 00 --	Perfluorooctane sulphonyl fluoride	kg.	12.5%";

(b) for sub-heading 2904 90, tariff items 2904 90 10 to 2904 90 90 and the entries relating thereto, the following shall be substituted, namely:—

	<i>Other:</i>		
2904 91 00 --	Trichloronitromethane (chloropicrin)	kg.	12.5%
2904 99 --	<i>Other:</i>		
2904 99 10 ---	2, 5 dichloronitrobenzene	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2904 99 20	--- Dinitrochlorobenzene	kg.	12.5%
2904 99 30	--- Meta nitrochlorobenzene	kg.	12.5%
2904 99 40	--- Ortho nitrochlorobenzene	kg.	12.5%
2904 99 50	--- Para nitrochlorobenzene	kg.	12.5%
2904 99 60	--- 2-nitrochlorotoluene	kg.	12.5%
2904 99 70	--- Sodium meta nitrochlorobenzene sulphate	kg.	12.5%
2904 99 90	--- Other	kg.	12.5%";
(iv) after tariff item 2910 40 00 and the entries relating thereto, the following shall be inserted, namely:—			
"2910 50 00	- Endrin (ISO)	kg.	12.5%";
(v) in heading 2914,—			
(a) after tariff item 2914 61 00 and the entries relating thereto, the following shall be inserted, namely:—			
"2914 62 00	-- Coenzyme Q10 (ubidecarenone (INN))	kg.	12.5%";
(b) for sub-heading 2914 70, tariff items 2914 70 10 to 2914 70 90 and the entries relating thereto, the following shall be substituted, namely:—			
"-	<i>Halogenated, sulphonated, nitrated or nitrosated derivatives:</i>		
2914 71 00	-- Chlordecone (ISO)	kg.	12.5%
2914 79	-- <i>Other:</i>		
2914 79 10	--- 1-chloro anthraquinone	kg.	12.5%
2914 79 20	--- Musk ketone	kg.	12.5%
2914 79 90	--- Other	kg.	12.5%";
(vi) after tariff item 2918 16 90 and the entries relating thereto, the following shall be inserted, namely:—			
"2918 17 00	-- 2, 2-Diphenyl-2-hydroxyacetic acid (benzilic acid)	kg.	12.5%";
(vii) for sub-heading 2920 90, tariff items 2920 90 10 to 2920 90 44 and the entries relating thereto, the following shall be substituted, namely:—			
"-	<i>Phosphite esters and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives:</i>		
2920 21 00	-- Dimethyl phosphite	kg.	12.5%
2920 22 00	-- Diethyl phosphite	kg.	12.5%
2920 23 00	-- Trimethyl phosphite	kg.	12.5%
2920 24 00	-- Triethyl phosphite	kg.	12.5%
2920 29	-- <i>Other:</i>		
2920 29 10	--- Dimethyl sulphate	kg.	12.5%
2920 29 20	--- Diethyl sulphate	kg.	12.5%
2920 29 30	--- Tris (2, 3 Dibromopropyl) phosphate	kg.	12.5%
2920 29 90	--- Other	kg.	12.5%
2920 30 00	- Endosulfan (ISO)	kg.	12.5%";
(viii) for sub-heading 2921 19, tariff items 2921 19 11 to 2921 19 90 and the entries relating thereto, the following shall be substituted, namely:—			
"2921 12 00	-- 2-(N, N-Dimethylamino) ethylchloride hydrochloride	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2921 13 00 --	2-(N, N-Diethylamino) ethylchloride hydrochloride	kg.	12.5%
2921 14 00 --	2-(N, N-Diisopropylamino) ethylchloride hydrochloride	kg.	12.5%
2921 19 --	<i>Other:</i>		
2921 19 10 ---	2-Chloro N, N-Diisopropyl ethylamine	kg.	12.5%
2921 19 20 ---	2-Chloro N, N-Dimethyl ethanamine	kg.	12.5%
2921 19 90 ---	<i>Other</i>	kg.	12.5%";
(ix) for sub-heading 2922 12, tariff items 2922 12 10 to 2922 12 90 and the entries relating thereto, the following shall be substituted, namely:—			
2922 12 00 --	Diethanolamine and its salts	kg.	12.5%";
(x) for sub-heading 2922 13, tariff items 2922 13 10 to 2922 13 90, tariff item 2922 14 00, sub-heading 2922 19, tariff items 2922 19 40 to 2922 19 90 and the entries relating thereto, the following shall be substituted, namely:—			
2922 14 00 --	Dextropropoxyphene (INN) and its salts	kg.	12.5%
2922 15 00 --	Triethanolamine	kg.	12.5%
2922 16 00 --	Diethanolammonium perfluorooctane sulphonate	kg.	12.5%
2922 17 --	<i>Methyldiethanolamine and ethyldiethanolamine:</i>		
2922 17 10 ---	Methyldiethanolamine	kg.	12.5%
2922 17 20 ---	Ethyldiethanolamine	kg.	12.5%
2922 18 00 --	2-(N, N-Diisopropylamino) ethanol	kg.	12.5%
2922 19 --	<i>Other:</i>		
2922 19 10 ---	2-Hydroxy N, N-Diisopropyl ethylamine	kg.	12.5%
2922 19 90 ---	<i>Other</i>	kg.	12.5%";
(xi) after tariff item 2923 20 90 and the entries relating thereto, the following shall be inserted, namely:—			
2923 30 00 -	Tetraethylammonium perfluorooctane sulphonate	kg.	12.5%
2923 40 00 -	Didecyldimethylammonium perfluorooctane sulphonate	kg.	12.5%";
(xii) after tariff item 2924 24 00 and the entries relating thereto, the following shall be inserted, namely:—			
2924 25 00 --	Alachlor (ISO)	kg.	12.5%";
(xiii) after tariff item 2926 30 00 and the entries relating thereto, the following shall be inserted, namely:—			
2926 40 00 -	Alpha-phenylacetoacetonitrile	kg.	12.5%";
(xiv) for tariff item 2930 50 00 and the entries relating thereto, the following shall be substituted, namely:—			
2930 60 00 -	2-(N, N-Diethylamino) ethanethiol	kg.	12.5%
2930 70 00 -	Bis(2-hydroxyethyl)sulfide (thiodiglycol (INN))	kg.	12.5%
2930 80 00 -	Aldicarb (ISO), captafol (ISO) and methamidophos (ISO)	kg.	12.5%";
(xv) after tariff item 2931 20 00 and the entries relating thereto, the following shall be inserted, namely:—			
--	<i>Other organo-phosphorous derivatives:</i>		
2931 31 00 --	Dimethyl methylphosphonate	kg.	12.5%
2931 32 00 --	Dimethyl propylphosphonate	kg.	12.5%
2931 33 00 --	Diethyl ethylphosphonate	kg.	12.5%
2931 34 00 --	Sodium 3-(trihydroxysilyl)propyl methylphosphonate	kg.	12.5%
2931 35 00 --	2, 4, 6-Tripopyl-1, 3, 5, 2, 4, 6-trioxatriphosphinane 2, 4, 6-trioxide	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2931 36 00 --	(5-Ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl)methyl methyl methylphosphonate	kg.	12.5%
2931 37 00 --	Bis[(5-ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl)methyl] methylphosphonate	kg.	12.5%
2931 38 00 --	Salt of methylphosphonic acid and (aminoiminomethyl)urea (1: 1)	kg.	12.5%
2931 39 00 --	Other	kg.	12.5%";
(xvi) after tariff item 2932 13 00 and the entries relating thereto, the following shall be inserted, namely:—			
"2932 14 00 --	Sucralose	kg.	12.5%";
(xvii) after tariff item 2933 91 00 and the entries relating thereto, the following shall be inserted, namely:—			
"2933 92 00 --	Azinphos-methyl (ISO)	kg.	12.5%";
(xviii) for heading 2935, sub-heading 2935 00, tariff items 2935 00 11 to 2935 00 90 and the entries relating thereto, the following shall be substituted, namely:—			
"2935	SULPHONAMIDES		
2935 10 00 -	N-Methylperfluorooctane sulphonamide	kg.	12.5%
2935 20 00 -	N-Ethylperfluorooctane sulphonamide	kg.	12.5%
2935 30 00 --	N-Ethyl-N-(2-hydroxyethyl) perfluorooctane sulphonamide	kg.	12.5%
2935 40 00 -	N-(2-Hydroxyethyl)-N-methylperfluorooctane sulphonamide	kg.	12.5%
2935 50 00 -	Other perfluorooctane sulphonamides	kg.	12.5%
2935 90 -	<i>Other:</i>		
---	<i>Sulphamethoxazole, sulphafurazole, sulphadiazine, sulphadimidine, sulphacetamide:</i>		
2935 90 11 ----	Sulphamethoxazole	kg.	12.5%
2935 90 12 ----	Sulphafurazole	kg.	12.5%
2935 90 13 ----	Sulphadiazine	kg.	12.5%
2935 90 14 ----	Sulphadimidine	kg.	12.5%
2935 90 15 ----	Sulphacetamide	kg.	12.5%
---	<i>Sulphamethoxyipyridarine, sulphamethiazole, sulphamoxole, sulphamide:</i>		
2935 90 21 ----	Sulphamethoxyipyridarine	kg.	12.5%
2935 90 22 ----	Sulphamethiazole	kg.	12.5%
2935 90 23 ----	Sulphamoxole	kg.	12.5%
2935 90 24 ----	Sulphamide	kg.	12.5%
2935 90 90 ---	Other	kg.	12.5%";

(xix) for the tariff item 2937 31 00 and the entries relating thereto, the following shall be substituted, namely:—

"2937 31 00 -- Epinephrine kg. 12.5%";

(xx) in the entry under column (2) occurring after tariff item 2937 90 90 and the entries relating thereto, the word "VEGETABLE" shall be omitted;

(xxi) for heading 2939 and the entries relating thereto, the following shall be substituted, namely:—

"2939 **ALKALOIDS, NATURAL OR REPRODUCED BY SYNTHESIS, AND THEIR SALTS, ETHERS, ESTERS AND OTHER DERIVATIVES";**

(xxii) for tariff items 2939 69 00 to 2939 99 00 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
"2939 69 00 --	Other	kg.	12.5%
-	<i>Other, of vegetal origin:</i>		
2939 71 00 --	Cocaine, ecgonine, levometamfetamine, metamfetamine (INN), metamfetamine racemate; salts, esters and other derivatives thereof	kg.	12.5%
2939 79 00 --	Other	kg.	12.5%
2939 80 00 -	Other	kg.	12.5%";

(15) in Chapter 30,—

(i) after Note 4, the following shall be inserted, namely:—

"Sub-heading Notes:

1. For the purposes of sub-headings 3002 13 and 3002 14, the following are to be treated:

(a) as unmixed products, pure products, whether or not containing impurities;

(b) as products which have been mixed:

(1) the products mentioned in (a) above dissolved in water or in other solvents;

(2) the products mentioned in (a) and (b) (1) above with an added stabiliser necessary for their preservation or transport; and

(3) the products mentioned in (a), (b) (1) and (b) (2) above with any other additive.

2. Sub-headings 3003 60 and 3004 60 cover medicaments containing artemisinin (INN) for oral ingestion combined with other pharmaceutical active ingredients, or containing any of the following active principles, whether or not combined with other pharmaceutical active ingredients: amodiaquine (INN); arteminic acid or its salts; arteminol (INN); artemotil (INN); artemether (INN); artesunate (INN); chloroquine (INN); dihydroartemisinin (INN); lumefantrine (INN); mefloquine (INN); piperaquine (INN); pyrimethamine (INN) or sulfadoxine (INN).";

(ii) for sub-heading 3002 10, tariff items 3002 10 11 to 3002 10 99 and the entries relating thereto, the following shall be substituted, namely:—

"-	<i>Antisera, other blood fractions and immunological products, whether or not modified or obtained by biotechnological processes:</i>		
3002 11 00 --	Malaria diagnostic test kits	kg.	6%
3002 12 --	<i>Antisera and other blood fractions:</i>		
3002 12 10 ---	For diphtheria	kg.	Nil
3002 12 20 ---	For tetanus	kg.	Nil
3002 12 30 ---	For rabies	kg.	Nil
3002 12 40 ---	For snake venom	kg.	Nil
3002 12 90 ---	Other	kg.	Nil
3002 13 --	<i>Immunological products, unmixed, not put up in measured doses or in forms or packings for retail sale:</i>		
3002 13 10 ---	Immunological products, unmixed, not put up in measured doses or in forms or packings for retail sale	kg.	6%
3002 14 --	<i>Immunological products, mixed, not put up in measured doses or in forms or packings for retail sale:</i>		
3002 14 10 ---	Immunological products, mixed, not put up in measured doses or in forms or packings for retail sale	kg.	6%
3002 15 00 --	Immunological products, put up in measured doses or in forms or packings for retail sale	kg.	6%
3002 19 00 --	Other	kg.	6%";

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
<i>(iii)</i> for tariff items 3003 20 00 to 3003 40 00 and the entries relating thereto, the following shall be substituted, namely:—			
“3003 20 00	- Other, containing antibiotics	kg.	6%
-	<i>Other, containing hormones or other products of heading 2937:</i>		
3003 31 00	-- Containing insulin	kg.	6%
3003 39 00	-- Other	kg.	6%
-	<i>Other, containing alkaloids or derivatives thereof:</i>		
3003 41 00	-- Containing ephedrine or its salts	kg.	6%
3003 42 00	-- Containing pseudoephedrine (INN) or its salts	kg.	6%
3003 43 00	-- Containing norephedrine or its salts	kg.	6%
3003 49 00	-- Other	kg.	6%
3003 60 00	- Other, containing antimalarial active principles described in Sub-heading Note 2 to this Chapter	kg.	6%”;
<i>(iv)</i> in heading 3004,—			
<i>(a)</i> for sub-heading 3004 20 and the entries relating thereto, the following shall be substituted, namely:—			
“3004 20	-- <i>Other, containing antibiotics.”;</i>		
<i>(b)</i> for tariff item 3004 20 99, sub-heading 3004 31 and the entries relating thereto, the following shall be substituted, namely:—			
“3004 20 99	---- Other	kg.	6%
-	<i>Other, containing hormones and other products of heading 2937:</i>		
3004 31	-- <i>Containing insulin.”;</i>		
<i>(c)</i> for sub-heading 3004 40, tariff items 3004 40 10 to 3004 40 90 and the entries relating thereto, the following shall be substituted, namely:—			
-	<i>Other, containing alkaloids or derivatives thereof:</i>		
3004 41 00	-- Containing ephedrine or its salts	kg.	6%
3004 42 00	-- Containing pseudoephedrine (INN) or its salts	kg.	6%
3004 43 00	-- Containing norephedrine or its salts	kg.	6%
3004 49	-- <i>Other:</i>		
3004 49 10	--- Atropin and salts thereof	kg.	6%
3004 49 20	--- Caffein and salts thereof	kg.	6%
3004 49 30	--- Codeine and derivatives, with or without ephidrine hydrochloride	kg.	6%
3004 49 40	--- Ergot preparations, ergotamine and salts thereof	kg.	6%
3004 49 50	--- Papavarine hydrochloride	kg.	6%
3004 49 60	--- Bromohexin and salbutamol	kg.	6%
3004 49 70	--- Theophylline and salts thereof	kg.	6%
3004 49 90	---- Other	kg.	6%”;
<i>(d)</i> for sub-heading 3004 50 and the entries relating thereto, the following shall be substituted, namely:—			
“3004 50	- <i>Other, containing vitamins or other products of heading 2936.”;</i>		
<i>(e)</i> after tariff item 3004 50 90 and the entries relating thereto, the following shall be inserted, namely:—			
“3004 60 00	- Other, containing antimalarial active principles described in Sub-heading Note 2 to this Chapter	kg.	6%”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

(16) in Chapter 31, in heading 3103, for tariff item 3103 10 00 and the entries relating thereto, the following shall be substituted, namely:—

	“- Superphosphates:		
3103 11 00	-- Containing by weight 35 % or more of diphosphorus pentaoxide (P ₂ O ₅)	kg.	12.5%
3103 19 00	-- Other	kg.	12.5%”;

(17) in Chapter 37, in heading 3705, for tariff item 3705 10 00, sub-heading 3705 90, tariff items 3705 90 10 and 3705 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“3705 00 00	- PHOTOGRAPHIC PLATES AND FILM, EXPOSED AND DEVELOPED, OTHER THAN CINEMATOGRAPHIC FILM	kg.	Nil”;
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(18) in Chapter 38,—

(i) for Sub-heading Notes 1 and 2, the following shall be substituted, namely:—

* Sub-heading Notes:

1. Sub-headings 3808 52 and 3808 59 cover only goods of heading 3808, containing one or more of the following substances: alachlor (ISO); aldicarb (ISO); aldrin (ISO); azinphos-methyl (ISO); binapacryl (ISO); camphechlor (ISO) (toxaphene); captafol (ISO); chlordane (ISO); chlordimeform (ISO); chlorobenzilate (ISO); DDT (ISO) (clofenotane (INN), 1, 1, 1-trichloro-2, 2-bis(p-chlorophenyl)ethane); dieldrin (ISO, INN); 4, 6- dinitro-o-cresol (DNOC (ISO)) or its salts; dinoseb (ISO), its salts or its esters; endosulfan (ISO); ethylene dibromide (ISO) (1, 2-dibromoethane); ethylene dichloride (ISO) (1, 2-dichloroethane); fluoroacetamide (ISO); heptachlor (ISO); hexachlorobenzene (ISO); 1, 2, 3, 4, 5, 6- hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN); mercury compounds; methamidophos (ISO); monocrotophos (ISO); oxirane (ethylene oxide); parathion (ISO); parathion-methyl (ISO) (methylparathion); penta- and octabromodiphenyl ethers; pentachlorophenol (ISO), its salts or its esters; perfluorooctane sulphonic acid and its salts; perfluorooctane sulphonamides; perfluorooctane sulphonyl fluoride; phosphamidon (ISO); 2, 4, 5-T (ISO) (2, 4, 5-trichlorophenoxyacetic acid), its salts or its esters; tributyltin compounds.

Sub-heading 3808 59 also covers dustable powder formulations containing a mixture of benomyl (ISO), carbofuran (ISO) and thiram (ISO).

2. Sub-headings 3808 61 to 3808 69 cover only goods of heading 3808, containing alpha-cypermethrin (ISO), bendiocarb (ISO), bifenthrin (ISO), chlorfenapyr (ISO), cyfluthrin (ISO), deltamethrin (INN, ISO), etofenprox (INN), fenitrothion (ISO), lambda-cyhalothrin (ISO), malathion (ISO), pirimiphos-methyl (ISO) or propoxur (ISO).

3. Sub-headings 3824 81 to 3824 88 cover only mixtures and preparations containing one or more of the following substances: oxirane (ethylene oxide), polybrominated biphenyls (PBBs), polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs), tris(2, 3-dibromopropyl) phosphate, aldrin (ISO), camphechlor (ISO) (toxaphene), chlordane (ISO), chlordecone (ISO), DDT (ISO) (clofenotane (INN), 1, 1, 1-trichloro-2, 2-bis(p-chlorophenyl)ethane), dieldrin (ISO, INN), endosulfan (ISO), endrin (ISO), heptachlor (ISO), mirex (ISO), 1, 2, 3, 4, 5, 6-hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN), pentachlorobenzene (ISO), hexachlorobenzene (ISO), perfluorooctane sulphonic acid, its salts, perfluorooctane sulphonamides, perfluorooctane sulphonyl fluoride or tetra-, penta-, hexa-, hepta- or octabromodiphenyl ethers.

4. For the purposes of tariff items 3825 41 00 and 3825 49 00, “waste organic solvents” are wastes containing mainly organic solvents, not fit for further use as presented as primary products, whether or not intended for recovery of solvents.”;

(ii) for sub-heading 3808 50 and tariff item 3808 50 00 and the entries relating thereto, the following shall be substituted, namely:—

	“- Goods specified in Sub-heading Note 1 to this Chapter:		
3808 52 00	-- DDT (ISO) (clofenotane (INN)), in packings of a net weight content not exceeding 300g	kg.	12.5%
3808 59 00	-- Other	kg.	12.5%
	Goods specified in Sub-heading Note 2 to this Chapter:		
3808 61 00	-- In packings of a net weight content not exceeding 300g	kg.	12.5%
3808 62 00	-- In packings of a net weight content exceeding 300g but not exceeding 7.5 kg.	kg.	12.5%
3808 69 00	-- Other	kg.	12.5%”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

(iii) for sub-heading 3812 30 and tariff items 3812 30 10 to 3812 30 90 and the entries relating thereto, the following shall be substituted, namely:—

	“- <i>Anti-oxidising preparations and other compound stabilizers for rubber or plastics:</i>		
3812 31 00	-- Mixtures of oligomers of 2, 2, 4-trimethyl-1, 2-dihydroquinoline (TMQ)	kg.	12.5%
3812 39	-- <i>Other:</i>		
3812 39 10	--- Anti-oxidants for rubber	kg.	12.5%
3812 39 20	--- Softeners for rubber	kg.	12.5%
3812 39 30	--- Vulcanizing agents for rubber	kg.	12.5%
3812 39 90	--- Other	kg.	12.5%”;

(iv) for tariff items 3824 79 00 to 3824 83 00, sub-heading 3824 90, tariff items 3824 90 11 to 3824 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“3824 79 00	-- Other	kg.	12.5%
	- <i>Goods specified in Sub-heading Note 3 to this Chapter:</i>		
3824 81 00	-- Containing oxirane (ethylene oxide)	kg.	12.5%
3824 82 00	-- Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	kg.	12.5%
3824 83 00	-- Containing tris(2, 3-dibromopropyl) phosphate	kg.	12.5%
3824 84 00	-- Containing aldrin (ISO), camphechlor (ISO) (toxaphene), chlordane (ISO), chlordecone (ISO), DDT (ISO) (clofenotane (INN), 1, 1, 1-trichloro-2, 2-bis (p-chlorophenyl)ethane), dieldrin (ISO, INN), endosulfan (ISO), endrin (ISO), heptachlor (ISO) or mirex (ISO)	kg.	12.5%
3824 85 00	-- Containing 1, 2, 3, 4, 5, 6-hexachlorocyclohexane (HCH (ISO)), including lindane (ISO, INN)	kg.	12.5%
3824 86 00	-- Containing pentachlorobenzene (ISO) or hexachlorobenzene (ISO)	kg.	12.5%
3824 87 00	-- Containing perfluorooctane sulphonic acid, its salts, perfluorooctane sulphonamides, or perfluorooctane sulphonyl fluoride	kg.	12.5%
3824 88 00	-- Containing tetra-, penta-, hexa- hepta- or octabromodiphenyl ethers	kg.	12.5%
3824 91 00	-- Mixtures and preparations consisting mainly of (5-ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl) methyl methyl methylphosphonate and bis[(5-ethyl-2-methyl-2-oxido-1, 3, 2-dioxaphosphinan-5-yl)methyl] methylphosphonate;		
3824 99	-- <i>Other:</i>		
	--- <i>Ammoniacal gas liquors and spent oxide produced in coal gas purification, case hardening compound, heat transfer salts; mixture of diphenyl and diphenyl oxide as heat transfer medium, mixed polyethylene glycols; salts for curing or salting, surface tension reducing agents:</i>		
3824 99 11	----- Ammoniacal gas liquors and spent oxide produced in coal gas purification	kg.	12.5%
3824 99 12	----- Case hardening compound	kg.	12.5%
3824 99 13	----- Heat transfer salts	kg.	12.5%
3824 99 14	----- Mixture of diphenyl and diphenyl oxide as heat transfer medium	kg.	12.5%
3824 99 15	----- Mixed polyethylene glycols	kg.	12.5%
3824 99 16	----- Salts for curing or salting	kg.	12.5%
3824 99 17	----- Surface tension reducing agents	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
---	<i>Electroplating salts; water treatment chemicals; ion exchanger; correcting fluid; precipitated silica and silica gel; oil well chemical:</i>		
3824 99 21	Electroplating salts	kg.	12.5%
3824 99 22	Water treatment chemicals; ion exchanger (INN) such as permutits, zero-lites	kg.	12.5%
3824 99 23	Gramophone records making material	kg.	12.5%
3824 99 24	Correcting fluid	kg.	12.5%
3824 99 25	Precipitated silica and silica gel	kg.	12.5%
3824 99 26	Oil well chemical	kg.	12.5%
---	<i>Mixture containing perhalogenated derivatives of acyclic hydrocarbons containing two or more different halogens other than chlorine and fluorine; ferrite powder; capacitor fluids - PCB type; dipping oil for treatment of grapes; Poly brominated biphenyls, poly chlorinated biphenyls, Poly chlorinated terphenyls, crocidolite; goods of a kind known as "hazardous waste"; phosphogypsum:</i>		
3824 99 31	Mixture containing perhalogenated derivatives of acyclic hydrocarbons containing two or more different halogens other than chlorine and fluorine	kg.	12.5%
3824 99 32	Ferrite powder	kg.	12.5%
3824 99 33	Capacitor fluids - PCB type	kg.	12.5%
3824 99 34	Dipping oil for treatment of grapes	kg.	12.5%
3824 99 35	Poly brominated biphenyls, poly chlorinated biphenyls, Poly chlorinated terphenyls, crocidolite	kg.	12.5%
3824 99 36	Goods of a kind known as "hazardous waste"	kg.	12.5%
3824 99 37	Phosphogypsum	kg.	12.5%
3824 99 38	Phosphonic Acid, Methyl-compound with (aminoimino methyl) urea (1: 1)	kg.	12.5%
3824 99 90	Other	kg.	12.5%";

(19) in Chapter 39,—

(i) in Note 2, in clause (z), after the words "propelling pencils", the words ", and monopods, bipods, tripods and similar articles" shall be inserted;

(ii) in Sub-heading Note 1, in clause (a), in sub-clause (2), after the figures "3901 30", the figures "3901 40," shall be inserted;

(iii) in heading 3901, after tariff item 3901 30 00 and the entries relating thereto, the following shall be inserted, namely:—

"3901 40 00 - Ethylene-alpha-olefin copolymers, having a specific gravity of less than 0.94 kg. 12.5%";

(iv) in heading 3907, for sub-heading 3907 60 and tariff items 3907 60 10 to 3907 60 90 and the entries relating thereto, the following shall be substituted, namely:—

"- *Poly(ethylene terephthalate):*

3907 61 00 -- Having a viscosity number of 78 ml/g or higher kg. 12.5%

3907 69 -- *Other:*

3907 69 10 --- Having a viscosity number less than 78ml/g but not less than 72ml/g kg. 12.5%

3907 69 20 --- Having a viscosity number less than 72ml/g but not less than 64ml/g kg. 12.5%

3907 69 90 --- *Other* kg. 12.5%";

(v) for sub-heading 3909 30 and tariff items 3909 30 10 to 3909 30 90 and the entries relating thereto, the following shall be substituted, namely:—

"- *Other amino-resins:*

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
3909 31 00 --	Poly(methylene phenyl isocyanate) (crude MDI, polymeric MDI)	kg.	12.5%
3909 39 --	<i>Other:</i>		
3909 39 10 ---	Poly(phenylene oxide)	kg.	12.5%
3909 39 90 ---	Other	kg.	12.5%";

(20) in Chapter 40, in heading 4011, for tariff items 4011 50 90 to 4011 99 00 and the entries relating thereto, the following shall be substituted, namely:—

"4011 50 90 ---	Other	u	12.5%
4011 70 00 -	Of a kind used on agricultural or forestry vehicles and machines	u	12.5%
4011 80 00 -	Of a kind used on construction, mining or industrial handling vehicles and machines	u	12.5%
4011 90 00 -	Other	u	12.5%";

(21) in Chapter 42,—

(i) in heading 4202,—

(a) for sub-heading 4202 22 and the entries relating thereto, the following shall be substituted, namely:—

"4202 22 -- *With outer surface of sheeting of plastics or of textile materials:";*

(b) for sub-heading 4202 32 and the entries relating thereto, the following shall be substituted, namely:—

"4202 32 -- *With outer surface of sheeting of plastics or of textile materials:";*

(c) for tariff item 4202 92 00 and the entries relating thereto, the following shall be substituted, namely:—

"4202 92 00 -- With outer surface of sheeting of plastics or of textile materials u 12.5%";

(22) in Chapter 44,—

(i) in Note 1, in clause (g), for the word "pencils", the words "pencils, and monopods, bipods, tripods and similar articles" shall be substituted;

(ii) the Sub-heading Note 2 shall be omitted;

(iii) in heading 4401,—

(a) for sub-heading 4401 10, tariff items 4401 10 10, 4401 10 90 and the entries relating thereto, the following shall be substituted, namely:—

" *Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms:*

4401 11 --	<i>Coniferous:</i>		
4401 11 10 ---	In logs	mt	12.5%
4401 11 90 ---	Other	mt	12.5%
4401 12 --	<i>Non-coniferous:</i>		
4401 12 10 ---	In logs	mt	12.5%
4401 12 90 ---	Other	mt	12.5%";

(b) for tariff items 4401 22 00 and 4401 31 00 and the entries relating thereto, the following shall be substituted, namely:—

"4401 22 00 --	Non-coniferous	mt	12.5%
-	<i>Sawdust and wood waste and scrap, agglomerated, in logs, briquettes, pellets or similar forms:</i>		
4401 31 00 --	Wood pellets	mt	12.5%";

(c) after tariff item 4401 39 00 and the entries relating thereto, the following shall be inserted, namely:—

"4401 40 00 - Sawdust and wood waste and scrap, not agglomerated mt 12.5%";

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
<i>(iv) in heading 4403,—</i>			
<i>(a) for tariff item 4403 10 00, sub-heading 4403 20 and tariff items 4403 20 10 to 4403 41 00 and the entries relating thereto, the following shall be substituted, namely:—</i>			
	<i>Treated with paint, stains, creosote or other preservatives:</i>		
4403 11 00	Coniferous	m ³	12.5%
4403 12 00	Non-coniferous	m ³	12.5%
	<i>Other, coniferous:</i>		
4403 21	<i>Of pine (Pinus spp.), of which any cross-sectional dimension is 15 cm or more:</i>		
4403 21 10	Saw logs and veneer logs	m ³	12.5%
4403 21 20	Poles, pilings and posts	m ³	12.5%
4403 21 90	Other	m ³	12.5%
4403 22	<i>Of pine (Pinus spp.), other:</i>		
4403 22 10	Saw logs and veneer logs	m ³	12.5%
4403 22 20	Poles, pilings and posts	m ³	12.5%
4403 22 90	Other	m ³	12.5%
4403 23	<i>Of fir (Abies spp.) and spruce (Picea spp.), of which any cross-sectional dimension is 15 cm or more:</i>		
4403 23 10	Saw logs and veneer logs	m ³	12.5%
4403 23 20	Poles, pilings and posts	m ³	12.5%
4403 23 90	Other	m ³	12.5%
4403 24	<i>Of fir (Abies spp.) and spruce (Picea spp.), other:</i>		
4403 24 10	Saw logs and veneer logs	m ³	12.5%
4403 24 20	Poles, pilings and posts	m ³	12.5%
4403 24 90	Other	m ³	12.5%
4403 25	<i>Other, of which any cross-sectional dimension is 15 cm or more:</i>		
4403 25 10	Saw logs and veneer logs	m ³	12.5%
4403 25 20	Poles, pilings and posts	m ³	12.5%
4403 25 90	Other	m ³	12.5%
4403 26	<i>Other:</i>		
4403 26 10	Saw logs and veneer logs	m ³	12.5%
4403 26 20	Poles, pilings and posts	m ³	12.5%
4403 26 90	Other	m ³	12.5%
	<i>Other, of tropical wood:</i>		
4403 41 00	Dark red meranti, light red meranti and meranti bakau	m ³	12.5%";
<i>(b) for tariff item 4403 92 00 and the entries relating thereto, the following shall be substituted, namely:—</i>			
4403 93 00	Of beech (<i>Fagus spp.</i>), of which any cross-sectional dimension is 15 cm or more	m ³	12.5%
4403 94 00	Of beech (<i>Fagus spp.</i>), other	m ³	12.5%
4403 95 00	Of birch (<i>Betula spp.</i>), of which any cross-sectional dimension is 15 cm or more	m ³	12.5%
4403 96 00	Of birch (<i>Betula spp.</i>), other	m ³	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
4403 97 00 --	Of poplar and aspen (<i>Populus spp.</i>)	m ³	12.5%
4403 98 00 --	Of eucalyptus (<i>Eucalyptus spp.</i>)	m ³	12.5%";
(c) for tariff item 4403 99 19 to 4403 99 21 and the entries relating thereto, the following shall be substituted, namely:—			
"4403 99 19 ----	Rose Wood (<i>Dalbergia Latifolia</i>)	m ³	12.5%
---	<i>Sal (Chorea robusta, Sandalwood (Santalum album), Semul (Bombax ceiba), Walnut wood (Juglans binata), Anjam (Hardwickia binata), Sisso (Dalbergia sisso) and White cedar (Dysozylum spp) and the like:</i>		
4403 99 21 ----	<i>Sal (Chorea robusta)</i>	m ³	12.5%";
(d) the tariff item 4403 99 26 and the entries relating thereto shall be omitted;			
(e) for tariff item 4403 99 29 and the entries relating thereto, the following shall be substituted, namely:—			
"4403 99 90 ---	Other	m ³	12.5%";
(v) in heading 4406, for tariff items 4406 10 00 and 4406 90 00 and the entries relating thereto, the following shall be substituted, namely:—			
"-	<i>Not impregnated:</i>		
4406 11 00 --	Coniferous	m ³	12.5%
4406 12 00 --	Non-coniferous	m ³	12.5%
-	<i>Other:</i>		
4406 91 00 --	Coniferous	m ³	12.5%
4406 92 00 --	Non-coniferous	m ³	12.5%";
(vi) in heading 4407,—			
(a) for sub-heading 4407 10, tariff items 4407 10 10 to 4407 21 00 and the entries relating thereto, the following shall be substituted, namely:—			
"-	<i>Coniferous:</i>		
4407 11 00 --	Of pine (<i>Pinus spp.</i>)	m ³	Nil
4407 12 00 --	Of fir (<i>Abies spp.</i>) and Spruce (<i>Picea spp.</i>)	m ³	Nil
4407 19 --	<i>Other:</i>		
4407 19 10 ---	Douglas fir (<i>Pseudotsuga menziesii</i>)	m ³	Nil
4407 19 90 ---	Other	m ³	Nil
-	<i>Of tropical wood:</i>		
4407 21 00 --	Mahogany (<i>Swietenia spp.</i>)	m ³	Nil";
(b) after tariff item 4407 95 00 and the entries relating thereto, the following shall be inserted, namely:—			
"4407 96 00 --	Of birch (<i>Betula spp.</i>)	m ³	Nil
4407 97 00 --	Of poplar and aspen (<i>Populus spp.</i>)	m ³	Nil";
(c) tariff item 4407 99 10 and the entries relating thereto shall be omitted;			
(vii) in heading 4408,—			
(a) for tariff items 4408 10 90 to sub-heading 4408 31, and the entries relating thereto, the following shall be substituted, namely:—			
"4408 10 90 ---	Other	kg.	12.5%
-	<i>Of tropical wood:</i>		
4408 31 --	<i>Of Dark red meranti, Light red meranti, Meranti bakau."</i>		

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
(b) after tariff item 4409 21 00 and the entries relating thereto, the following shall be inserted, namely:—			
“4409 22 00	-- Of tropical wood	kg.	12.5%”;
(viii) in heading 4412,—			
(a) for sub-heading 4412 31 and the entries relating thereto, the following shall be substituted, namely:—			
“4412 31	-- <i>With at least one outer ply of tropical wood:”;</i>		
(b) for sub-heading 4412 32, tariff items 4412 32 10 to 4412 32 90, sub-heading 4412 39, tariff items 4412 39 10 to 4412 39 90 and the entries relating thereto, the following shall be substituted, namely:—			
“4412 33	-- <i>Other, with at least one outer ply of non-coniferous wood of the species alder (Alnus spp.), ash (Fraxinus spp.), beech (Fagus spp.), birch (Betula spp.), cherry (Prunus spp.), chestnut (Castanea spp.), elm (Ulmus spp.), eucalyptus (Eucalyptus spp.), hickory (Carya spp.), horse chestnut (Aesculus spp.), lime (Tilia spp.), maple (Acer spp.), oak (Quercus spp.), plane tree (Platanus spp.), poplar and aspen (Populus spp.), robinia (Robinia spp.), tulipwood (Liriodendron spp.) or walnut (Juglans spp.):</i>		
4412 33 10	--- Decorative plywood	m ³	12.5%
4412 33 20	--- Tea chest panels, shooks whether or not packed in sets	m ³	12.5%
4412 33 30	--- Marine and aircraft plywood	m ³	12.5%
4412 33 40	--- Cutting and trimmings of plywood of width not exceeding 5cm	m ³	12.5%
4412 33 90	--- Other	m ³	12.5%
4412 34	-- <i>Other, with at least one outer ply of non-coniferous wood not specified under sub-heading 4412 33:</i>		
4412 34 10	--- Decorative plywood	m ³	12.5%
4412 34 20	--- Tea chest panels, shooks whether or not packed in sets	m ³	12.5%
4412 34 30	--- Marine and aircraft plywood	m ³	12.5%
4412 34 40	--- Cutting and trimmings of plywood of width not exceeding 5cm	m ³	12.5%
4412 34 90	--- Other	m ³	12.5%
4412 39	-- <i>Other, with both outer plies of coniferous wood:</i>		
4412 39 10	--- Decorative plywood	m ³	12.5%
4412 39 20	--- Tea chest panels, shooks whether or not packed in sets	m ³	12.5%
4412 39 30	--- Marine and aircraft plywood	m ³	12.5%
4412 39 40	--- Cutting and trimmings of plywood of width not exceeding 5cm	m ³	12.5%
4412 39 90	--- Other	m ³	12.5%”;
(ix) in heading 4418, for tariff items 4418 71 00 to 4418 90 00 and the entries relating thereto, the following shall be substituted, namely:—			
“	<i>Assembled flooring panels:</i>		
4418 73 00	-- Of bamboo or with at least the top layer (wear layer) of bamboo	kg.	12.5%
4418 74 00	-- Other, for mosaic floors	kg.	12.5%
4418 75 00	-- Other, multilayer	kg.	12.5%
4418 79 00	-- Other	kg.	12.5%
-	<i>Other:</i>		
4418 91 00	-- Of bamboo	kg.	12.5%
4418 99 00	-- Other	kg.	12.5%”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

(x) for heading 4419, sub-heading 4419 00, tariff items 4419 00 10 and 4419 00 20 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
4419	TABLEWARE AND KITCHENWARE, OF WOOD		
	<i>Of bamboo:</i>		
4419 11 00	Bread boards, chopping boards and similar boards	kg.	12.5%
4419 12 00	Chopsticks	kg.	12.5%
4419 19 00	Other	kg.	12.5%
4419 90	<i>Other:</i>		
4419 90 10	Bread boards, chopping boards and similar boards	kg.	12.5%
4419 90 20	Chopsticks	kg.	12.5%
4419 90 90	Other	kg.	12.5%;

(xi) in heading 4421, for sub-heading 4421 90, tariff items 4421 90 11 to 4421 90 90 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
	<i>Other:</i>		
4421 91	<i>Of bamboo:</i>		
	<i>Spools, cops, bobbins, sewing thread reels and the like of turned wood:</i>		
4421 91 11	For cotton machinery	kg.	12.5%
4422 91 12	For jute machinery	kg.	12.5%
4423 91 13	For silk regenerated and synthetic fibre machinery	kg.	12.5%
4424 91 14	For other machinery	kg.	12.5%
4421 91 19	Other	kg.	12.5%
4421 91 20	Wood Paving Blocks	kg.	12.5%
4421 91 30	Match splints	kg.	12.5%
4421 91 40	Pencil slats	kg.	12.5%
4421 91 50	Parts of wood, namely oars, paddles and rudders for ships, boats and other similar floating structures	kg.	12.5%
4421 91 60	Parts of domestic decorative articles used as tableware and kitchenware	kg.	12.5%
4421 91 70	Articles of densified wood not included or specified elsewhere	kg.	12.5%
4421 91 90	Other	kg.	12.5%
4421 99	<i>Other:</i>		
	<i>Spools, cops, bobbins, sewing thread reels and the like of turned wood:</i>		
4421 99 11	For cotton machinery	kg.	12.5%
4421 99 12	For jute machinery	kg.	12.5%
4421 99 13	For silk regenerated and synthetic fibre machinery	kg.	12.5%
4421 99 14	For other machinery	kg.	12.5%
4421 99 19	Other	kg.	12.5%
4421 99 20	Wood Paving Blocks	kg.	12.5%
4421 99 30	Match splints	kg.	12.5%
4421 99 40	Pencil slats	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
4421 99 50 ---	Parts of wood, namely oars, paddles and rudders for ships, boats and other similar floating structures	kg.	12.5%
4421 99 60 ---	Parts of domestic decorative articles used as tableware and kitchenware	kg.	12.5%
4421 99 70 ---	Articles of densified wood not included or specified elsewhere	kg.	12.5%
4421 99 90 ---	Other	kg.	12.5%";

(23) in Chapter 48,—

(i) in Note 4, after the words, figures and letters "more than 65g/m²", the words, brackets, figures and letters", and apply only to paper: (a) in strips or rolls of a width exceeding 28cm; or (b) in rectangular (including square) sheets with one side exceeding 28cm and the other side exceeding 15cm in the unfolded state" shall be inserted;

(ii) in Note 8, the figures and word "4801; and" shall be omitted;

(24) in Chapter 54,—

(i) in heading 5402, for the entry in column (2) occurring after the entry against the heading 5402, the following entry shall be substituted, namely:—

"- *High tenacity yarn of nylon or other polyamides, whether or not textured.*";

(ii) for sub-heading 5402 20 and the entries relating thereto, the following shall be substituted, namely:—

"5402 20 -- *High tenacity yarn of polyesters, whether or not textured.*";

(iii) after tariff item 5402 52 00 and the entries relating thereto, the following shall be inserted, namely:—

"5402 53 00 -- Of polypropylene kg. 12.5%";

(iv) after tariff item 5402 62 00 and the entries relating thereto, the following shall be inserted, namely:—

"5402 63 00 -- Of polypropylene kg. 12.5%";

(25) in Chapter 55,—

(i) for heading 5502, sub-heading 5502 00, tariff items 5502 10 00 to 5502 90 00 and the entries relating thereto, the following shall be substituted, namely:—

"5502 **ARTIFICIAL FILAMENT TOW**

5502 10 -- *Of cellulose acetate:*

5502 10 10 --- Viscose rayon tow kg. 12.5%

5502 10 90 --- Other kg. 12.5%

5502 90 -- *Other:*

5502 90 10 --- Viscose rayon tow kg. 12.5%

5502 90 90 --- Other kg. 12.5%";

(ii) after tariff item 5506 30 00 and the entries relating thereto, the following shall be inserted, namely:—

"5506 40 00 -- Of polypropylene kg. 12.5%";

(26) in Chapter 56, for heading 5601, sub-heading 5601 21 and the entries relating thereto, the following shall be substituted, namely:—

"5601 **WADDING OF TEXTILE MATERIALS AND ARTICLES THEREOF;
TEXTILE FIBRES, NOT EXCEEDING 5MM IN LENGTH (FLOCK),
TEXTILE DUST AND MILL NEPS**

- *Wadding of textile materials and articles thereof:*

5601 21 -- *Of cotton.*";

(27) in Chapter 57, in heading 5704, after tariff item 5704 10 00 and the entries relating thereto, the following shall be inserted, namely:—

"5704 20 - *Tiles, having a maximum surface area exceeding 0.3 m² but not exceeding 1 m².*

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
5704 20 10	Cotton	m ²	12.5%
5704 20 20	Woollen, other than artware	m ²	12.5%
5704 20 90	Other	m ²	12.5%";

(28) in Chapter 60,—

(i) after Note 3, the following shall be inserted, namely:—

“Sub-heading Note:

Sub-heading 6005 35 covers fabrics of polyethylene monofilament or of polyester multifilament, weighing not less than 30g/m² and not more than 55g/m², having a mesh size of not less than 20 holes/cm² and not more than 100 holes/cm², and impregnated or coated with alpha-cypermethrin (ISO), chlorfenapyr (ISO), deltamethrin (INN, ISO), lambda-cyhalothrin (ISO), permethrin (ISO) or pirimiphosmethyl (ISO).”;

(ii) for tariff items 6005 31 00 to 6005 34 00 and the entries relating thereto, the following shall be substituted, namely:—

“6005 35 00	--	Fabrics specified in Sub-heading Note 1 to this Chapter	kg.	12.5%
6005 36 00	--	Other, unbleached or bleached	kg.	12.5%
6005 37 00	--	Other, dyed	kg.	12.5%
6005 38 00	--	Other, of yarns of different colours	kg.	12.5%
6005 39 00	--	Other, printed	kg.	12.5%”;

(29) in Chapter 63,—

(i) after Note 3, the following shall be inserted, namely:—

“Sub-heading Note:

Sub-heading 6304 20 covers articles made from fabrics, impregnated or coated with alpha-cypermethrin (ISO), chlorfenapyr (ISO), deltamethrin (INN, ISO), lambda-cyhalothrin (ISO), permethrin (ISO) or pirimiphosmethyl (ISO).”;

(ii) in heading 6304, after tariff item 6304 19 90 and the entries relating thereto, the following shall be inserted, namely:—

“6304 20 00	-	Bed nets, of warp knit fabrics specified in Sub-heading Note 1 to this Chapter	u	12.5%”;
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(30) in Chapter 68, in Note 1, for clause (m), the following clause shall be substituted, namely:—

“(m) articles of heading 9602, if made of materials specified in Note 2 (b) to Chapter 96, or of heading 9606 (for example, buttons), of heading 9609 (for example, slate pencils), heading 9610 (for example, drawing slates) or of heading 9620 (monopods, bipods, tripods and similar articles); or”;

(31) in Chapter 69,—

(i) for heading 6907, sub-heading 6907 10, tariff items 6907 10 10 and 6907 10 90, sub-heading 6907 90, tariff items 6907 90 10 and 6907 90 90 and the entries relating thereto, the following shall be substituted, namely:—

“6907		CERAMIC FLAGS AND PAVING, HEARTH OR WALL TILES; CERAMIC MOSAIC CUBES AND THE LIKE, WHETHER OR NOT ON A BACKING; FINISHING CERAMICS		
		<i>Flags and paving, hearth or wall tiles, other than those of sub-headings 6907 30 and 6907 40:</i>		
6907 21 00	--	Of a water absorption coefficient by weight not exceeding 0.5%	m ²	12.5%
6907 22 00	--	Of a water absorption coefficient by weight exceeding 0.5% but not exceeding 10%	m ²	12.5%
6907 23 00	--	Of a water absorption coefficient by weight exceeding 10%	m ²	12.5%
6907 30	-	<i>Mosaic cubes and the like, other than those of sub-heading 6907 40:</i>		
6907 30 10	---	Mosaic cubes and the like, other than those of sub-heading 6907 40	m ²	12.5%
6907 40	-	<i>Finishing ceramics:</i>		
6907 40 10	---	Finishing ceramics	m ²	12.5%”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

(ii) the heading 6908, sub-heading 6908 10, tariff items 6908 10 10 to 6908 10 90, sub-heading 6908 90 and tariff items 6908 90 10 to 6908 90 90 and the entries relating thereto shall be omitted;

(32) in Section XV, in Note 1, for clause (m), the following clause shall be substituted, namely:—

“(m) hand sieves, buttons, pens, pencil-holders, pen nibs, monopods, bipods, tripods and similar articles or other articles of Chapter 96 (miscellaneous manufactured articles); or”;

(33) in Chapter 74, in Note 1, for clause (c), the following clause shall be substituted, namely:—

“(c) *Master alloys*
Alloys containing with other elements more than 10 per cent. by weight, of copper not usefully malleable and commonly used as an additive in the manufacture of other alloys or as de-oxidants, de-sulphuring agents or for similar uses in the metallurgy of non-ferrous metals. However, copper phosphide (phosphor copper) containing more than 15% by weight of phosphorous falls in heading 2853.”;

(34) in Chapter 82, for the entry in column (2) occurring against the heading 8205, for the words “MACHINE TOOLS”, the words “MACHINE-TOOLS OR WATER-JET CUTTING MACHINES” shall be substituted;

(35) in Chapter 83, for the entry occurring against heading 8308, the following shall be substituted, namely:—

“8308 **CLASPS, FRAMES WITH CLASPS, BUCKLES, BUCKLE-CLASPS, HOOKS, EYES, EYELETS AND THE LIKE, OF BASE METAL, OF A KIND USED FOR CLOTHING OR CLOTHING ACCESSORIES, FOOTWEAR, JEWELLERY, WRIST WATCHES, BOOKS, AWNINGS, LEATHER GOODS, TRAVEL GOODS OR SADDLERY OR FOR OTHER MADE UP ARTICLES; TUBULAR OR BIFURCATED RIVETS, OF BASE METAL; BEADS AND SPANGLES, OF BASE METAL”;**

(36) in Section XVI, in Note 1, for clause (q), the following clause shall be substituted, namely:—

“(q) typewriter or similar ribbons, whether or not on spools or in cartridges (classified according to their constituent material, or in heading 9612 if inked or otherwise prepared for giving impressions), or monopods, bipods, tripods and similar articles, of heading 9620.”;

(37) in Chapter 84,—

(i) in Note 1,—

(A) in clause (f), the word “or” shall be omitted;

(B) after clause (f), the following clause shall be inserted, namely:—

“(g) radiators for the articles of Section XVII; or”;

(C) the existing clause (g) shall be re-lettered as (h);

(ii) in Note 2, in clause (e), for the words “machinery or plant”, the words “machinery, plant or laboratory equipment” shall be substituted;

(iii) in Note 9, for clause (A), the following clause shall be substituted, namely:—

“(A) Notes 9(a) and 9(b) to Chapter 85 also apply with respect to the expressions “semiconductor devices” and “electronic integrated circuits”, respectively, as used in this Note and in heading 8486. However, for the purposes of this Note and of heading 8486, the expression “semiconductor devices” also covers photosensitive semiconductor devices and light-emitting diodes (LED).”;

(iv) in Sub-heading Notes,—

(A) the following new Sub-heading Note 1 shall be inserted, namely:—

‘1. For the purposes of sub-heading 8465 20, the term “machining centres” applies only to machine-tools for working wood, cork, bone, hard rubber, hard

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

plastics or similar hard materials, which can carry out different types of machining operations by automatic tool change from a magazine or the like in conformity with a machining programme.;

(B) the existing Sub-heading Note 1 shall be re-numbered as Sub-heading Note 2 and after Sub-heading Note 2 as so re-numbered, the following Sub-heading Note shall be inserted, namely:—

3. For the purposes of sub-heading 8481 20, the expression “valves for oleohydraulic or pneumatic transmissions” means valves which are used specifically in the transmission of “fluid power” in a hydraulic or pneumatic system, where the energy source is supplied in the form of pressurised fluids (liquid or gas). These valves may be of any type (for example, pressure-reducing type, check type). Sub-heading 8481 20 takes precedence over all other sub-headings of heading 8481.;

(C) the existing Sub-heading Note 2 shall be re-numbered as Sub-heading Note 4;

(v) in heading 8415, for sub-heading 8415 10 and the entries relating thereto, the following shall be substituted, namely:—

8415 10 - *Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or “split-system”;*

(vi) in heading 8424,—

(a) after tariff item 8424 30 00 and the entries relating thereto, the following shall be inserted, namely:—

	“-	<i>Agricultural or horticultural sprayers:</i>		
8424 41 00	--	Portable sprayers	u	Nil
8424 49 00	--	Other	u	Nil”;

(b) for tariff item 8424 81 00 and the entries relating thereto, the following shall be substituted, namely:—

8424 82 00	--	Agricultural or horticultural	u	Nil”;
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(vii) in heading 8432,—

(a) for tariff item 8432 30 00 and the entries relating thereto, the following shall be substituted, namely:—

	“-	<i>Seeders, planters and transplanters:</i>		
8432 31 00	--	No-till direct seeders, planters and transplanters	u	Nil
8432 39 00	--	Other	u	Nil”;

(b) for tariff item 8432 40 00 and the entries relating thereto, the following shall be substituted, namely:—

	“-	<i>Manure spreaders and fertiliser distributors:</i>		
8432 41 00	--	Manure spreaders	u	Nil
8432 42 00	--	Fertiliser distributors	u	Nil”;

(viii) for heading 8442 and the entries relating thereto, the following shall be substituted, namely:—

8442 **MACHINERY, APPARATUS AND EQUIPMENT (OTHER THAN THE MACHINES OF HEADINGS 8456 TO 8465) FOR PREPARING OR MAKING PLATES, PRINTING COMPONENTS; PLATES, CYLINDERS AND LITHOGRAPHIC STONES, PREPARED FOR PRINTING PURPOSES (FOR EXAMPLE, PLANED, GRAINED OR POLISHED)”;**

(ix) in heading 8456,—

(a) for tariff item 8456 10 00 and the entries relating thereto, the following shall be substituted, namely:—

	“-	<i>Operated by laser or other light or photon beam processes:</i>		
8456 11 00	--	Operated by laser	u	12.5%
8456 12 00	--	Operated by other light or photon beam processes	u	12.5%”;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

(b) after tariff item 8456 30 00 and the entries relating thereto, the following shall be inserted, namely:—

8456 40 00	- Operated by plasma arc processes	u	12.5%
8456 50 00	- Water-jet cutting machines	u	12.5%”;

(x) for sub-heading 8459 40, tariff items 8459 40 10 to 8459 40 90 and the entries relating thereto, the following shall be substituted, namely:—

	“- <i>Other boring machines:</i>		
8459 41	-- <i>Numerically controlled:</i>		
8459 41 10	--- Jig boring machines, horizontal	u	12.5%
8459 41 20	--- Fine boring machines, horizontal	u	12.5%
8459 41 30	--- Fine boring machines, vertical	u	12.5%
8459 41 90	--- Other	u	12.5%
8459 49	-- <i>Other:</i>		
8459 49 10	--- Jig boring machines, horizontal	u	12.5%
8459 49 20	--- Fine boring machines, horizontal	u	12.5%
8459 49 30	--- Fine boring machines, vertical	u	12.5%
8459 49 90	--- Other	u	12.5%”;

(xi) for heading 8460, tariff items 8460 11 00 to 8460 21 00, sub-heading 8460 29, tariff items 8460 29 10 to 8460 29 90 and the entries relating thereto, the following shall be substituted, namely:—

8460	MACHINE-TOOLS FOR DEBURRING, SHARPENING, GRINDING, HONING, LAPPING, POLISHING OR OTHERWISE FINISHING METAL, OR CERMENTS BY MEANS OF GRINDING STONES, ABRASIVES OR POLISHING PRODUCTS, OTHER THAN GEAR CUTTING, GEAR GRINDING OR GEAR FINISHING MACHINES OF HEADING 8461		
	- <i>Flat-surface grinding machines:</i>		
8460 12 00	-- Numerically controlled	u	12.5%
8460 19 00	-- Other	u	12.5%
	- <i>Other grinding machines:</i>		
8460 22 00	-- Centreless grinding machines, numerically controlled	u	12.5%
8460 23 00	-- Other cylindrical grinding machines, numerically controlled	u	12.5%
8460 24 00	-- Other, numerically controlled	u	12.5%
8460 29	-- <i>Other:</i>		
8460 29 10	--- Cylindrical grinders	u	12.5%
8460 29 20	--- Internal grinders	u	12.5%
8460 29 30	--- Centreless grinders	u	12.5%
8460 29 40	--- Profile grinders	u	12.5%
8460 29 90	--- Other	u	12.5%”;

(xii) after tariff item 8465 10 00 and the entries relating thereto, the following shall be inserted, namely:—

8465 20 00	- Machining centres	u	12.5%”;
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(xiii) in heading 8466,—

(a) for heading 8466, and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

"8466 PARTS AND ACCESSORIES SUITABLE FOR USE SOLELY OR PRINCIPALLY WITH THE MACHINES OF HEADINGS 8456 TO 8465 INCLUDING WORK OR TOOL HOLDERS, SELF-OPENING DIEHEADS, DIVIDING HEADS AND OTHER SPECIAL ATTACHMENTS FOR THE MACHINES; TOOL HOLDERS FOR ANY TYPE OF TOOL, FOR WORKING IN THE HAND";

(b) for sub-heading 8466 30 and the entries relating thereto, the following shall be substituted, namely:—

"8466 30 - Dividing heads and other special attachments for machines:";

(xiv) the heading 8469, sub-heading 8469 00, tariff items 8469 00 10 to 8469 00 90 and the entries relating thereto shall be omitted;

(xv) in heading 8472, for tariff item 8472 90 90 and the entries relating thereto the following shall be substituted, namely:—

“--- Other:

8472 90 91	Word-processing machines	u	12.5%
8472 90 92	Automatic typewriters	u	12.5%
8472 90 93	Braille typewriters, electric	u	Nil
8472 90 94	Braille typewriters, non-electric	u	Nil
8472 90 95	Other typewriters, electric or non-electric	u	12.5%
8472 90 99	Other	u	12.5%”;

(xvi) in heading 8473,—

(a) for heading 8473 and the entries relating thereto, the following shall be substituted, namely:—

"8473 PARTS AND ACCESSORIES (OTHER THAN COVERS, CARRYING CASES AND THE LIKE) SUITABLE FOR USE SOLELY OR PRINCIPALLY WITH MACHINES OF HEADINGS 8470 TO 8472";

(b) the tariff item 8473 10 00 and the entries relating thereto shall be omitted;

(c) for tariff item 8473 50 00 and the entries relating thereto, the following shall be substituted, namely:—

"8473 50 00	Parts and accessories equally suitable for use with the machines of two or more of the headings 8470 to 8472	u	12.5%”;
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(38) in Chapter 85,—

(i) in the Notes, after Note 2, the following shall be inserted, namely:—

3. For the purposes of heading 8507, the expression “electric accumulators” includes those presented with ancillary components which contribute to the accumulator’s function of storing and supplying energy or protect it from damage, such as electrical connectors, temperature control devices (for example, thermistors) and circuit protection devices. They may also include a portion of the protective housing of the goods in which they are to be used.”;

(ii) the existing Notes 3, 4, 5, 6, 7, 8 and 9 shall respectively be re-numbered as 4, 5, 6, 7, 8, 9 and 10 ;

(iii) in Note 9 as so re-numbered, in clause (b), after sub-clause (iii), the following new sub-clause shall be inserted, namely:—

(iv) Multi-component integrated circuits (MCOs): a combination of one or more monolithic, hybrid, or multi-chip integrated circuits with at least one of the following components: silicon-based sensors, actuators, oscillators, resonators or combinations thereof, or components performing the functions of articles classifiable under heading 8532, 8533, 8541, or inductors classifiable under heading 8504, formed to all intents and purposes indivisibly into a single body like an

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)

integrated circuit, as a component of a kind used for assembly onto a printed circuit board (PCB) or other carrier, through the connecting of pins, leads, balls, lands, bumps, or pads.

For the purpose of this definition:

(1) "Components" may be discrete, manufactured independently then assembled onto the rest of the MCO, or integrated into other components.

(2) "Silicon based" means built on a silicon substrate, or made of silicon materials, or manufactured onto integrated circuit die.

(3) (a) "Silicon based sensors" consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of detecting physical or chemical quantities and transducing these into electric signals, caused by resulting variations in electric properties or displacement of a mechanical structure. "Physical or chemical quantities" relates to real world phenomena, such as pressure, acoustic waves, acceleration, vibration, movement, orientation, strain, magnetic field strength, electric field strength, light, radioactivity, humidity, flow, chemicals concentration, etc.

(b) "Silicon based actuators" consist of microelectronic and mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of converting electrical signals into physical movement.

(c) "Silicon based resonators" are components that consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures in response to an external input.

(d) "Silicon based oscillators" are active components that consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures.;

(iv) in heading 8528, for tariff items 8528 41 00 to 8528 69 00 and the entries relating thereto, the following shall be substituted, namely:—

8528 42 00	--	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471	u	12.5%
8528 49 00	--	Other	u	12.5%
	-	<i>Other monitors:</i>		
8528 52 00	--	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471	u	12.5%
8528 59 00	--	Other	u	12.5%
	-	<i>Projectors:</i>		
8528 62 00	--	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471	u	12.5%
8528 69 00	--	Other	u	12.5%";

(v) for tariff item 8531 20 00 and the entries relating thereto, the following shall be substituted, namely:—

8531 20 00	-	Indicator panels incorporating liquid crystal devices (LCD) or light-emitting diodes (LED)	u	12.5%";
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(vi) in heading 8539,—

(a) for heading 8539 and the entries relating thereto, the following shall be substituted, namely:—

8539		ELECTRIC FILAMENT OR DISCHARGE LAMPS INCLUDING SEALED BEAM LAMP UNITS AND ULTRA-VIOLET OR INFRA-RED LAMPS, ARC LAMPS; LIGHT-EMITTING DIODE (LED) LAMPS";		
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(b) after tariff item 8539 49 00 and the entries relating thereto, the following shall be inserted, namely:—

8539 50 00	-	Light-emitting diode (LED) lamps	u	12.5%";
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Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
(vi) in heading 8541,—			
(a) for heading 8541 and the entries relating thereto, the following shall be substituted, namely:—			
“8541	DIODES, TRANSISTORS AND SIMILAR SEMI-CONDUCTOR DEVICES; PHOTSENSITIVE SEMI-CONDUCTOR DEVICES; INCLUDING PHOTO VOLTAIC CELLS, WHETHER OR NOT ASSEMBLED IN MODULES OR MADE UP INTO PANELS; LIGHT-EMITTING DIODES (LED); MOUNTED PIEZO-ELECTRIC CRYSTALS”;		
(b) for tariff item 8541 10 00 and the entries relating thereto, the following shall be substituted, namely:—			
“8541 10 00	- Diodes, other than photosensitive or light-emitting diodes(LED)	u	12.5%”;
(c) for sub-heading 8541 40 and the entries relating thereto, the following shall be substituted, namely:—			
“8541 40	- <i>Photosensitive semi-conductor devices, including photo voltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes (LED).”;</i>		”;
(39) in Section XVII, in Note 2, for clause (e), the following clause shall be substituted, namely:—			
“(e)	machines and apparatus of headings 8401 to 8479, or parts thereof, other than the radiators for the articles of this Section, articles of heading 8481 or 8482 or, provided they constitute integral parts of engines and motors, articles of heading 8483;”;		
(40) in Chapter 87,—			
(i) in heading 8701,—			
(a) for tariff item 8701 10 00, the following shall be substituted, namely:—			
“8701 10 00	- Single axle tractors	u	12.5%”;
(b) for sub-heading 8701 90, tariff items 8701 90 10 and 8701 90 90 and the entries relating thereto, the following shall be substituted, namely:—			
“-	<i>Other, of an engine power:</i>		
8701 91 00	-- Not exceeding 18 kW	u	12.5%
8701 92 00	-- Exceeding 18 kW but not exceeding 37 kW	u	12.5%
8701 93 00	-- Exceeding 37 kW but not exceeding 75 kW	u	12.5%
8701 94 00	-- Exceeding 75 kW but not exceeding 130 kW	u	12.5%
8701 95 00	-- Exceeding 130 kW	u	12.5%”;
(ii) in heading 8702, for sub-heading 8702 10, tariff items 8702 10 11 to 8702 10 99, sub-heading 8702 90, tariff items 8702 90 11 to 8702 90 99, the following shall be substituted, namely:—			
“8702 10	- <i>With only compression-ignition internal combustion piston engine (diesel or semi-diesel):</i>		
---	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 10 11	---- Integrated monocoque vehicle, air-conditioned	u	27%
8702 10 12	---- Integrated monocoque vehicle, non air-conditioned	u	27%
8702 10 18	---- Other, air-conditioned	u	27%
8702 10 19	---- Other, non air-conditioned	u	27%
---	<i>Other:</i>		
8702 10 21	---- Integrated monocoque vehicle, air-conditioned	u	12.5%
8702 10 22	---- Integrated monocoque vehicle, non air-conditioned	u	12.5%
8702 10 28	---- Other, air-conditioned	u	12.5%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8702 10 29	Other, non air-conditioned	u	12.5%
8702 20	<i>With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 20 11	Integrated monocoque vehicle, air-conditioned	u	27%
8702 20 12	Integrated monocoque vehicle, non air-conditioned	u	27%
8702 20 18	Other, air-conditioned	u	27%
8702 20 19	Other, non air-conditioned	u	27%
	<i>Other:</i>		
8702 20 21	Integrated monocoque vehicle, air-conditioned	u	12.5%
8702 20 22	Integrated monocoque vehicle, non air-conditioned	u	12.5%
8702 20 28	Other, air-conditioned	u	12.5%
8702 20 29	Other, non air-conditioned	u	12.5%
8702 30	<i>With both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 30 11	Integrated monocoque vehicle, air-conditioned	u	27%
8702 30 12	Integrated monocoque vehicle, non air-conditioned	u	27%
8702 30 18	Other, air-conditioned	u	27%
8702 30 19	Other, non air-conditioned	u	27%
	<i>Other:</i>		
8702 30 21	Integrated monocoque vehicle, air-conditioned	u	12.5%
8702 30 22	Integrated monocoque vehicle, non air-conditioned	u	12.5%
8702 30 28	Other, air-conditioned	u	12.5%
8702 30 29	Other, non air-conditioned	u	12.5%
8702 40	<i>With only electric motor for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 40 11	Integrated monocoque vehicle, air-conditioned	u	12.5%
8702 40 12	Integrated monocoque vehicle, non air-conditioned	u	12.5%
8702 40 18	Other, air-conditioned	u	12.5%
8702 40 19	Other, non air-conditioned	u	12.5%
	<i>Other:</i>		
8702 40 21	Integrated monocoque vehicle, air-conditioned	u	12.5%
8702 40 22	Integrated monocoque vehicle, non air-conditioned	u	12.5%
8702 40 28	Other, air-conditioned	u	12.5%
8702 40 29	Other, non air-conditioned	u	12.5%
8702 90	<i>Other:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8702 90 11	Integrated monocoque vehicle, air-conditioned	u	27%
8702 90 12	Integrated monocoque vehicle, non air-conditioned	u	27%
8702 90 18	Other, air-conditioned	u	27%
8702 90 19	Other, non air-conditioned	u	27%
	<i>Other:</i>		
8702 90 21	Integrated monocoque vehicle, air-conditioned	u	27%
8702 90 22	Integrated monocoque vehicle, non air-conditioned	u	27%
8702 90 28	Other, air-conditioned	u	27%
8702 90 29	Other, non air-conditioned	u	27%";

(iii) in heading 8703,—

(a) in the entry in column (2) occurring after tariff item 8703 10 90 and the entries relating thereto, after the word "with", the word "only" shall be inserted;

(b) in the entry in column (2) occurring after tariff item 8703 24 99 and the entries relating thereto, for the words "with compression ignition", the words "with only compression-ignition" shall be substituted;

(c) the tariff items 8703 31 20 and 8703 32 20 and the entries relating thereto shall be omitted;

(d) after tariff item 8703 33 99 and the entries relating thereto, the following shall be inserted, namely:—

"8703 40	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>		
8703 40 10	Vehicles principally designed for transport of more than seven persons, including driver	u	30%
8703 40 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	30%
8703 40 30	Motor cars	u	30%
8703 40 40	Three-wheeled vehicles	u	24%
8703 40 90	Other	u	30%
8703 50	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>		
8703 50 10	Vehicles principally designed for transport of more than seven persons, including driver	u	30%
8703 50 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	30%
8703 50 30	Motor cars	u	30%
8703 50 40	Three-wheeled vehicles	u	24%
8703 50 90	Other	u	30%
8703 60	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>		
8703 60 10	Vehicles principally designed for transport of more than seven persons, including driver	u	30%
8703 60 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	30%
8703 60 30	Motor cars	u	30%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8703 60 40	Three-wheeled vehicles	u	24%
8703 60 90	Other	u	30%
8703 70	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>		
8703 70 10	Vehicles principally designed for transport of more than seven persons, including driver	u	30%
8703 70 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	30%
8703 70 30	Motor cars	u	30%
8703 70 40	Three-wheeled vehicles	u	24%
8703 70 90	Other	u	30%
8703 80	<i>Other vehicles, with only electric motor for propulsion:</i>		
8703 80 10	Vehicles principally designed for transport of more than seven persons, including driver	u	12.5%
8703 80 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	12.5%
8703 80 30	Motor cars	u	12.5%
8703 80 40	Three-wheeled vehicles	u	12.5%
8703 80 90	Other	u	30%";

(e) for sub-heading 8703 90, tariff items 8703 90 10 and 8703 90 90 and the entries relating thereto, the following shall be substituted, namely:—

"8703 90 00	Other	u	30%";
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(iv) in heading 8711,—

(a) after tariff item 8711 50 00 and the entries relating thereto, the following shall be inserted, namely:—

"8711 60	<i>With electric motor for propulsion:</i>		
8711 60 10	Motor cycles	u	12.5%
8711 60 20	Scooters	u	12.5%
8711 60 30	Mopeds	u	12.5%
8711 60 90	Others	u	12.5%";

(b) for sub-heading 8711 90, tariff items 8711 90 10 to 8711 90 99 and the entries relating thereto, the following shall be substituted, namely:—

"8711 90	<i>Other:</i>		
8711 90 10	Side cars	u	12.5%
8711 90 90	Other	u	12.5%";

(4) in Chapter 90,—

(i) in Note 1,—

(A) in clause (g), after the word "machine-tools", the words "or water-jet cutting machines" shall be inserted;

(B) after clause (k), the following clause shall be inserted, namely:—

"(l) monopods, bipods, tripods and similar articles, of heading 9620;"

(C) the existing clauses (l) and (m) shall respectively be re-lettered as (m) and (n);

(ii) in heading 9006, the tariff item 9006 10 00 and the entries relating thereto shall be omitted;

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
(42) in Chapter 92, in Note 1, for clause (d), the following clause shall be substituted, namely:—			
“(d) brushes for cleaning musical instruments (heading 9603), or monopods, bipods, tripods and similar articles (heading 9620); or”;			
(43) in Chapter 94,—			
(i) in Note 1,—			
(A) in clause (k), the word “or” shall be omitted;			
(B) in clause (l), the word “or” shall be inserted at the end;			
(C) after clause (l), the following clause shall be inserted, namely:—			
“(m) monopods, bipods, tripods and similar articles (heading 9620).”;			
(ii) for tariff item 9401 51 00 and the entries relating thereto, the following shall be substituted, namely:—			
“9401 52 00 --	Of bamboo	u	12.5%
9401 53 00 --	Of rattan	u	12.5%”;
(iii) for tariff item 9403 81 00 and the entries relating thereto, the following shall be substituted, namely:—			
“9401 82 00 --	Of bamboo	u	12.5%
9401 83 00 --	Of rattan	u	12.5%”;
(iv) for heading 9406, sub-heading 9406 00, tariff items 9406 00 11 to 9406 00 99 and the entries relating thereto, the following shall be substituted, namely:—			
“9406	PREFABRICATED BUILDINGS		
9406 10 -	<i>Of wood:</i>		
9406 10 10 ---	Green-houses	u	12.5%
9406 10 20 ---	For cold storage	u	12.5%
9406 10 30 ---	Silos for storing ensilage	u	12.5%
9406 10 90 ---	Other	u	12.5%
9406 90 -	<i>Other:</i>		
9406 90 10 ---	Green-houses	u	12.5%
9406 90 20 ---	For cold storage	u	12.5%
9406 90 30 ---	Silos for storing ensilage	u	12.5%
9406 90 90 ---	Other	u	12.5%”;
(44) in Chapter 95,—			
(i) in Note 1,—			
(A) for clause (e), the following clause shall be substituted, namely:—			
“(e) fancy dress of textiles, of Chapter 61 or 62; sports clothing and special articles of apparel of textiles, of Chapter 61 or 62, whether or not incorporating incidentally protective components such as pads or padding in the elbow, knee or groin areas (for example, fencing clothing or soccer goalkeeper jerseys).”;			
(B) after clause (i), the following clause shall be inserted, namely:—			
“(u) monopods, bipods, tripods and similar articles (heading 9620).”;			
(C) the existing clauses (u) and (v) shall respectively be re-lettered as (v) and (w);			
(45) in Chapter 96, after tariff item 9619 00 90 and the entries relating thereto, the following shall be inserted, namely:—			
“9620 00 00 -	MONOPODS, BIPODS, TRIPODS AND SIMILAR ARTICLES	u	12.5%”.

THE NINTH SCHEDULE
(See section 147)

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
In the Second Schedule to the Central Excise Tariff Act,—			
(i) in heading 4011, for tariff items 4011 61 00 to 4011 99 00 and the entries relating thereto, the following shall be substituted, namely:—			
4011 50 90	--- Other	u	8%
4011 70 00	- Of a kind used on agricultural or forestry vehicles and machines	u	8%
4011 80 00	- Of a kind used on construction, mining or industrial handling vehicles and machines.	u	8%
4011 90 00	- Other	u	8%";
(ii) for sub-heading 5402 20 and the entries relating thereto, the following shall be substituted, namely:—			
5402 20	-- High tenacity yarn of polyesters, whether or not textured: "		
(iii) in heading 8415, for sub-heading 8415 10 and the entries relating thereto, the following shall be substituted, namely:—			
8415 10	- Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system":		
(iv) in sub-heading 8702 10, for tariff items 8702 10 11 to 8702 10 99, sub-heading 8702 90, tariff items 8702 90 11 to 8702 90 20 and the entries relating thereto, the following shall be substituted, namely:—			
8702 10	- With only compression-ignition internal combustion piston engine (diesel or semi-diesel):		
	--- Vehicles for transport of not more than 13 persons, including the driver:		
8702 10 11	---- Integrated monocoque vehicle, air-conditioned	u	8%
8702 10 12	---- Integrated monocoque vehicle, non air-conditioned	u	8%
8702 10 18	---- Other, air-conditioned	u	8%
8702 10 19	---- Other, non air-conditioned	u	8%
	--- Other:		
8702 10 21	---- Integrated monocoque vehicle, air-conditioned	u	8%
8702 10 22	---- Integrated monocoque vehicle, non air-conditioned	u	8%
8702 10 28	---- Other, air-conditioned	u	8%
8702 10 29	---- Other, non air-conditioned	u	8%
8702 20	- With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion:		
	--- Vehicles for transport of not more than 13 persons, including the driver:		
8702 20 11	---- Integrated monocoque vehicle, air-conditioned	u	8%
8702 20 12	---- Integrated monocoque vehicle, non air-conditioned	u	8%
8702 20 18	---- Other, air-conditioned	u	8%
8702 20 19	---- Other, non air-conditioned	u	8%
	--- Other:		
8702 20 21	---- Integrated monocoque vehicle, air-conditioned	u	8%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8702 20 22	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 20 28	Other, air-conditioned	u	8%
8702 20 29	Other, non air-conditioned	u	8%
8702 30	<i>With both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 30 11	Integrated monocoque vehicle, air-conditioned	u	8%
8702 30 12	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 30 18	Other, air-conditioned	u	8%
8702 30 19	Other, non air-conditioned	u	8%
	<i>Other:</i>		
8702 30 21	Integrated monocoque vehicle, air-conditioned	u	8%
8702 30 22	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 30 28	Other, air-conditioned	u	8%
8702 30 29	Other, non air-conditioned	u	8%
8702 40	<i>With only electric motor for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 40 11	Integrated monocoque vehicle, air-conditioned	u	8%
8702 40 12	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 40 18	Other, air-conditioned	u	8%
8702 40 19	Other, non air-conditioned	u	8%
	<i>Other:</i>		
8702 40 21	Integrated monocoque vehicle, air-conditioned	u	8%
8702 40 22	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 40 28	Other, air-conditioned	u	8%
8702 40 29	Other, non air-conditioned	u	8%
8702 90	<i>Other:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 90 11	Integrated monocoque vehicle, air-conditioned	u	8%
8702 90 12	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 90 18	Other, air-conditioned	u	8%
8702 90 19	Other, non air-conditioned	u	8%
	<i>Other:</i>		
8702 90 21	Integrated monocoque vehicle, air-conditioned	u	8%
8702 90 22	Integrated monocoque vehicle, non air-conditioned	u	8%
8702 90 28	Other, air-conditioned	u	8%
8702 90 29	Other, non air-conditioned	u	8%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
(v) in sub-heading 8703 10,—			
(a) in the entry in column (2) occurring after tariff item 8703 10 90 and the entries relating thereto, after the word "with", the word "only" shall be inserted;			
(b) in the entry in column (2) occurring after tariff item 8703 24 99 and the entries relating thereto, for the word "with", the word "only" shall be inserted;			
(c) after tariff item 8703 33 99 and the entries relating thereto, the following shall be inserted, namely:—			
"8703 40	-		
	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>		
8703 40 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	8%
8703 40 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	8%
8703 40 30	--- Motor cars	u	8%
8703 40 40	--- Three-wheeled vehicles	u	8%
8703 40 90	--- Other	u	8%
8703 50	-		
	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>		
8703 50 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	8%
8703 50 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	8%
8703 50 30	--- Motor cars	u	8%
8703 50 40	--- Three-wheeled vehicles	u	8%
8703 50 90	--- Other	u	8%
8703 60	-		
	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>		
8703 60 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	8%
8703 60 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	8%
8703 60 30	--- Motor cars	u	8%
8703 60 40	--- Three-wheeled vehicles	u	8%
8703 60 90	--- Other	u	8%
8703 70	-		
	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>		
8703 70 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	8%
8703 70 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	8%
8703 70 30	--- Motor cars	u	8%
8703 70 40	--- Three-wheeled vehicles	u	8%
8703 70 90	--- Other	u	8%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8703 80	-		
	<i>Other vehicles, with only electric motor for propulsion:</i>		
8703 80 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	8%
8703 80 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	8%
8703 80 30	--- Motor cars	u	8%
8703 80 40	--- Three-wheeled vehicles	u	8%
8703 80 90	--- Other	u	8%

(vi) for sub-heading 8703 90, tariff items 8703 90 10 and 8703 90 90 and the entries relating thereto, the following shall be substituted, namely:—

"8703 90 00	-	Other	u	8%
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THE TENTH SCHEDULE
(See section 160)

Notification No.	Amendment	Period of effect of amendment
(1)	(2)	(3)
G.S.R. 519(E), dated the 29 th June, 2012 [No.41/2012-Service Tax, dated the 29 th June, 2012]	In the said notification, in the <i>Explanation</i> — (a) in clause (A), for sub-clause (i), the following sub-clause shall be substituted and shall be deemed to have been substituted, namely:— “(i) in the case of excisable goods, taxable services that have been used beyond factory or any other place or premises of production or manufacture of the said goods, for their export;” (b) clause (B) shall be omitted.	1 st day of July, 2012 to 2 nd February, 2016 (both days inclusive).

THE ELEVENTH SCHEDULE
(See section 162)

Item No.	Description of goods	Rate
(1)	(2)	(3)
1.	All goods falling under heading 8703 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).	4%

THE TWELFTH SCHEDULE
[See section 231 (i)]

In the Seventh Schedule to the Finance Act, 2001,—

- (a) in column (1), for the tariff item “2403 10 10”, the tariff item “2403 11 10” shall be substituted;
- (b) in column (1), for the tariff item “2403 10 20”, the tariff item “2403 19 10” shall be substituted;
- (c) in column (1), for the tariff item “2403 10 31”, the tariff item “2403 19 21” shall be substituted;
- (d) in column (1), for the tariff item “2403 10 39”, the tariff item “2403 19 29” shall be substituted;
- (e) in column (1), for the tariff item “2403 10 90”, the tariff item “2403 19 90” shall be substituted.

THE THIRTEENTH SCHEDULE

[See section 231 (ii)].

In the Seventh Schedule to the Finance Act, 2001,—

(i) for sub-heading 8702 10, tariff items 8702 10 11 to 8702 10 19 and sub-heading 8702 90, tariff items 8702 90 11 to 8702 90 20 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8702 10	<i>With only compression-ignition internal combustion piston engine (diesel or semi-diesel):</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 10 11	Integrated monocoque vehicle, air-conditioned	u	1%
8702 10 12	Integrated monocoque vehicle, non air-conditioned	u	1%
8702 10 18	Other, air-conditioned	u	1%
8702 10 19	Other, non air-conditioned	u	1%
8702 20	<i>With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 20 11	Integrated monocoque vehicle, air-conditioned	u	1%
8702 20 12	Integrated monocoque vehicle, non air-conditioned	u	1%
8702 20 18	Other, air-conditioned	u	1%
8702 20 19	Other, non air-conditioned	u	1%
8702 30	<i>With both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 30 11	Integrated monocoque vehicle, air-conditioned	u	1%
8702 30 12	Integrated monocoque vehicle, non air-conditioned	u	1%
8702 30 18	Other, air-conditioned	u	1%
8702 30 19	Other, non air-conditioned	u	1%
8702 40	<i>With only electric motor for propulsion:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 40 11	Integrated monocoque vehicle, air-conditioned	u	1%
8702 40 12	Integrated monocoque vehicle, non air-conditioned	u	1%
8702 40 18	Other, air-conditioned	u	1%
8702 40 19	Other, non air-conditioned	u	1%
8702 90	<i>Other:</i>		
	<i>Vehicles for transport of not more than 13 persons, including the driver:</i>		
8702 90 11	Integrated monocoque vehicle, air-conditioned	u	1%
8702 90 12	Integrated monocoque vehicle, non air-conditioned	u	1%
8702 90 18	Other, air-conditioned	u	1%
8702 90 19	Other, non air-conditioned	u	1%

(ii) in the entry in column (2) occurring after tariff item 8703 10 90 and the entries relating thereto, after the word "with", the word "only" shall be inserted;

(iii) in the entry in column (2) occurring after tariff item 8703 24 99 and the entries relating thereto, after the word "with", the word "only" shall be inserted;

(iv) after tariff item 8703 33 99 and the entries relating thereto, the following shall be inserted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
"8703 40	-		
	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>		
8703 40 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	1%
8703 40 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	1%
8703 40 30	--- Motor cars	u	1%
8703 40 40	--- Three-wheeled vehicles	u	1%
8703 40 90	--- Other	u	1%
8703 50	-		
	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power:</i>		
8703 50 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	1%
8703 50 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	1%
8703 50 30	--- Motor cars	u	1%
8703 50 40	--- Three-wheeled vehicles	u	1%
8703 50 90	--- Other	u	1%
8703 60	-		
	<i>Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>		
8703 60 10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	1%
8703 60 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	1%
8703 60 30	--- Motor cars	u	1%
8703 60 40	--- Three-wheeled vehicles	u	1%
8703 60 90	--- Other	u	1%
8703 70	-		
	<i>Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power:</i>		
8703 70.10	--- Vehicles principally designed for transport of more than seven persons, including driver	u	1%
8703 70 20	--- Specialised transport vehicles such as ambulances, prison vans and the like	u	1%
8703 70 30	--- Motor cars	u	1%
8703 70 40	--- Three-wheeled vehicles	u	1%

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8703 70 90	Other	u	1%
8703 80	<i>Other vehicles, with only electric motor for propulsion:</i>		
8703 80 10	Vehicles principally designed for transport of more than seven persons, including driver	u	1%
8703 80 20	Specialised transport vehicles such as ambulances, prison vans and the like	u	1%
8703 80 30	Motor cars	u	1%
8703 80 40	Three-wheeled vehicles	u	1%
8703 80 90	Other	u	1%;

(v) for sub-heading 8703 90, tariff items 8703 90 10 and 8703 90 90 and the entries relating thereto, the following shall be substituted, namely:—

Tariff Item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
8703 90 00	Other	u	1%.

THE FOURTEENTH SCHEDULE

(See section 234)

In the Seventh Schedule to the Finance Act, 2005,—

- for the entry in column (4) occurring against tariff item 2402 20 10, the entry "Rs.215 per thousand" shall be substituted;
- for the entry in column (4) occurring against tariff item 2402 20 20, the entry "Rs.370 per thousand" shall be substituted;
- for the entry in column (4) occurring against tariff item 2402 20 30, the entry "Rs.215 per thousand" shall be substituted;
- for the entry in column (4) occurring against tariff item 2402 20 40, the entry "Rs.260 per thousand" shall be substituted;
- for the entry in column (4) occurring against tariff item 2402 20 50, the entry "Rs.370 per thousand" shall be substituted;
- for the entry in column (4) occurring against tariff item 2402 20 90, the entry "Rs.560 per thousand" shall be substituted.

THE FIFTEENTH SCHEDULE

(See section 239)

REPEALS

Year	No.	Short title	Extent of repeal
(1)	(2)	(3)	(4)
1946	22	The Mica Mines Labour Welfare Fund Act, 1946	Section 2.
1953	49	The Salt Cess Act, 1953	The whole.
1958	44	The Merchant Shipping Act, 1958	Section 261, clause (y) of section 262, section 356M, section 356N, clause (e) of section 356-O.
1963	41	The Textiles Committee Act, 1963	Sections 5A, 5D, 5E, 5F, clause (aa) of sub-section (1) of section 7 and clause (da) of sub-section (2) of section 22.
1972	62	The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972	Sections 3, 4 and clauses (a) to (f) of sub-section (2) of section 16.
1975	26	The Tobacco Cess Act, 1975	The whole.
1976	55	The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976	Sections 3, 4, 5 and section 6.
1981	30	The Cine-workers Welfare Cess Act, 1981	Clause (a) of section 3.

AMENDMENTS

Year	No.	Short title	Amendments
(1)	(2)	(3)	(4)
1972	62	The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972	For sub-section (1) of section 5, the following sub-section shall be substituted, namely:— “(1) The Central Government shall constitute a fund called the Limestone and Dolomite Labour Welfare Fund (hereinafter referred to as the Fund).”
			Constitution of Fund.
1976	56	The Beedi Workers Welfare Cess Act, 1976	In sub-section (1) of section 3, for the words “not be less than fifty paise or more than five rupees”, the words “not be less than five rupees or more than twenty-four rupees” shall be substituted.

Bhopal, the 30th September, 2016

No. 259-21-A(Dr.).—The following Act of the Parliament, published in the Gazette of India Extra-ordinary Part II Section 1 dated the 16th May, 2016 is hereby republished for general information. The Bill as passed by the House of Parliament received the assent of the President on 13th May, 2016.

By order and in the name of the Governor of Madhya Pradesh,
RAJESH YADAV, Addl. Secy.

THE ANTI-HIJACKING ACT, 2016

An Act

to give effect to the Convention for the Suppression of Unlawful Seizure of Aircraft and for matters connected therewith.

WHEREAS a Convention for the Suppression of Unlawful Seizure of Aircraft was signed at The Hague on the 16th day of December, 1970;

AND WHEREAS India acceded to the said Convention and enacted the Anti-Hijacking Act, 1982 to give effect to the provisions of the Convention;

AND WHEREAS India has signed the Protocol Supplementary to the Convention at Beijing on the 10th day of September, 2010 which deals with unlawful acts against Civil Aviation by new types of threats which require comprehensive amendments to the said Act;

AND WHEREAS it is considered expedient that the unlawful acts of seizure or exercise of control of aircraft which jeopardize safety of persons and property is a matter of great concern to be addressed effectively by making suitable provisions for giving effect to the Convention and the Protocol and for matters connected therewith.

Be it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title,
extent,
application
and com-
mencement.

1. (1) This Act may be called the Anti-Hijacking Act, 2016.

(2) It extends to the whole of India and, save as otherwise provided in this Act, it applies also to any offence thereunder committed outside India by any person.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “Agency” means the National Investigation Agency constituted under section 3 of the National Investigation Agency Act, 2008;

34 of 2008

(b) “aircraft” means any aircraft, whether or not registered in India, other than a military aircraft or an aircraft used in customs or police service;

(c) “aircraft registered in India” means an aircraft which is for the time being registered in India;

(d) “Convention country” means a country in which the Hague Convention is for the time being in force;

(e) “Hague Convention” means the Convention for the Suppression of Unlawful Seizure of Aircraft signed at The Hague on the 16th day of December, 1970 and includes the Protocol Supplementary to the Convention signed at Beijing on the 10th day of September, 2010;

(f) “hostage” means a passenger or a crew member of an aircraft or any security personnel on board the aircraft or a ground support staff involved in the maintenance of the aircraft, who is unlawfully seized or detained without his consent, or with his consent obtained by fraud or duress, by an individual or by a group of persons, during the transit of an aircraft or when it is stationed at an airport, with an intention to secure any demand or fulfilment of any condition made by such individual or such group of persons;

(g) “military aircraft” means an aircraft of the naval, military, air force or any other armed forces of any country and includes every aircraft commanded or controlled by a person in any such force detailed for the purpose;

(h) “notification” means a notification published in the Official Gazette;

(i) “security personnel” means security personnel deployed by the Central Government or appointed by any agency authorised by that Government to ensure security of civil aviation against acts of unlawful interference.

Explanation.—for the purposes of this clause “acts of unlawful interference” means acts or attempted acts to jeopardize the safety of civil aviation and air transport, including—

(i) unlawful seizure of aircraft in flight;

(ii) unlawful seizure of aircraft on the ground;

(iii) hostage-taking on board aircraft or on aerodromes;

(iv) forcible intrusion on board aircraft, at an aerodrome or on the premises on an aeronautical facility;

(v) introduction on board an aircraft or at an aerodrome, of a weapon, explosive or other hazardous device, article or substances intended for criminal purposes;

(vi) communication of false information with a view to jeopardize the safety of an aircraft in flight or on the ground, of passengers, crew, ground personnel or the general public; at an aerodrome or on the premises of a civil aviation facility.

CHAPTER II

HIJACKING AND CONNECTED OFFENCES

3. (1) Whoever unlawfully and intentionally seizes or exercises control of an aircraft in service by force or threat thereof, or by coercion, or by any other form of intimidation, or by any technological means, commits the offence of hijacking. Hijacking.

(2) A person shall also be deemed to have committed the offence of hijacking specified in sub-section (1), if, such person—

(a) makes a threat to commit such offence or unlawfully and intentionally causes any person to receive such threat under circumstances which indicate that the threat is credible; or

(b) attempts to commit or abets the commission of such offence; or

(c) organises or directs others to commit such offence or the offence specified in clause (a) or clause (b) above;

(d) participates as an accomplice in such offence or the offence specified in clause (a) or clause (b) above;

(e) unlawfully and intentionally assists another person to evade investigation, prosecution or punishment, knowing that such person has committed any such offence or the offence specified in clause (a) or clause (b) or clause (c) or clause (d) above, or that such person is wanted for criminal prosecution by law enforcement authorities for such an offence or has been sentenced for such an offence.

(3) A person also commits the offence of hijacking, when committed intentionally, whether or not any of the offences specified in sub-section (1) or in clause (a) of sub-section (2) is actually committed or attempted, either or both of the following:—

(a) agreeing with one or more other persons to commit an offence specified in sub-section (1) or in clause (a) of sub-section (2), involving an act undertaken by one of the participants in furtherance of the agreement; or

(b) contributing in any manner to the commission of an offence specified in sub-section (1) or in clause (a) of sub-section (2) by a group of persons acting with a common purpose and such contribution shall either—

(i) be made with the aim of furthering the general criminal activity or purpose of the group, where such activity or purpose involves the commission of such an offence; or

(ii) be made in the knowledge of the intention of the group to commit such offence.

(4) For the purposes of this Act, an aircraft shall be considered to be “in service” from the beginning of the pre-flight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing and in the case of a forced landing, the flight shall be deemed to continue until the competent authorities take over the responsibility for the aircraft and for persons and property on board.

— 4. Whoever commits the offence of hijacking shall be punished—

(a) with death where such offence results in the death of a hostage or of a security personnel or of any person not involved in the offence, as a direct consequence of the offence of hijacking; or

(b) with imprisonment for life which shall mean imprisonment for the remainder of that person’s natural life and with fine,

Punishment
for hijacking.

and the movable and immovable property of such person shall also be liable to be confiscated.

Punishment for acts of violence connected with hijacking.

5. Whoever, being a person committing the offence of hijacking of an aircraft, commits, in connection with such offence, any act of violence against any passenger or member of the crew of such aircraft, shall be punished with the same punishment with which he would have been punishable under any law for the time being in force in India if such act had been committed in India.

Conferment of powers of investigations, etc.

6. (1) For the purposes of this Act, the Central Government may, notwithstanding anything contained in the Code of Criminal Procedure, 1973, by notification, confer on any officer of the Central Government or any officer of the Agency, powers of arrest, investigation and prosecution exercisable by a police officer under the said Code.

2 of 1974.

(2) All officers of police and all officers of Government are hereby required and empowered to assist the officer of the Central Government referred to in sub-section (1) in the execution of the provisions of this Act.

Jurisdiction.

7. (1) Subject to the provisions of sub-section (2), where an offence under section 3 or section 5 is committed outside India, the person committing such offence may be dealt with in respect thereof as if such offence had been committed at any place within India at which he may be found.

(2) No Court shall take cognizance of an offence punishable under section 3 or section 5 which is committed outside India unless,—

(a) such offence is committed within the territory of India;

(b) such offence is committed against or on board an aircraft registered in India;

(c) such offence is committed on board and the aircraft in which the offence is committed lands in India with the alleged offender still on board;

(d) such offence is committed against or on board an aircraft which is for the time being leased without crew to a lessee who has his principal place of business or where he has no such place of business, his permanent residence is in India;

(e) such offence is committed by or against a citizen of India;

(f) such offence is committed by a stateless person whose habitual residence is in the territory of India;

(g) such offence is committed by the alleged offender who is present in India but not extradited under section 11.

Designated Court.

8. (1) For the purpose of providing for speedy trial, the State Government shall, with the concurrence of the Chief Justice of the High Court, by notification, specify a Court of Sessions to be a Designated Court for such area or areas as may be specified in the notification.

(2) Notwithstanding the provisions of sub-section (1), the Special Court Constituted under section 11 or, as the case may be, under section 22 of the National Investigation Agency Act, 2008 shall be the Designated Court for the purposes of this Act in case where the power of arrest, investigation and prosecution is exercised by the Agency under sub-section (1) of section 6.

34 of 2008.

(3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, a Designated Court shall, as far as practicable, hold the trial on a day-to-day basis.

2 of 1974.

Offences triable by Designated Court.

9. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973,—

2 of 1974.

(a) all offences under this Act shall be triable by the Designated Court referred to in section 8.

(b) where a person who is accused or suspected of the commission of an offence under this Act is forwarded to the Magistrate under sub-section (2) or sub-section (2A) of section 167 of the Code of Criminal Procedure, 1973, such Magistrate may authorise detention of such person in such custody, as he thinks fit, for a period not exceeding thirty days in the whole, where such Magistrate is a Judicial Magistrate, and seven days in the whole, where such Magistrate is an Executive Magistrate:

2 of 1974.

Provided that the Magistrate may, if he considers that the detention of such person is not required,—

(i) when such person is forwarded to him as aforesaid; or

(ii) upon or at any time before the expiry of the period of detention authorised by him,

he shall order such person to be forwarded to the Designated Court having jurisdiction;

(c) the Designated Court may exercise, in relation to the person forwarded to it under clause (b), the same power which a Magistrate having jurisdiction to try a case may exercise under section 167 of the Code of Criminal Procedure, 1973, in relation to an accused person in such case who has been forwarded to him under that section;

(d) the Designated Court may, upon perusal of the report filled by the Agency or a complaint made by an officer of the Central Government, or the State Government, as the case may be, authorised in this behalf, take cognizance of the offence without the accused being committed to it for trial.

(2) When trying an offence under this Act, a Designated Court may also try an offence other than an offence under this Act, which the accused may, under the Code of Criminal Procedure, 1973, be charged at the same trial.

10. Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Designated Court and the person conducting a prosecution before a Designated Court shall be deemed to be a Public Prosecutor.

Application of Code to proceedings before Designated Court.

CHAPTER III

MISCELLANEOUS

11. (1) The offences under section 3 and section 5 shall be deemed to have been included as extraditable offences and provided for in all the extradition treaties made by India with Convention countries and which extend to, and are binding on, India on the date of commencement of this Act.

Provisions as to extradition.

(2) For the purposes of the application of the Extradition Act, 1962 to offences under this Act, any aircraft registered in a Convention country shall, at any time while that aircraft is in service, be deemed to be within the jurisdiction of that country, whether or not it is for the time being also within the jurisdiction of any other country.

(3) None of the offences mentioned in section 3 shall be regarded, for the purposes of extradition or mutual legal assistance, as a political offence or as an offence connected with a political offence or as an offence inspired by political motives and a request for extradition or for mutual legal assistance based on such an offence shall not be refused on the sole ground that it concerns a political offence or an offence connected with a political offence or an offence inspired by political motives.

12. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, no person accused of an offence punishable under this Act shall, if in custody, be released on bail or on his own bond, unless,—

Provision as to bail.

(a) the Public Prosecutor has been given an opportunity to oppose the application for such release; and

(b) where Public Prosecutor opposes the application, the Designated Court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail.

(2) The limitations on granting of bail as specified in sub-section (1) are in addition to the limitation under the Code of Criminal Procedure, 1973, or any other law for the time being in force, on granting bail.

(3) Nothing contained in this section shall be deemed to affect the special powers of the High Court regarding bail under section 439 of the Code of Criminal Procedure, 1973.

Contracting parties to Convention.

13. The Central Government may, by notification, certify as to who are the contracting parties to the Hague Convention and to what extent they have availed themselves of the provisions of the Convention, and any such notification shall be conclusive evidence of the matters certified therein.

Power to treat certain aircraft to be registered in Convention countries.

14. (1) If the Central Government is satisfied that the requirements of sub-section (2) have been satisfied in relation to any aircraft, it may, by notification, direct that such aircraft shall, for the purposes of this Act, be treated as registered in such Convention country as may be specified in the notification.

(2) Where the Convention countries establish joint air transport operating organisations or international operating agencies, which operate aircraft which are subject to joint or international registration, shall, by appropriate means, designate for each aircraft, the country among them which shall exercise the jurisdiction and have the attributes of the country of registry for the purposes of the Convention and shall give notice thereof to the Secretary General of the International Civil Aviation Organisation who shall communicate the notice to all Convention countries.

Previous sanction necessary for prosecution.

15. No prosecution for an offence under this Act shall be instituted except with the previous sanction of the Central Government.

Presumption as to offences under sections 3 and 5.

16. In a prosecution for an offence under section 3 or section 5, if it is proved that—

(a) the arms, ammunitions or explosives were recovered from the possession of the accused and there is reason to believe that such arms, ammunitions or explosives of similar nature were used in the commission of such offence; or

(b) there is evidence of use of force, threat of force or any other form of intimidation caused to the crew or passengers in connection with the commission of such offence,

the Designated Court shall presume, unless the contrary is proved, that the accused has committed such offence.

Protection of action taken in good faith.

17. (1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of the provisions of this Act.

(2) No suit or other legal proceeding shall lie against the Central Government for any damage caused or likely to be caused for anything which is in good faith done or intended to be done in pursuance of the provisions of this Act.

Powers of investigating officers to seize or attach property.

18. (1) Where any officer, referred to in section 6, while conducting an inquiry or investigation has a reason to believe that any property, movable or immovable, or both, is relatable to the commission of the offence in relation to which such inquiry or investigation is being conducted, is likely to be concealed, transferred or dealt with in any manner which will result in disposal of such property, he may make an order for seizing such property and where it is not practicable to seize such property, he may make an order of attachment directing that such property shall not be transferred or otherwise dealt with, except with the prior permission of the officer making such order, and a copy of such order shall be served on the person concerned.

(2) Any order made under sub-section (1) shall have no effect unless the said order is confirmed by an order of the Designated Court, within a period of forty-eight hours of its being made.

(3) The Designated Court may either confirm or revoke the order of seizure or attachment referred to in sub-section (2).

(4) Notwithstanding the confirmation of the order by the Designated Court under sub-section (3), any person aggrieved by the order of attachment made under sub-section (1), may make an application to the Designated Court for revocation of said order within a period of thirty days from the date of confirmation of the order under sub-section (3).

19. Where any order is made by the Designated Court under section 4 for confiscation of movable or immovable property or both, of the accused, then, such property shall stand forfeited to the Government free from all encumbrances:

Confiscation and forfeiture of property

Provided that the Designated Court may, during the period of such trial, order that all or any of the properties, movable or immovable, or both, belonging to the accused be attached, and in case such trial ends in conviction, then, the property so attached shall stand forfeited to Government free from all encumbrances.

20. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

General power to make rules.

(2) Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

65 of 1982.

21. (1) The Anti-Hijacking Act, 1982 is hereby repealed.

Repeal and savings.

(2) The repeal of the said Act shall not affect—

(a) the previous operation of, or anything duly done or suffered under, or any action taken or purported to have been done or taken including any notification, order or notice made or issued, or any appointment, confirmation or declaration made or any authorisation granted or any document or instrument executed or any direction given, under the Act so repealed, shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act; or

(b) any right, privilege or obligation or liability acquired, accrued or incurred under the said Act; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence under the said Act; or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid,

and, any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the said Act had not been repealed.

Bhopal, the 30th September, 2016

No. 259-21-A(Dr.).—The following Act of the Parliament, published in the Gazette of India Extra-ordinary Part II Section 1 dated the 28th May, 2016 is hereby republished for general information. The Bill as passed by the House of Parliament received the assent of the President on 28th May, 2016.

By order and in the name of the Governor of Madhya Pradesh,
RAJESH YADAV, Addl. Secy.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

An Act

to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

PART I

PRELIMINARY

1. (1) This Code may be called the Insolvency and Bankruptcy Code, 2016.

(2) It extends to the whole of India:

Provided that Part III of this Code shall not extend to the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Short title,
extent and
commencement.

Provided that different dates may be appointed for different provisions of this Code and any reference in any such provision to the commencement of this Code shall be construed as a reference to the commencement of that provision.

Application.

2. The provisions of this Code shall apply to—

(a) any company incorporated under the Companies Act, 2013 or under any previous company law; 18 of 2013.

(b) any other company governed by any special Act for the time being in force, except in so far as the said provisions are inconsistent with the provisions of such special Act;

(c) any Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008; 6 of 2009.

(d) such other body incorporated under any law for the time being in force, as the Central Government may, by notification, specify in this behalf; and

(e) partnership firms and individuals,

in relation to their insolvency, liquidation, voluntary liquidation or bankruptcy, as the case may be.

Definitions.

3. In this Code, unless the context otherwise requires,—

(1) "Board" means the Insolvency and Bankruptcy Board of India established under sub-section (1) of section 188;

(2) "bench" means a bench of the Adjudicating Authority;

(3) "bye-laws" mean the bye-laws made by the insolvency professional agency under section 205;

(4) "charge" means an interest or lien created on the property or assets of any person or any of its undertakings or both, as the case may be, as security and includes a mortgage;

(5) "Chairperson" means the Chairperson of the Board;

(6) "claim" means—

(a) a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, secured or unsecured;

(b) right to remedy for breach of contract under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, matured, unmatured, disputed, undisputed, secured or unsecured;

(7) "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider; 18 of 2013. 6 of 2009.

(8) "corporate debtor" means a corporate person who owes a debt to any person;

(9) "core services" means services rendered by an information utility for—

(a) accepting electronic submission of financial information in such form and manner as may be specified;

(b) safe and accurate recording of financial information;

(c) authenticating and verifying the financial information submitted by a person; and

(d) providing access to information stored with the information utility to persons as may be specified;

(10) "creditor" means any person to whom a debt is owed and includes a financial creditor, an operational creditor, a secured creditor, an unsecured creditor and a decree-holder;

(11) "debt" means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt;

(12) "default" means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor, as the case may be;

(13) "financial information", in relation to a person, means one or more of the following categories of information, namely:—

(a) records of the debt of the person;

(b) records of liabilities when the person is solvent;

(c) records of assets of person over which security interest has been created;

(d) records, if any, of instances of default by the person against any debt;

(e) records of the balance sheet and cash-flow statements of the person; and

(f) such other information as may be specified.

(14) "financial institution" means—

(a) a scheduled bank;

(b) financial institution as defined in section 45-I of the Reserve Bank of India Act, 1934;

(c) public financial institution as defined in clause (72) of section 2 of the Companies Act, 2013; and

(d) such other institution as the Central Government may by notification specify as a financial institution;

(15) "financial product" means securities, contracts of insurance, deposits, credit arrangements including loans and advances by banks and financial institutions, retirement benefit plans, small savings instruments, foreign currency contracts other than contracts to exchange one currency (whether Indian or not) for another which are to be settled immediately, or any other instrument as may be prescribed;

(16) "financial service" includes any of the following services, namely:—

(a) accepting of deposits;

(b) safeguarding and administering assets consisting of financial products, belonging to another person, or agreeing to do so;

(c) effecting contracts of insurance;

(d) offering, managing or agreeing to manage assets consisting of financial products belonging to another person;

(e) rendering or agreeing, for consideration, to render advice on or soliciting for the purposes of—

(i) buying, selling, or subscribing to, a financial product;

(ii) availing a financial service; or

(iii) exercising any right associated with a financial product or financial service;

(f) establishing or operating an investment scheme;

(g) maintaining or transferring records of ownership of a financial product;

(h) underwriting the issuance or subscription of a financial product; or

(i) selling, providing, or issuing stored value or payment instruments or providing payment services;

(17) "financial service provider" means a person engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator;

(18) "financial sector regulator" means an authority or body constituted under any law for the time being in force to regulate services or transactions of financial sector and includes the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority of India, the Pension Fund Regulatory Authority and such other regulatory authorities as may be notified by the Central Government;

(19) "insolvency professional" means a person enrolled under section 206 with an insolvency professional agency as its member and registered with the Board as an insolvency professional under section 207;

(20) "insolvency professional agency" means any person registered with the Board under section 201 as an insolvency professional agency;

(21) "information utility" means a person who is registered with the Board as an information utility under section 210;

(22) "notification" means a notification published in the Official Gazette, and the terms "notified" and "notify" shall be construed accordingly;

(23) "person" includes—

(a) an individual;

(b) a Hindu Undivided Family;

(c) a company;

(d) a trust;

(e) a partnership;

(f) a limited liability partnership; and

(g) any other entity established under a statute,

and includes a person resident outside India;

(24) "person resident in India" shall have the meaning assigned to such term in clause (v) of section 2 of the Foreign Exchange Management Act, 1999;

42 of 1999.

(25) "person resident outside India" means a person other than a person resident in India;

(26) "prescribed" means prescribed by rules made by the Central Government;

(27) "property" includes money, goods, actionable claims, land and every description of property situated in India or outside India and every description of interest including present or future or vested or contingent interest arising out of, or incidental to, property;

(28) "regulations" means the regulations made by the Board under this Code;

(29) "Schedule" means the Schedule annexed to this Code;

(30) "secured creditor" means a creditor in favour of whom security interest is created;

(31) "security interest" means right, title or interest or a claim to property, created in favour of, or provided for a secured creditor by a transaction which secures payment or performance of an obligation and includes mortgage, charge, hypothecation, assignment and encumbrance or any other agreement or arrangement securing payment or performance of any obligation of any person:

Provided that security interest shall not include a performance guarantee;

(32) "specified" means specified by regulations made by the Board under this Code and the term "specify" shall be construed accordingly;

(33) "transaction" includes a agreement or arrangement in writing for the transfer of assets, or funds, goods or services, from or to the corporate debtor;

(34) "transfer" includes sale, purchase, exchange, mortgage, pledge, gift, loan or any other form of transfer of right, title, possession or lien;

(35) "transfer of property" means transfer of any property and includes a transfer of any interest in the property and creation of any charge upon such property;

(36) "workman" shall have the same meaning as assigned to it in clause (s) of section 2 of the Industrial Disputes Act, 1947;

(37) words and expressions used but not defined in this Code but defined in the Indian Contract Act, 1872, the Indian Partnership Act, 1932, the Securities Contract (Regulation) Act, 1956, the Securities Exchange Board of India Act, 1992, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, the Limited Liability Partnership Act, 2008 and the Companies Act, 2013, shall have the meanings respectively assigned to them in those Acts.

PART II

INSOLVENCY RESOLUTION AND LIQUIDATION FOR CORPORATE PERSONS

CHAPTER I

PRELIMINARY

4. (1) This Part shall apply to matters relating to the insolvency and liquidation of corporate debtors where the minimum amount of the default is one lakh rupees:

Application of this Part.

Provided that the Central Government may, by notification, specify the minimum amount of default of higher value which shall not be more than one crore rupees.

5. In this Part, unless the context otherwise requires,—

Definitions.

(1) "Adjudicating Authority", for the purposes of this Part, means National Company Law Tribunal constituted under section 408 of the Companies Act, 2013;

(2) "auditor" means a chartered accountant certified to practice as such by the Institute of Chartered Accountants of India under section 6 of the Chartered Accountants Act, 1949;

(3) "Chapter" means a Chapter under this Part;

(4) "constitutional document", in relation to a corporate person, includes articles of association, memorandum of association of a company and incorporation document of a Limited Liability Partnership;

14 of 1947.

9 of 1872.

9 of 1932.

42 of 1956.

15 of 1992.

51 of 1993.

6 of 2009.

18 of 2013.

18 of 2013.

XXXVIII of 1949.

(5) "corporate applicant" means—

(a) corporate debtor; or

(b) a member or partner of the corporate debtor who is authorised to make an application for the corporate insolvency resolution process under the constitutional document of the corporate debtor; or

(c) an individual who is in charge of managing the operations and resources of the corporate debtor; or

(d) a person who has the control and supervision over the financial affairs of the corporate debtor;

(6) "dispute" includes a suit or arbitration proceedings relating to—

(a) the existence of the amount of debt;

(b) the quality of goods or service; or

(c) the breach of a representation or warranty;

(7) "financial creditor" means any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to;

(8) "financial debt" means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—

(a) money borrowed against the payment of interest;

(b) any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;

(e) receivables sold or discounted other than any receivables sold on non-recourse basis;

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;

(9) "financial position", in relation to any person, means the financial information of a person as on a certain date;

(10) "information memorandum" means a memorandum prepared by resolution professional under sub-section (1) of section 29;

(11) "initiation date" means the date on which a financial creditor, corporate

applicant or operational creditor, as the case may be, makes an application to the Adjudicating Authority for initiating corporate insolvency resolution process;

(12) "insolvency commencement date" means the date of admission of an application for initiating corporate insolvency resolution process by the Adjudicating Authority under sections 7, 9 or section 10, as the case may be;

(13) "insolvency resolution process costs" means—

(a) the amount of any interim finance and the costs incurred in raising such finance;

(b) the fees payable to any person acting as a resolution professional;

(c) any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern;

(d) any costs incurred at the expense of the Government to facilitate the insolvency resolution process; and

(e) any other costs as may be specified by the Board;

(14) "insolvency resolution process period" means the period of one hundred and eighty days beginning from the insolvency commencement date and ending on one hundred and eightieth day;

(15) "interim finance" means any financial debt raised by the resolution professional during the insolvency resolution process period;

(16) "liquidation cost" means any cost incurred by the liquidator during the period of liquidation subject to such regulations, as may be specified by the Board;

(17) "liquidation commencement date" means the date on which proceedings for liquidation commence in accordance with section 33 or section 59, as the case may be;

(18) "liquidator" means an insolvency professional appointed as a liquidator in accordance with the provisions of Chapter III or Chapter V of this Part, as the case may be;

18 of 2013.

(19) "officer" for the purposes of Chapter VII of this Part, means an officer who is in default, as defined in clause (60) of section 2 of the Companies Act, 2013 or a designated partner as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008, as the case may be;

6 of 2009.

(20) "operational creditor" means a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred;

(21) "operational debt" means a claim in respect of the provision of goods or services including employment or a debt in respect of the repayment of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority;

(22) "personal guarantor" means an individual who is the surety in a contract of guarantee to a corporate debtor;

(23) "personnel" includes the directors, managers, key managerial personnel, designated partners and employees, if any, of the corporate debtor;

(24) "related party", in relation to a corporate debtor, means—

(a) a director or partner of the corporate debtor or a relative of a director or partner of the corporate debtor;

(b) a key managerial personnel of the corporate debtor or a relative of a key managerial personnel of the corporate debtor;

(c) a limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner;

(d) a private company in which a director, partner or manager of the corporate debtor is a director and holds along with his relatives, more than two per cent. of its share capital;

(e) a public company in which a director, partner or manager of the corporate debtor is a director and holds along with relatives, more than two per cent. of its paid-up share capital;

(f) anybody corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(g) any limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(h) any person on whose advice, directions or instructions, a director, partner or manager of the corporate debtor is accustomed to act;

(i) a body corporate which is a holding, subsidiary or an associate company of the corporate debtor, or a subsidiary of a holding company to which the corporate debtor is a subsidiary;

(j) any person who controls more than twenty per cent. of voting rights in the corporate debtor on account of ownership or a voting agreement;

(k) any person in whom the corporate debtor controls more than twenty per cent. of voting rights on account of ownership or a voting agreement;

(l) any person who can control the composition of the board of directors or corresponding governing body of the corporate debtor;

(m) any person who is associated with the corporate debtor on account of—

(i) participation in policy making processes of the corporate debtor; or

(ii) having more than two directors in common between the corporate debtor and such person; or

(iii) interchange of managerial personnel between the corporate debtor and such person; or

(iv) provision of essential technical information to, or from, the corporate debtor;

(25) "resolution applicant" means any person who submits a resolution plan to the resolution professional;

(26) "resolution plan" means a plan proposed by any person for insolvency resolution of the corporate debtor as a going concern in accordance with Part II;

(27) "resolution professional", for the purposes of this Part, means an insolvency professional appointed to conduct the corporate insolvency resolution process and includes an interim resolution professional; and

(28) "voting share" means the share of the voting rights of a single financial creditor in the committee of creditors which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor.

CHAPTER II

CORPORATE INSOLVENCY RESOLUTION PROCESS

6. Where any corporate debtor commits a default, a financial creditor, an operational creditor or the corporate debtor itself may initiate corporate insolvency resolution process in respect of such corporate debtor in the manner as provided under this Chapter.

Persons who may initiate corporate insolvency resolution process.

7. (1) A financial creditor either by itself or jointly with other financial creditors may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred.

Initiation of corporate insolvency resolution process by financial creditor.

Explanation.—For the purposes of this sub-section, a default includes a default in respect of a financial debt owed not only to the applicant financial creditor but to any other financial creditor of the corporate debtor.

(2) The financial creditor shall make an application under sub-section (1) in such form and manner and accompanied with such fee as may be prescribed.

(3) The financial creditor shall, along with the application furnish—

(a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;

(b) the name of the resolution professional proposed to act as an interim resolution professional; and

(c) any other information as may be specified by the Board.

(4) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3).

(5) Where the Adjudicating Authority is satisfied that—

(a) a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceedings pending against the proposed resolution professional, it may, by order, admit such application; or

(b) default has not occurred or the application under sub-section (2) is incomplete or any disciplinary proceeding is pending against the proposed resolution professional, it may, by order, reject such application:

Provided that the Adjudicating Authority shall, before rejecting the application under clause (b) of sub-section (5), give a notice to the applicant to rectify the defect in his application within seven days of receipt of such notice from the Adjudicating Authority.

(6) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (5).

(7) The Adjudicating Authority shall communicate—

(a) the order under clause (a) of sub-section (5) to the financial creditor and the corporate debtor;

(b) the order under clause (b) of sub-section (5) to the financial creditor,

within seven days of admission or rejection of such application, as the case may be.

8. (1) An operational creditor may, on the occurrence of a default, deliver a demand notice of unpaid operational debtor copy of an invoice demanding payment of the amount involved in the default to the corporate debtor in such form and manner as may be prescribed.

Insolvency resolution by operational creditor.

(2) The corporate debtor shall, within a period of ten days of the receipt of the demand notice or copy of the invoice mentioned in sub-section (1) bring to the notice of the operational creditor—

(a) existence of a dispute, if any, and record of the pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoice in relation to such dispute;

(b) the repayment of unpaid operational debt—

(i) by sending an attested copy of the record of electronic transfer of the unpaid amount from the bank account of the corporate debtor; or

(ii) by sending an attested copy of record that the operational creditor has encashed a cheque issued by the corporate debtor.

Explanation.—For the purposes of this section, a "demand notice" means a notice served by an operational creditor to the corporate debtor demanding repayment of the operational debt in respect of which the default has occurred.

Application for initiation of corporate insolvency resolution process by operational creditor.

9. (1) After the expiry of the period of ten days from the date of delivery of the notice or invoice demanding payment under sub-section (1) of section 8, if the operational creditor does not receive payment from the corporate debtor or notice of the dispute under sub-section (2) of section 8, the operational creditor may file an application before the Adjudicating Authority for initiating a corporate insolvency resolution process.

(2) The application under sub-section (1) shall be filed in such form and manner and accompanied with such fee as may be prescribed.

(3) The operational creditor shall, along with the application furnish—

(a) a copy of the invoice demanding payment or demand notice delivered by the operational creditor to the corporate debtor;

(b) an affidavit to the effect that there is no notice given by the corporate debtor relating to a dispute of the unpaid operational debt;

(c) a copy of the certificate from the financial institutions maintaining accounts of the operational creditor confirming that there is no payment of an unpaid operational debt by the corporate debtor; and

(d) such other information as may be specified.

(4) An operational creditor initiating a corporate insolvency resolution process under this section, may propose a resolution professional to act as an interim resolution professional.

(5) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order—

(i) admit the application and communicate such decision to the operational creditor and the corporate debtor if,—

(a) the application made under sub-section (2) is complete;

(b) there is no repayment of the unpaid operational debt;

(c) the invoice or notice for payment to the corporate debtor has been delivered by the operational creditor;

(d) no notice of dispute has been received by the operational creditor or there is no record of dispute in the information utility; and

(e) there is no disciplinary proceeding pending against any resolution professional proposed under sub-section (4), if any.

(ii) reject the application and communicate such decision to the operational creditor and the corporate debtor, if—

- (a) the application made under sub-section (2) is incomplete;
- (b) there has been repayment of the unpaid operational debt;
- (c) the creditor has not delivered the invoice or notice for payment to the corporate debtor;
- (d) notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility; or
- (e) any disciplinary proceeding is pending against any proposed resolution professional:

Provided that Adjudicating Authority, shall before rejecting an application under sub-clause (a) of clause (ii) give a notice to the applicant to rectify the defect in his application within seven days of the date of receipt of such notice from the adjudicating Authority.

(6) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (5) of this section.

10. (1) Where a corporate debtor has committed a default, a corporate applicant thereof may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority.

Initiation of corporate insolvency resolution process by corporate applicant.

(2) The application under sub-section (1) shall be filed in such form, containing such particulars and in such manner and accompanied with such fee as may be prescribed.

(3) The corporate applicant shall, along with the application furnish the information relating to—

- (a) its books of account and such other documents relating to such period as may be specified; and
- (b) the resolution professional proposed to be appointed as an interim resolution professional.

(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order—

- (a) admit the application, if it is complete; or
- (b) reject the application, if it is incomplete:

Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.

(5) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (4) of this section.

11. The following persons shall not be entitled to make an application to initiate corporate insolvency resolution process under this Chapter, namely:—

Persons not entitled to make application.

- (a) a corporate debtor undergoing a corporate insolvency resolution process; or
- (b) a corporate debtor having completed corporate insolvency resolution process twelve months preceding the date of making of the application; or
- (c) a corporate debtor or a financial creditor who has violated any of the terms of resolution plan which was approved twelve months before the date of making of an application under this Chapter; or
- (d) a corporate debtor in respect of whom a liquidation order has been made.

Explanation.—For the purposes of this section, a corporate debtor includes a corporate applicant in respect of such corporate debtor.

Time-limit for completion of insolvency resolution process.

12. (1) Subject to sub-section (2), the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process.

(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond one hundred and eighty days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of seventy-five per cent. of the voting shares.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject matter of the case is such that corporate insolvency resolution process cannot be completed within one hundred and eighty days, it may by order extend the duration of such process beyond one hundred and eighty days by such further period as it thinks fit, but not exceeding ninety days:

Provided that any extension of the period of corporate insolvency resolution process under this section shall not be granted more than once.

Declaration of moratorium and public announcement.

13. (1) The Adjudicating Authority, after admission of the application under section 7 or section 9 or section 10, shall, by an order—

(a) declare a moratorium for the purposes referred to in section 14;

(b) cause a public announcement of the initiation of corporate insolvency resolution process and call for the submission of claims under section 15; and

(c) appoint an interim resolution professional in the manner as laid down in section 16.

(2) The public announcement referred to in clause (b) of sub-section (1) shall be made immediately after the appointment of the interim resolution professional.

Moratorium.

14. (1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely:—

(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

(2) The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

(4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process:

Provided that where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.

15. (1) The public announcement of the corporate insolvency resolution process under the order referred to in section 13 shall contain the following information, namely:—

Public announcement of corporate insolvency resolution process.

(a) name and address of the corporate debtor under the corporate insolvency resolution process;

(b) name of the authority with which the corporate debtor is incorporated or registered;

(c) the last date for submission of claims;

(d) details of the interim resolution professional who shall be vested with the management of the corporate debtor and be responsible for receiving claims;

(e) penalties for false or misleading claims; and

(f) the date on which the corporate insolvency resolution process shall close, which shall be the one hundred and eightieth day from the date of the admission of the application under sections 7, 9 or section 10, as the case may be.

(2) The public announcement under this section shall be made in such manner as may be specified.

16. (1) The Adjudicating Authority shall appoint an interim resolution professional within fourteen days from the insolvency commencement date.

Appointment and tenure of interim resolution professional.

(2) Where the application for corporate insolvency resolution process is made by a financial creditor or the corporate debtor, as the case may be, the resolution professional, as proposed respectively in the application under section 7 or section 10, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.

(3) Where the application for corporate insolvency resolution process is made by an operational creditor and—

(a) no proposal for an interim resolution professional is made, the Adjudicating Authority shall make a reference to the Board for the recommendation of an insolvency professional who may act as an interim resolution professional;

(b) a proposal for an interim resolution professional is made under sub-section (4) of section 9, the resolution professional as proposed, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.

(4) The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (3), recommend the name of an insolvency professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.

(5) The term of the interim resolution professional shall not exceed thirty days from date of his appointment.

17. (1) From the date of appointment of the interim resolution professional,—

Management of affairs of corporate debtor by interim resolution professional.

(a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;

(b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;

(c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;

(d) the financial institutions maintaining accounts of the corporate debtor shall act on the instructions of the interim resolution professional in relation to such accounts and furnish all information relating to the corporate debtor available with them to the interim resolution professional.

(2) The interim resolution professional vested with the management of the corporate debtor shall—

(a) act and execute in the name and on behalf of the corporate debtor all deeds, receipts, and other documents, if any;

(b) take such actions, in the manner and subject to such restrictions, as may be specified by the Board;

(c) have the authority to access the electronic records of corporate debtor from information utility having financial information of the corporate debtor;

(d) have the authority to access the books of account, records and other relevant documents of corporate debtor available with government authorities, statutory auditors, accountants and such other persons as may be specified.

Duties of
interim
resolution
professional.

18. The interim resolution professional shall perform the following duties, namely:—

(a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to—

(i) business operations for the previous two years;

(ii) financial and operational payments for the previous two years;

(iii) list of assets and liabilities as on the initiation date; and

(iv) such other matters as may be specified;

(b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;

(c) constitute a committee of creditors;

(d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the committee of creditors;

(e) file information collected with the information utility, if necessary; and

(f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including—

(i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;

(ii) assets that may or may not be in possession of the corporate debtor;

(iii) tangible assets, whether movable or immovable;

(iv) intangible assets including intellectual property;

(v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;

(vi) assets subject to the determination of ownership by a court or authority;

(g) to perform such other duties as may be specified by the Board.

Explanation.—For the purposes of this sub-section, the term "assets" shall not include the following, namely:—

(a) assets owned by a third party in possession of the corporate debtor held under trust or under contractual arrangements including bailment;

(b) assets of any Indian or foreign subsidiary of the corporate debtor; and

(c) such other assets as may be notified by the Central Government in consultation with any financial sector regulator.

19. (1) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the interim resolution professional as may be required by him in managing the affairs of the corporate debtor.

Personnel to extend co-operation to interim resolution professional.

(2) Where any personnel of the corporate debtor, its promoter or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions.

(3) The Adjudicating Authority, on receiving an application under sub-section (2), shall by an order, direct such personnel or other person to comply with the instructions of the resolution professional and to cooperate with him in collection of information and management of the corporate debtor.

20. (1) The interim resolution professional shall make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

Management of operations of corporate debtor as going concern.

(2) For the purposes of sub-section (1), the interim resolution professional shall have the authority—

(a) to appoint accountants, legal or other professionals as may be necessary;

(b) to enter into contracts on behalf of the corporate debtor or to amend or modify the contracts or transactions which were entered into before the commencement of corporate insolvency resolution process;

(c) to raise interim finance provided that no security interest shall be created over any encumbered property of the corporate debtor without the prior consent of the creditors whose debt is secured over such encumbered property;

Provided that no prior consent of the creditor shall be required where the value of such property is not less than the amount equivalent to twice the amount of the debt.

(d) to issue instructions to personnel of the corporate debtor as may be necessary for keeping the corporate debtor as a going concern; and

(e) to take all such actions as are necessary to keep the corporate debtor as a going concern.

21. (1) The interim resolution professional shall after collation of all claims received against the corporate debtor and determination of the financial position of the corporate debtor, constitute a committee of creditors.

Committee of creditors.

(2) The committee of creditors shall comprise all financial creditors of the corporate debtor:

Provided that a related party to whom a corporate debtor owes a financial debt shall not have any right of representation, participation or voting in a meeting of the committee of creditors.

(3) Where the corporate debtor owes financial debts to two or more financial creditors as part of a consortium or agreement, each such financial creditor shall be part of the committee of creditors and their voting share shall be determined on the basis of the financial debts owed to them.

(4) Where any person is a financial creditor as well as an operational creditor,—

(a) such person shall be a financial creditor to the extent of the financial debt owed by the corporate debtor, and shall be included in the committee of creditors, with voting share proportionate to the extent of financial debts owed to such creditor;

(b) such person shall be considered to be an operational creditor to the extent of the operational debt owed by the corporate debtor to such creditor.

(5) Where an operational creditor has assigned or legally transferred any operational debt to a financial creditor, the assignee or transferee shall be considered as an operational creditor to the extent of such assignment or legal transfer.

(6) Where the terms of the financial debt extended as part of a consortium arrangement or syndicated facility or issued as securities provide for a single trustee or agent to act for all financial creditors, each financial creditor may—

(a) authorise the trustee or agent to act on his behalf in the committee of creditors to the extent of his voting share;

(b) represent himself in the committee of creditors to the extent of his voting share;

(c) appoint an insolvency professional (other than the resolution professional) at his own cost to represent himself in the committee of creditors to the extent of his voting share; or

(d) exercise his right to vote to the extent of his voting share with one or more financial creditors jointly or severally.

(7) The Board may specify the manner of determining the voting share in respect of financial debts issued as securities under sub-section (6).

(8) All decisions of the committee of creditors shall be taken by a vote of not less than seventy-five per cent. of voting share of the financial creditors:

Provided that where a corporate debtor does not have any financial creditors, the committee of creditors shall be constituted and comprise of such persons to exercise such functions in such manner as may be specified by the Board.

(9) The committee of creditors shall have the right to require the resolution professional to furnish any financial information in relation to the corporate debtor at any time during the corporate insolvency resolution process.

(10) The resolution professional shall make available any financial information so required by the committee of creditors under sub-section (9) within a period of seven days of such requisition.

22. (1) The first meeting of the committee of creditors shall be held within seven days of the constitution of the committee of creditors.

(2) The committee of creditors, may, in the first meeting, by a majority vote of not less than seventy-five per cent. of the voting share of the financial creditors, either resolve to appoint the interim resolution professional as a resolution professional or to replace the interim resolution professional by another resolution professional.

(3) Where the committee of creditors resolves under sub-section (2)—

(a) to continue the interim resolution professional as resolution professional, it shall communicate its decision to the interim resolution professional, the corporate debtor and the Adjudicating Authority; or

(b) to replace the interim resolution professional, it shall file an application before the Adjudicating Authority for the appointment of the proposed resolution professional.

(4) The Adjudicating Authority shall forward the name of the resolution professional proposed under clause (b) of sub-section (3) to the Board for its confirmation and shall make such appointment after confirmation by the Board.

(5) Where the Board does not confirm the name of the proposed resolution professional within ten days of the receipt of the name of the proposed resolution professional, the Adjudicating Authority shall, by order, direct the interim resolution professional to continue to function as the resolution professional until such time as the Board confirms the appointment of the proposed resolution professional.

23. (1) Subject to section 27, the resolution professional shall conduct the entire corporate insolvency resolution process and manage the operations of the corporate debtor during the corporate insolvency resolution process period.

Resolution professional to conduct corporate insolvency resolution process.

(2) The resolution professional shall exercise powers and perform duties as are vested or conferred on the interim resolution professional under this Chapter.

(3) In case of any appointment of a resolution professional under sub-sections (4) of section 22, the interim resolution professional shall provide all the information, documents and records pertaining to the corporate debtor in his possession and knowledge to the resolution professional.

24. (1) The members of the committee of creditors may meet in person or by such electronic means as may be specified.

Meeting of committee of creditors.

(2) All meetings of the committee of creditors shall be conducted by the resolution professional.

(3) The resolution professional shall give notice of each meeting of the committee of creditors to—

(a) members of Committee of creditors;

(b) members of the suspended Board of Directors or the partners of the corporate persons, as the case may be;

(c) operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent. of the debt.

(4) The directors, partners and one representative of operational creditors, as referred to in sub-section (3), may attend the meetings of committee of creditors, but shall not have any right to vote in such meetings:

Provided that the absence of any such direct or, partner or representative of operational creditors, as the case may be, shall not invalidate proceedings of such meeting.

(5) Any creditor who is a member of the committee of creditors may appoint an insolvency professional other than the resolution professional to represent such creditor in a meeting of the committee of creditors:

Provided that the fees payable to such insolvency professional representing any individual creditor will be borne by such creditor.

(6) Each creditor shall vote in accordance with the voting share assigned to him based on the financial debts owed to such creditor.

(7) The resolution professional shall determine the voting share to be assigned to each creditor in the manner specified by the Board.

(8) The meetings of the committee of creditors shall be conducted in such manner as may be specified.

Duties of
resolution
professional.

25. (1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions, namely:—

(a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;

(b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings;

(c) raise interim finances subject to the approval of the committee of creditors under section 28;

(d) appoint accountants, legal or other professionals in the manner as specified by Board;

(e) maintain an updated list of claims;

(f) convene and attend all meetings of the committee of creditors;

(g) prepare the information memorandum in accordance with section 29;

(h) invite prospective lenders, investors, and any other persons to put forward resolution plans;

(i) present all resolution plans at the meetings of the committee of creditors;

(j) file application for avoidance of transactions in accordance with Chapter III, if any; and

(k) such other actions as may be specified by the Board.

Application
for avoidance
of
transactions
not to affect
proceedings.

26. The filing of an avoidance application under clause (j) of sub-section (2) of section 25 by the resolution professional shall not affect the proceedings of the corporate insolvency resolution process.

Replacement
of resolution
professional by
committee of
creditors.

27. (1) Where, at any time during the corporate insolvency resolution process, the committee of creditors is of the opinion that a resolution professional appointed under section 22 is required to be replaced, it may replace him with another resolution professional in the manner provided under this section.

(2) The committee of creditors may, at a meeting, by a vote of seventy five per cent. of voting shares, propose to replace the resolution professional appointed under section 22 with another resolution professional.

(3) The committee of creditors shall forward the name of the insolvency professional proposed by them to the Adjudicating Authority.

(4) The Adjudicating Authority shall forward the name of the proposed resolution professional to the Board for its confirmation and a resolution professional shall be appointed in the same manner as laid down in section 16.

(5) Where any disciplinary proceedings are pending against the proposed resolution professional under sub-section (3), the resolution professional appointed under section 22 shall continue till the appointment of another resolution professional under this section.

28. (1) Notwithstanding anything contained in any other law for the time being in force, the resolution professional, during the corporate insolvency resolution process, shall not take any of the following actions without the prior approval of the committee of creditors namely:—

Approval of committee of creditors for certain actions.

(a) raise any interim finance in excess of the amount as may be decided by the committee of creditors in their meeting;

(b) create any security interest over the assets of the corporate debtor;

(c) change the capital structure of the corporate debtor, including by way of issuance of additional securities, creating a new class of securities or buying back or redemption of issued securities in case the corporate debtor is a company;

(d) record any change in the ownership interest of the corporate debtor;

(e) give instructions to financial institutions maintaining accounts of the corporate debtor for a debit transaction from any such accounts in excess of the amount as may be decided by the committee of creditors in their meeting;

(f) undertake any related party transaction;

(g) amend any constitutional documents of the corporate debtor;

(h) delegate its authority to any other person;

(i) dispose of or permit the disposal of shares of any shareholder of the corporate debtor or their nominees to third parties;

(j) make any change in the management of the corporate debtor or its subsidiary;

(k) transfer rights or financial debts or operational debts under material contracts otherwise than in the ordinary course of business;

(l) make changes in the appointment or terms of contract of such personnel as specified by the committee of creditors; or

(m) make changes in the appointment or terms of contract of statutory auditors or internal auditors of the corporate debtor.

(2) The resolution professional shall convene a meeting of the committee of creditors and seek the vote of the creditors prior to taking any of the actions under sub-section (1).

(3) No action under sub-section (1) shall be approved by the committee of creditors unless approved by a vote of seventy five per cent. of the voting shares.

(4) Where any action under sub-section (1) is taken by the resolution professional without seeking the approval of the committee of creditors in the manner as required in this section, such action shall be void.

(5) The committee of creditors may report the actions of the resolution professional under sub-section (4) to the Board for taking necessary actions against him under this Code.

29. (1) The resolution professional shall prepare an information memorandum in such form and manner containing such relevant information as may be specified by the Board for formulating a resolution plan.

Preparation of information memorandum.

(2) The resolution professional shall provide to the resolution applicant access to all

relevant information in physical and electronic form, provided such resolution applicant undertakes—

(a) to comply with provisions of law for the time being in force relating to confidentiality and insider trading;

(b) to protect any intellectual property of the corporate debtor it may have access to; and

(c) not to share relevant information with third parties unless clauses (a) and (b) of this sub-section are complied with.

Explanation.—For the purposes of this section, "relevant information" means the information required by the resolution applicant to make the resolution plan for the corporate debtor, which shall include the financial position of the corporate debtor, all information related to disputes by or against the corporate debtor and any other matter pertaining to the corporate debtor as may be specified.

Submission of
resolution
plan.

30. (1) A resolution applicant may submit a resolution plan to the resolution professional prepared on the basis of the information memorandum.

(2) The resolution professional shall examine each resolution plan received by him to confirm that each resolution plan—

(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the repayment of other debts of the corporate debtor;

(b) provides for the repayment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid to the operational creditors in the event of a liquidation of the corporate debtor under section 53;

(c) provides for the management of the affairs of the Corporate debtor after approval of the resolution plan;

(d) the implementation and supervision of the resolution plan;

(e) does not contravene any of the provisions of the law for the time being in force;

(f) conforms to such other requirements as may be specified by the Board.

(3) The resolution professional shall present to the committee of creditors for its approval such resolution plans which confirm the conditions referred to in sub-section (2).

(4) The committee of creditors may approve a resolution plan by a vote of not less than seventy five per cent. of voting share of the financial creditors.

(5) The resolution applicant may attend the meeting of the committee of creditors in which the resolution plan of the applicant is considered:

Provided that the resolution applicant shall not have a right to vote at the meeting of the committee of creditors unless such resolution applicant is also a financial creditor.

(6) The resolution professional shall submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority.

Approval of
resolution
plan.

31. (1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.

(2) Where the Adjudicating Authority is satisfied that the resolution plan does not confirm to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.

(3) After the order of approval under sub-section (1),—

(a) the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and

(b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

32. Any appeal from an order approving the resolution plan shall be in the manner and on the grounds laid down in sub-section (3) of section 61. Appeal.

CHAPTER III

LIQUIDATION PROCESS

33. (1) Where the Adjudicating Authority, —

(a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or

(b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein,

it shall—

(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;

(ii) issue a public announcement stating that the corporate debtor is in liquidation; and

(iii) require such order to be sent to the authority with which the corporate debtor is registered.

(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

(3) Where the resolution plan approved by the Adjudicating Authority is contravened by the concerned corporate debtor, any person other than the corporate debtor, whose interests are prejudicially affected by such contravention, may make an application to the Adjudicating Authority for a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

(4) On receipt of an application under sub-section (3), if the Adjudicating Authority determines that the corporate debtor has contravened the provisions of the resolution plan, it shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

(5) Subject to section 52, when a liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the corporate debtor:

Provided that a suit or other legal proceeding may be instituted by the liquidator, on behalf of the corporate debtor, with the prior approval of the Adjudicating Authority.

Initiation of liquidation.

(6) The provisions of sub-section (5) shall not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

(7) The order for liquidation under this section shall be deemed to be a notice of discharge to the officers, employees and workmen of the corporate debtor, except when the business of the corporate debtor is continued during the liquidation process by the liquidator.

Appointment
of liquidator
and fee to be
paid.

34. (1) Where the Adjudicating Authority passes an order for liquidation of the corporate debtor under section 33, the resolution professional appointed for the corporate insolvency resolution process under Chapter II shall act as the liquidator for the purposes of liquidation unless replaced by the Adjudicating Authority under sub-section (4).

(2) On the appointment of a liquidator under this section, all powers of the board of directors, key managerial personnel and the partners of the corporate debtor, as the case may be, shall cease to have effect and shall be vested in the liquidator.

(3) The personnel of the corporate debtor shall extend all assistance and cooperation to the liquidator as may be required by him in managing the affairs of the corporate debtor and provisions of section 19 shall apply in relation to voluntary liquidation process as they apply in relation to liquidation process with the substitution of references to the liquidator for references to the interim resolution professional.

(4) The Adjudicating Authority shall by order replace the resolution professional, if—

(a) the resolution plan submitted by the resolution professional under section 30 was rejected for failure to meet the requirements mentioned in sub-section (2) of section 30; or

(b) the Board recommends the replacement of a resolution professional to the Adjudicating Authority for reasons to be recorded in writing.

(5) For the purposes of clause (a) of sub-section (4), the Adjudicating Authority may direct the Board to propose the name of another insolvency professional to be appointed as a liquidator.

(6) The Board shall propose the name of another insolvency professional within ten days of the direction issued by the Adjudicating Authority under sub-section (5).

(7) The Adjudicating Authority shall, on receipt of the proposal of the Board for the appointment of an insolvency professional as liquidator, by an order appoint such insolvency professional as the liquidator.

(8) An insolvency professional proposed to be appointed as a liquidator shall charge such fee for the conduct of the liquidation proceedings and in such proportion to the value of the liquidation estate assets, as may be specified by the Board.

(9) The fees for the conduct of the liquidation proceedings under sub-section (8) shall be paid to the liquidator from the proceeds of the liquidation estate under section 53.

Powers and
duties of
liquidator.

35. (1) Subject to the directions of the Adjudicating Authority, the liquidator shall have the following powers and duties, namely:—

(a) to verify claims of all the creditors;

(b) to take into his custody or control all the assets, property, effects and actionable claims of the corporate debtor;

(c) to evaluate the assets and property of the corporate debtor in the manner as may be specified by the Board and prepare a report;

(d) to take such measures to protect and preserve the assets and properties of the corporate debtor as he considers necessary;

(e) to carry on the business of the corporate debtor for its beneficial liquidation as he considers necessary;

(f) subject to section 52, to sell the immovable and movable property and actionable claims of the corporate debtor in liquidation by public auction or private contract, with power to transfer such property to any person or body corporate, or to sell the same in parcels in such manner as may be specified;

(g) to draw, accept, make and endorse any negotiable instruments including bill of exchange, hundi or promissory note in the name and on behalf of the corporate debtor, with the same effect with respect to the liability as if such instruments were drawn, accepted, made or endorsed by or on behalf of the corporate debtor in the ordinary course of its business;

(h) to take out, in his official name, letter of administration to any deceased contributory and to do in his official name any other act necessary for obtaining payment of any money due and payable from a contributory or his estate which cannot be ordinarily done in the name of the corporate debtor, and in all such cases, the money due and payable shall, for the purpose of enabling the liquidator to take out the letter of administration or recover the money, be deemed to be due to the liquidator himself;

(i) to obtain any professional assistance from any person or appoint any professional, in discharge of his duties, obligations and responsibilities;

(j) to invite and settle claims of creditors and claimants and distribute proceeds in accordance with the provisions of this Code;

(k) to institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of or on behalf of the corporate debtor;

(l) to investigate the financial affairs of the corporate debtor to determine undervalued or preferential transactions;

(m) to take all such actions, steps, or to sign, execute and verify any paper, deed, receipt document, application, petition, affidavit, bond or instrument and for such purpose to use the common seal, if any, as may be necessary for liquidation, distribution of assets and in discharge of his duties and obligations and functions as liquidator;

(n) to apply to the Adjudicating Authority for such orders or directions as may be necessary for the liquidation of the corporate debtor and to report the progress of the liquidation process in a manner as may be specified by the Board; and

(o) to perform such other functions as may be specified by the Board.

(2) The liquidator shall have the power to consult any of the stakeholders entitled to a distribution of proceeds under section 53:

Provided that any such consultation shall not be binding on the liquidator:

Provided further that the records of any such consultation shall be made available to all other stakeholders not so consulted, in a manner specified by the Board.

36. (1) For the purposes of liquidation, the liquidator shall form an estate of the assets mentioned in sub-section (3), which will be called the liquidation estate in relation to the corporate debtor.

Liquidation
estate.

(2) The liquidator shall hold the liquidation estate as a fiduciary for the benefit of all the creditors.

(3) Subject to sub-section (4), the liquidation estate shall comprise all liquidation estate assets which shall include the following:—

(a) any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the balance sheet of the corporate debtor or an information utility or records in the registry or any depository recording securities of the corporate debtor or by any other means as may be specified by the Board, including shares held in any subsidiary of the corporate debtor;

(b) assets that may or may not be in possession of the corporate debtor including but not limited to encumbered assets;

(c) tangible assets, whether movable or immovable;

(d) intangible assets including but not limited to intellectual property, securities (including shares held in a subsidiary of the corporate debtor) and financial instruments, insurance policies, contractual rights;

(e) assets subject to the determination of ownership by the court or authority;

(f) any assets or their value recovered through proceedings for avoidance of transactions in accordance with this Chapter;

(g) any asset of the corporate debtor in respect of which a secured creditor has relinquished security interest;

(h) any other property belonging to or vested in the corporate debtor at the insolvency commencement date; and

(i) all proceeds of liquidation as and when they are realised.

(4) The following shall not be included in the liquidation estate assets and shall not be used for recovery in the liquidation:—

(a) assets owned by a third party which are in possession of the corporate debtor, including—

(i) assets held in trust for any third party;

(ii) bailment contracts;

(iii) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund;

(iv) other contractual arrangements which do not stipulate transfer of title but only use of the assets; and

(v) such other assets as may be notified by the Central Government in consultation with any financial sector regulator;

(b) assets in security collateral held by financial services providers and are subject to netting and set-off in multi-lateral trading or clearing transactions;

(c) personal assets of any shareholder or partner of a corporate debtor as the case may be provided such assets are not held on account of avoidance transactions that may be avoided under this Chapter;

(d) assets of any Indian or foreign subsidiary of the corporate debtor; or

(e) any other assets as may be specified by the Board, including assets which could be subject to set-off on account of mutual dealings between the corporate debtor and any creditor.

37. (1) Notwithstanding anything contained in any other law for the time being in force, the liquidator shall have the power to access any information systems for the purpose of admission and proof of claims and identification of the liquidation estate assets relating to the corporate debtor from the following sources, namely:—

(a) an information utility;

(b) credit information systems regulated under any law for the time being in force;

(c) any agency of the Central, State or Local Government including any registration authorities;

(d) information systems for financial and non-financial liabilities regulated under any law for the time being in force;

(e) information systems for securities and assets posted as security interest regulated under any law for the time being in force;

(f) any database maintained by the Board; and

(g) any other source as may be specified by the Board.

(2) The creditors may require the liquidator to provide them any financial information relating to the corporate debtor in such manner as may be specified.

(3) The liquidator shall provide information referred to in sub-section (2) to such creditors who have requested for such information within a period of seven days from the date of such request or provide reasons for not providing such information.

38. (1) The liquidator shall receive or collect the claims of creditors within a period of thirty days from the date of the commencement of the liquidation process.

Consolidation
of claims.

(2) A financial creditor may submit a claim to the liquidator by providing a record of such claim with an information utility:

Provided that where the information relating to the claim is not recorded in the information utility, the financial creditor may submit the claim in the same manner as provided for the submission of claims for the operational creditor under sub-section (3).

(3) An operational creditor may submit a claim to the liquidator in such form and in such manner and along with such supporting documents required to prove the claim as may be specified by the Board.

(4) A creditor who is partly a financial creditor and partly an operational creditor shall submit claims to the liquidator to the extent of his financial debt in the manner as provided in sub-section (2) and to the extent of his operational debt under sub-section (3).

(5) A creditor may withdraw or vary his claim under this section within fourteen days of its submission.

39. (1) The liquidator shall verify the claims submitted under section 38 within such time as specified by the Board.

Verification
of claims.

(2) The liquidator may require any creditor or the corporate debtor or any other person to produce any other document or evidence which he thinks necessary for the purpose of verifying the whole or any part of the claim.

40. (1) The liquidator may, after verification of claims under section 39, either admit or reject the claim, in whole or in part, as the case may be:

Admission or
rejection of
claims.

Provided that where the liquidator rejects a claim, he shall record in writing the reasons for such rejection.

(2) The liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within seven days of such admission or rejection of claims.

Determination of valuation of claims.

Appeal against the decision of liquidator.

Preferential transactions and relevant time.

41. The liquidator shall determine the value of claims admitted under section 40 in such manner as may be specified by the Board.

42. A creditor may appeal to the Adjudicating Authority against the decision of the liquidator rejecting the claims within fourteen days of the receipt of such decision.

43. (1) Where the liquidator or the resolution professional, as the case may be, is of the opinion that the corporate debtor has at a relevant time given a preference in such transactions and in such manner as laid down in sub-section (2) to any persons as referred to in sub-section (4), he shall apply to the Adjudicating Authority for avoidance of preferential transactions and for, one or more of the orders referred to in section 44.

(2) A corporate debtor shall be deemed to have given a preference, if—

(a) there is a transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or operational debt or other liabilities owed by the corporate debtor; and

(b) the transfer under clause (a) has the effect of putting such creditor or a surety or a guarantor in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with section 53.

(3) For the purposes of sub-section (2), a preference shall not include the following transfers—

(a) transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee;

(b) any transfer creating a security interest in property acquired by the corporate debtor to the extent that—

(i) such security interest secures new value and was given at the time of or after the signing of a security agreement that contains a description of such property as security interest and was used by corporate debtor to acquire such property; and

(ii) such transfer was registered with an information utility on or before thirty days after the corporate debtor receives possession of such property.

Provided that any transfer made in pursuance of the order of a court shall not, preclude such transfer to be deemed as giving of preference by the corporate debtor.

Explanation.—For the purpose of sub-section (3) of this section, "new value" means money or its worth in goods, services; or new credit, or release by the transferee of property previously transferred to such transferee in a transaction that is neither void nor voidable by the liquidator or the resolution professional under this Code, including proceeds of such property, but does not include a financial debt or operational debt substituted for existing financial debt or operational debt.

(4) A preference shall be deemed to be given at a relevant time, if—

(a) it is given to a related party (other than by reason only of being an employee), during the period of two years preceding the insolvency commencement date; or

(b) a preference is given to a person other than a related party during the period of one year preceding the insolvency commencement date.

Orders in case of preferential transactions.

44. The Adjudicating Authority, may, on an application made by the resolution professional or liquidator under sub-section (1) of section 43, by an order :

(a) require any property transferred in connection with the giving of the preference to be vested in the corporate debtor;

(b) require any property to be so vested if it represents the application either of the proceeds of sale of property so transferred or of money so transferred;

(c) release or discharge (in whole or in part) of any security interest created by the corporate debtor;

(d) require any person to pay such sums in respect of benefits received by him from the corporate debtor, such sums to the liquidator or the resolution professional, as the Adjudicating Authority may direct;

(e) direct any guarantor, whose financial debts or operational debts owed to any person were released or discharged (in whole or in part) by the giving of the preference, to be under such new or revived financial debts or operational debts to that person as the Adjudicating Authority deems appropriate;

(f) direct for providing security or charge on any property for the discharge of any financial debt or operational debt under the order, and such security or charge to have the same priority as a security or charge released or discharged wholly or in part by the giving of the preference; and

(g) direct for providing the extent to which any person whose property is so vested in the corporate debtor, or on whom financial debts or operational debts are imposed by the order, are to be proved in the liquidation or the corporate insolvency resolution process for financial debts or operational debts which arose from, or were released or discharged wholly or in part by the giving of the preference:

Provided that an order under this section shall not—

(a) affect any interest in property which was acquired from a person other than the corporate debtor or any interest derived from such interest and was acquired in good faith and for value;

(b) require a person, who received a benefit from the preferential transaction in good faith and for value to pay a sum to the liquidator or the resolution professional.

Explanation I.—For the purpose of this section, it is clarified that where a person, who has acquired an interest in property from another person other than the corporate debtor, or who has received a benefit from the preference or such another person to whom the corporate debtor gave the preference,—

(i) had sufficient information of the initiation or commencement of insolvency resolution process of the corporate debtor;

(ii) is a related party,

it shall be presumed that the interest was acquired or the benefit was received otherwise than in good faith unless the contrary is shown.

Explanation II.—A person shall be deemed to have sufficient information or opportunity to avail such information if a public announcement regarding the corporate insolvency resolution process has been made under section 13.

45. (1) If the liquidator or the resolution professional, as the case may be, on an examination of the transactions of the corporate debtor referred to in sub-section (2) of section 43 determines that certain transactions were made during the relevant period under section 46, which were undervalued, he shall make an application to the Adjudicating Authority to declare such transactions as void and reverse the effect of such transaction in accordance with this Chapter.

Avoidance of undervalued transactions.

(2) A transaction shall be considered undervalued where the corporate debtor—

(a) makes a gift to a person; or

(b) enters into a transaction with a person which involves the transfer of one or more assets by the corporate debtor for a consideration the value of which is significantly less than the value of the consideration provided by the corporate debtor,

and such transaction has not taken place in the ordinary course of business of the corporate debtor.

Relevant period for avoidable transactions.

46. (1) In an application for avoiding a transaction at undervalue, the liquidator or the resolution professional, as the case may be, shall demonstrate that—

(i) such transaction was made with any person within the period of one year preceding the insolvency commencement date; or

(ii) such transaction was made with a related party within the period of two years preceding the insolvency commencement date.

(2) The Adjudicating Authority may require an independent expert to assess evidence relating to the value of the transactions mentioned in this section.

Application by creditor in cases of undervalued transactions.

47. (1) Where an undervalued transaction has taken place and the liquidator or the resolution professional as the case may be, has not reported it to the Adjudicating Authority, a creditor, member or a partner of a corporate debtor, as the case may be, may make an application to the Adjudicating Authority to declare such transactions void and reverse their effect in accordance with this Chapter.

(2) Where the Adjudicating Authority, after examination of the application made under sub-section (1), is satisfied that—

(a) undervalued transactions had occurred; and

(b) liquidator or the resolution professional, as the case may be, after having sufficient information or opportunity to avail information of such transactions did not report such transaction to the Adjudicating Authority,

it shall pass an order—

(a) restoring the position as it existed before such transactions and reversing the effects thereof in the manner as laid down in section 45 and section 48;

(b) requiring the Board to initiate disciplinary proceedings against the liquidator or the resolution professional as the case may be.

Order in cases of undervalued transactions.

48. The order of the Adjudicating Authority under sub-section (1) of section 45 may provide for the following:—

(a) require any property transferred as part of the transaction, to be vested in the corporate debtor;

(b) release or discharge (in whole or in part) any security interest granted by the corporate debtor;

(c) require any person to pay such sums, in respect of benefits received by such person, to the liquidator or the resolution professional as the case may be, as the Adjudicating Authority may direct; or

(d) require the payment of such consideration for the transaction as may be determined by an independent expert.

49. Where the corporate debtor has entered into an undervalued transaction as referred to in sub-section (2) of section 45 and the Adjudicating Authority is satisfied that such transaction was deliberately entered into by such corporate debtor—

Transactions defrauding creditors.

(a) for keeping assets of the corporate debtor beyond the reach of any person who is entitled to make a claim against the corporate debtor; or

(b) in order to adversely affect the interests of such a person in relation to the claim,

the Adjudicating Authority shall make an order—

(i) restoring the position as it existed before such transaction as if the transaction had not been entered into; and

(ii) protecting the interests of persons who are victims of such transactions:

Provided that an order under this section—

(a) shall not affect any interest in property which was acquired from a person other than the corporate debtor and was acquired in good faith, for value and without notice of the relevant circumstances, or affect any interest deriving from such an interest, and

(b) shall not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances to pay any sum unless he was a party to the transaction.

50. (1) Where the corporate debtor has been a party to an extortionate credit transaction involving the receipt of financial or operational debt during the period within two years preceding the insolvency commencement date, the liquidator or the resolution professional as the case may be, may make an application for avoidance of such transaction to the Adjudicating Authority if the terms of such transaction required exorbitant payments to be made by the corporate debtor.

Extortionate credit transactions.

(2) The Board may specify the circumstances in which a transactions which shall be covered under sub-section (1).

Explanation.—For the purpose of this section, it is clarified that any debt extended by any person providing financial services which is in compliance with any law for the time being in force in relation to such debt shall in no event be considered as an extortionate credit transaction.

51. Where the Adjudicating Authority after examining the application made under sub-section (1) of section 50 is satisfied that the terms of a credit transaction required exorbitant payments to be made by the corporate debtor, it shall, by an order—

Orders of Adjudicating Authority in respect of extortionate credit transactions.

(a) restore the position as it existed prior to such transaction;

(b) set aside the whole or part of the debt created on account of the extortionate credit transaction;

(c) modify the terms of the transaction;

(d) require any person who is, or was, a party to the transaction to repay any amount received by such person; or

(e) require any security interest that was created as part of the extortionate credit transaction to be relinquished in favour of the liquidator or the resolution professional, as the case may be.

Secured
creditor in
liquidation
proceedings.

52. (1) A secured creditor in the liquidation proceedings may—

(a) relinquish its security interest to the liquidation estate and receive proceeds from the sale of assets by the liquidator in the manner specified in section 53; or

(b) realise its security interest in the manner specified in this section.

(2) Where the secured creditor realises security interest under clause (b) of sub-section (1), he shall inform the liquidator of such security interest and identify the asset subject to such security interest to be realised.

(3) Before any security interest is realised by the secured creditor under this section, the liquidator shall verify such security interest and permit the secured creditor to realise only such security interest, the existence of which may be proved either—

(a) by the records of such security interest maintained by an information utility; or

(b) by such other means as may be specified by the Board.

(4) A secured creditor may enforce, realise, settle, compromise or deal with the secured assets in accordance with such law as applicable to the security interest being realised and to the secured creditor and apply the proceeds to recover the debts due to it.

(5) If in the course of realising a secured asset, any secured creditor faces resistance from the corporate debtor or any person connected therewith in taking possession of, selling or otherwise disposing off the security, the secured creditor may make an application to the Adjudicating Authority to facilitate the secured creditor to realise such security interest in accordance with law for the time being in force.

(6) The Adjudicating Authority, on the receipt of an application from a secured creditor under sub-section (5) may pass such order as may be necessary to permit a secured creditor to realise security interest in accordance with law for the time being in force.

(7) Where the enforcement of the security interest under sub-section (4) yields an amount by way of proceeds which is in excess of the debts due to the secured creditor, the secured creditor shall—

(a) account to the liquidator for such surplus; and

(b) tender to the liquidator any surplus funds received from the enforcement of such secured assets.

(8) The amount of insolvency resolution process costs, due from secured creditors who realise their security interests in the manner provided in this section, shall be deducted from the proceeds of any realisation by such secured creditors, and they shall transfer such amounts to the liquidator to be included in the liquidation estate.

(9) Where the proceeds of the realisation of the secured assets are not adequate to repay debts owed to the secured creditor, the unpaid debts of such secured creditor shall be paid by the liquidator in the manner specified in clause (e) of sub-section (1) of section 53.

Distribution
of assets.

53. (1) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or any State Legislature for the time being in force, the proceeds from the sale of the liquidation assets shall be distributed in the following order of priority and within such period and in such manner as may be specified, namely :—

(a) the insolvency resolution process costs and the liquidation costs paid in full;

(b) the following debts which shall rank equally between and among the following:—

(i) workmen's dues for the period of twenty-four months preceding the liquidation commencement date; and

(ii) debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52;

(c) wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date;

(d) financial debts owed to unsecured creditors;

(e) the following dues shall rank equally between and among the following:—

(i) any amount due to the Central Government and the State Government including the amount to be received on account of the Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;

(ii) debts owed to a secured creditor for any amount unpaid following the enforcement of security interest;

(f) any remaining debts and dues;

(g) preference shareholders, if any; and

(h) equity shareholders or partners, as the case may be.

(2) Any contractual arrangements between recipients under sub-section (1) with equal ranking, if disrupting the order of priority under that sub-section shall be disregarded by the liquidator.

(3) The fees payable to the liquidator shall be deducted proportionately from the proceeds payable to each class of recipients under sub-section (1), and the proceeds to the relevant recipient shall be distributed after such deduction.

Explanation.—For the purpose of this section—

(i) it is hereby clarified that at each stage of the distribution of proceeds in respect of a class of recipients that rank equally, each of the debts will either be paid in full, or will be paid in equal proportion within the same class of recipients, if the proceeds are insufficient to meet the debts in full; and

(ii) the term "workmen's dues" shall have the same meaning as assigned to it in section 326 of the Companies Act, 2013.

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54. (1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

Dissolution
of corporate
debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.

CHAPTER IV

FAST TRACK CORPORATE INSOLVENCY RESOLUTION PROCESS

Fast track corporation insolvency resolution process.

55. (1) A corporate insolvency resolution process carried out in accordance with this Chapter shall be called as fast track corporate insolvency resolution process.

(2) An application for fast track corporate insolvency resolution process may be made in respect of the following corporate debtors, namely:—

(a) a corporate debtor with assets and income below a level as may be notified by the Central Government; or

(b) a corporate debtor with such class of creditors or such amount of debt as may be notified by the Central Government; or

(c) such other category of corporate persons as may be notified by the Central Government.

Time period for completion of fast track corporate insolvency resolution process.

56. (1) Subject to the provisions of sub-section (3), the fast track corporate insolvency resolution process shall be completed within a period of ninety days from the insolvency commencement date.

(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the fast track corporate insolvency resolution process beyond ninety days if instructed to do so by a resolution passed at a meeting of the committee of creditors and supported by a vote of seventy five percent of the voting share.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject matter of the case is such that fast track corporate insolvency resolution process cannot be completed within a period of ninety days, it may, by order, extend the duration of such process beyond the said period of ninety days by such further period, as it thinks fit, but not exceeding forty-five days:

Provided that any extension of the fast track corporate insolvency resolution process under this section shall not be granted more than once.

Manner of initiating fast track corporate insolvency resolution process.

57. An application for fast track corporate insolvency resolution process may be filed by a creditor or corporate debtor as the case may be, alongwith—

(a) the proof of the existence of default as evidenced by records available with an information utility or such other means as may be specified by the Board; and

(b) such other information as may be specified by the Board to establish that the corporate debtor is eligible for fast track corporate insolvency resolution process.

Applicability of Chapter II to this Chapter.

58. The process for conducting a corporate insolvency resolution process under Chapter II and the provisions relating to offences and penalties under Chapter VII shall apply to this Chapter as the context may require.

CHAPTER V

VOLUNTARY LIQUIDATION OF CORPORATE PERSONS

Voluntary liquidation of corporate persons.

59. (1) A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under the provisions of this Chapter.

(2) The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements as may be specified by the Board.

(3) Without prejudice to sub-section (2), voluntary liquidation proceedings of a corporate person registered as a company shall meet the following conditions, namely:—

(a) a declaration from majority of the directors of the company verified by an affidavit stating that—

(i) they have made a full inquiry into the affairs of the company and they have formed an opinion that either the company has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation; and

(ii) the company is not being liquidated to defraud any person;

(b) the declaration under sub-clause (a) shall be accompanied with the following documents, namely:—

(i) audited financial statements and record of business operations of the company for the previous two years or for the period since its incorporation, whichever is later;

(ii) a report of the valuation of the assets of the company, if any prepared by a registered valuer;

(c) within four weeks of a declaration under sub-clause (a), there shall be—

(i) a special resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator; or

(ii) a resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily as a result of expiry of the period of its duration, if any, fixed by its articles or on the occurrence of any event in respect of which the articles provide that the company shall be dissolved, as the case may be and appointing an insolvency professional to act as the liquidator:

Provided that the company owes any debt to any person, creditors representing two-thirds in value of the debt of the company shall approve the resolution passed under sub-clause (c) within seven days of such resolution.

(4) The company shall notify the Registrar of Companies and the Board about the resolution under sub-section (3) to liquidate the company within seven days of such resolution or the subsequent approval by the creditors, as the case may be.

(5) Subject to approval of the creditors under sub-section (3), the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution under sub-clause (c) of sub-section (3).

(6) The provisions of sections 35 to 53 of Chapter III and Chapter VII shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.

(7) Where the affairs of the corporate person have been completely wound up, and its assets completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate person.

(8) The Adjudicating Authority shall on an application filed by the liquidator under sub-section (7), pass an order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(9) A copy of an order under sub-section (8) shall within fourteen days from the date of such order, be forwarded to the authority with which the corporate person is registered.

CHAPTER VI

ADJUDICATING AUTHORITY FOR CORPORATE PERSONS

Adjudicating
Authority for
corporate
persons.

60. (1) The Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons including corporate debtors and personal guarantors thereof shall be the National Company Law Tribunal having territorial jurisdiction over the place where the registered office of the corporate person is located.

(2) Without prejudice to sub-section (1) and notwithstanding anything to the contrary contained in this Code, where a corporate insolvency resolution process or liquidation proceeding of a corporate debtor is pending before a National Company Law Tribunal, an application relating to the insolvency resolution or bankruptcy of a personal guarantor of such corporate debtor shall be filed before such National Company Law Tribunal.

(3) An insolvency resolution process or bankruptcy proceeding of a personal guarantor of the corporate debtor pending in any court or tribunal shall stand transferred to the Adjudicating Authority dealing with insolvency resolution process or liquidation proceeding of such corporate debtor.

(4) The National Company Law Tribunal shall be vested with all the powers of the Debt Recovery Tribunal as contemplated under Part III of this Code for the purpose of sub-section (2).

(5) Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of—

(a) any application or proceeding by or against the corporate debtor or corporate person;

(b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and

(c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.

(6) Notwithstanding anything contained in the Limitation Act, 1963 or in any other law for the time being in force, in computing the period of limitation specified for any suit or application by or against a corporate debtor for which an order of moratorium has been made under this Part, the period during which such moratorium is in place shall be excluded. 36 of 1963.

Appeals and
Appellate
Authority.

61. (1) Notwithstanding anything to the contrary contained under the Companies Act 2013, any person aggrieved by the order of the Adjudicating Authority under this part may prefer an appeal to the National Company Law Appellate Tribunal. 18 of 2013.

(2) Every appeal under sub-section (1) shall be filed within thirty days before the National Company Law Appellate Tribunal:

Provided that the National Company Law Appellate Tribunal may allow an appeal to be filed after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing the appeal but such period shall not exceed fifteen days.

(3) An appeal against an order approving a resolution plan under section 31 may be filed on the following grounds, namely:—

(i) the approved resolution plan is in contravention of the provisions of any law for the time being in force;

(ii) there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period;

(iii) the debts owed to operational creditors of the corporate debtor have not been provided for in the resolution plan in the manner specified by the Board;

(iv) the insolvency resolution process costs have not been provided for repayment in priority to all other debts; or

(v) the resolution plan does not comply with any other criteria specified by the Board.

(4) An appeal against a liquidation order passed under section 33 may be filed on grounds of material irregularity or fraud committed in relation to such a liquidation order.

62. (1) Any person aggrieved by an order of the National Company Law Appellate Tribunal may file an appeal to the Supreme Court on a question of law arising out of such order under this Code within forty-five days from the date of receipt of such order.

Appeal to
Supreme
Court.

(2) The Supreme Court may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within forty-five days, allow the appeal to be filed within a further period not exceeding fifteen days.

63. No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which National Company Law Tribunal or the National Company Law Appellate Tribunal has jurisdiction under this Code. Civil court not to have jurisdiction.

Civil court
not to have
jurisdiction.

64. (1) Where an application is not disposed of or an order is not passed within the period specified in this Code, the National Company Law Tribunal or the National Company Law Appellate Tribunal, as the case may be, shall record the reasons for not doing so within the period so specified; and the President of the National Company Law Tribunal or the Chairperson of the National Company Law Appellate Tribunal, as the case may be, may, after taking into account the reasons so recorded, extend the period specified in the Act but not exceeding ten days.

Expedient
disposal of
applications.

(2) No injunction shall be granted by any court, tribunal or authority in respect of any action taken, or to be taken, in pursuance of any power conferred on the National Company Law Tribunal or the National Company Law Appellate Tribunal under this Code.

65. (1) If, any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.

Fraudulent or
malicious
initiation of
proceedings.

(2) If, any person initiates voluntary liquidation proceedings with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.

66. (1) If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the Adjudicating Authority may on the application of the resolution professional pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate debtor as it may deem fit.

Fraudulent
trading or
wrongful
trading.

(2) On an application made by a resolution professional during the corporate insolvency resolution process, the Adjudicating Authority may by an order direct that a director or

partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if—

(a) before the insolvency commencement date, such director or partner knew or ought to have known that there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor; and

(b) such director or partner did not exercise due diligence in minimising the potential loss to the creditors of the corporate debtor.

Explanation.—For the purposes of this section a director or partner of the corporate debtor, as the case may be, shall be deemed to have exercised due diligence if such diligence was reasonably expected of a person carrying out the same functions as are carried out by such director or partner, as the case may be, in relation to the corporate debtor.

Proceedings
under section
66.

67. (1) Where the Adjudicating Authority has passed an order under sub-section (1) or sub-section (2) of section 66, as the case may be, it may give such further directions as it may deem appropriate for giving effect to the order, and in particular, the Adjudicating Authority may—

(a) provide for the liability of any person under the order to be a charge on any debt or obligation due from the corporate debtor to him, or on any mortgage or charge or any interest in a mortgage or charge on assets of the corporate debtor held by or vested in him, or any person on his behalf, or any person claiming as assignee from or through the person liable or any person acting on his behalf; and

(b) from time to time, make such further directions as may be necessary for enforcing any charge imposed under this section.

Explanation.—For the purposes of this section, "assignee" includes a person to whom or in whose favour, by the directions of the person held liable under clause (a) the debt, obligation, mortgage or charge was created, issued or transferred or the interest created, but does not include an assignee for valuable consideration given in good faith and without notice of any of the grounds on which the directions have been made.

(2) Where the Adjudicating Authority has passed an order under sub-section (1) or sub-section (2) of section 66, as the case may be, in relation to a person who is a creditor of the corporate debtor, it may, by an order, direct that the whole or any part of any debt owed by the corporate debtor to that person and any interest thereon shall rank in the order of priority of payment under section 53 after all other debts owed by the corporate debtor.

CHAPTER VII

OFFENCES AND PENALTIES

Punishment
for
concealment
of property.

68. Where any officer of the corporate debtor has,—

(i) within the twelve months immediately preceding the insolvency commencement date,—

(a) wilfully concealed any property or part of such property of the corporate debtor or concealed any debt due to, or from, the corporate debtor, of the value of ten thousand rupees or more; or

(b) fraudulently removed any part of the property of the corporate debtor of the value of ten thousand rupees or more; or

(c) wilfully concealed, destroyed, mutilated or falsified any book or paper affecting or relating to the property of the corporate debtor or its affairs, or

(d) wilfully made any false entry in any book or paper affecting or relating to the property of the corporate debtor or its affairs; or

(e) fraudulently parted with, altered or made any omission in any document affecting or relating to the property of the corporate debtor or its affairs; or

(f) wilfully created any security interest over, transferred or disposed of any property of the corporate debtor which has been obtained on credit and has not been paid for unless such creation, transfer or disposal was in the ordinary course of the business of the corporate debtor; or

(g) wilfully concealed the knowledge of the doing by others of any of the acts mentioned in clauses (c), (d) or clause (e); or

(ii) at any time after the insolvency commencement date, committed any of the acts mentioned in sub-clause (a) to (f) of clause (i) or has the knowledge of the doing by others of any of the things mentioned in sub-clauses (c) to (e) of clause (i); or

(iii) at any time after the insolvency commencement date, taken in pawn or pledge, or otherwise received the property knowing it to be so secured, transferred or disposed,

such officer shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both:

Provided that nothing in this section shall render a person liable to any punishment under this section if he proves that he had no intent to defraud or to conceal the state of affairs of the corporate debtor.

69. On or after the insolvency commencement date, if an officer of the corporate debtor or the corporate debtor—

(a) has made or caused to be made any gift or transfer of, or charge on, or has caused or connived in the execution of a decree or order against, the property of the corporate debtor;

(b) has concealed or removed any part of the property of the corporate debtor within two months before the date of any unsatisfied judgment, decree or order for payment of money obtained against the corporate debtor,

such officer of the corporate debtor or the corporate debtor, as the case may be, shall be punishable with imprisonment for a term which shall not be less than one year, but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both:

Provided that a person shall not be punishable under this section if the acts mentioned in clause (a) were committed more than five years before the insolvency commencement date; or if he proves that, at the time of commission of those acts, he had no intent to defraud the creditors of the corporate debtor.

70. (1) On or after the insolvency commencement date, where an officer of the corporate debtor—

(a) does not disclose to the resolution professional all the details of property of the corporate debtor, and details of transactions thereof, or any such other information as the resolution professional may require; or

(b) does not deliver to the resolution professional all or part of the property of the corporate debtor in his control or custody and which he is required to deliver; or

Punishment for transactions defrauding creditors.

Punishment for misconduct in course of corporate insolvency resolution process.

(c) does not deliver to the resolution professional all books and papers in his control or custody belonging to the corporate debtor and which he is required to deliver; or

(d) fails to inform the resolution professional the information in his knowledge that a debt has been falsely proved by any person during the corporate insolvency resolution process; or

(e) prevents the production of any book or paper affecting or relating to the property or affairs of the corporate debtor; or

(f) accounts for any part of the property of the corporate debtor by fictitious losses or expenses, or if he has so attempted at any meeting of the creditors of the corporate debtor within the twelve months immediately preceding the insolvency commencement date,

he shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both:

Provided that nothing in this section shall render a person liable to any punishment under this section if he proves that he had no intent to do so in relation to the state of affairs of the corporate debtor.

(2) If an insolvency professional deliberately contravenes the provisions of this Part the shall be punishable with imprisonment for a term which may extend to six months, or with fine which shall not be less than one lakh rupees, but may extend to five lakhs rupees, or with both.

Punishment for falsification of books of corporate debtor.

71. On and after the insolvency commencement date, where any person destroys, mutilates, alters or falsifies any books, papers or securities, or makes or is in the knowledge of making of any false or fraudulent entry in any register, books of account or document belonging to the corporate debtor with intent to defraud or deceive any person, he shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

Punishment for wilful and material omissions from statements relating to affairs of corporate debtor.

72. Where an officer of the corporate debtor makes any material and wilful omission in any statement relating to the affairs of the corporate debtor, he shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

Punishment for false representations to creditors.

73. Where any officer of the corporate debtor—

(a) on or after the insolvency commencement date, makes a false representation or commits any fraud for the purpose of obtaining the consent of the creditors of the corporate debtor or any of them to an agreement with reference to the affairs of the corporate debtor, during the corporate insolvency resolution process, or the liquidation process;

(b) prior to the insolvency commencement date, has made any false representation, or committed any fraud, for that purpose,

he shall be punishable with imprisonment for a term which shall not be less than three years, but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

74. (1) Where the corporate debtor or any of its officer violates the provisions of section 14, any such officer who knowingly or wilfully committed or authorised or permitted such contravention shall be punishable with imprisonment for a term which shall not be less than three years, but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to three lakh rupees, or with both.

Punishment for contravention of moratorium or the resolution plan.

(2) Where any creditor violates the provisions of section 14, any person who knowingly and wilfully authorised or permitted such contravention by a creditor shall be punishable with imprisonment for a term which shall not be less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

(3) Where the corporate debtor, any of its officers or creditors or any person on whom the approved resolution plan is binding under section 31, knowingly and wilfully contravenes any of the terms of such resolution plan or abets such contravention, such corporate debtor, officer, creditor or person shall be punishable with imprisonment of not less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

75. Where any person furnishes information in the application made under section 7, which is false in material particulars, knowing it to be false or omits any material fact, knowing it to be material, such person shall be punishable with fine which shall not be less than one lakh rupees, but may extend to one crore rupees.

Punishment for false information furnished in application.

76. Where—

(a) an operational creditor has wilfully or knowingly concealed in an application under section 9 the fact that the corporate debtor had notified him of a dispute in respect of the unpaid operational debt or the full and final repayment of the unpaid operational debt; or

Punishment for non-disclosure of dispute or repayment of debt by operational creditor.

(b) any person who knowingly and wilfully authorised or permitted such concealment under clause (a),

such operational creditor or person, as the case may be, shall be punishable with imprisonment for a term which shall not be less than one year but may extend to five years or with fine which shall not be less than one lakh rupees but may extend to one crore rupees, or with both.

77. Where—

(a) a corporate debtor provides information in the application under section 10 which is false in material particulars, knowing it to be false and omits any material fact, knowing it to be material; or

Punishment for providing false information in application made by corporate debtor.

(b) any person who knowingly and wilfully authorised or permitted the furnishing of such information under sub-clause (a),

such corporate debtor or person, as the case may be, shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years or with fine which shall not be less than one lakh rupees, but which may extend to one crore rupees, or with both.

Explanation.—For the purposes of this section and sections 75 and 76, an application shall be deemed to be false in material particulars in case the facts mentioned or omitted in the application, if true, or not omitted from the application as the case may be, would have been sufficient to determine the existence of a default under this Code.

PART III

INSOLVENCY RESOLUTION AND BANKRUPTCY FOR INDIVIDUALS AND PARTNERSHIP FIRMS

CHAPTER I

PRELIMINARY

78. This Part shall apply to matters relating to fresh start, insolvency and bankruptcy of individuals and partnership firms where the amount of the default is not less than one thousand rupees:

Provided that the Central Government may, by notification, specify the minimum amount of default of higher value which shall not be more than one lakh rupees.

79. In this Part, unless the context otherwise requires,—

(1) "Adjudicating Authority" means the Debt Recovery Tribunal constituted under sub-section (1) of section 3 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993;

51. of 1993.

(2) "associate" of the debtor means—

(a) a person who belongs to the immediate family of the debtor;

(b) a person who is a relative of the debtor or a relative of the spouse of the debtor;

(c) a person who is in partnership with the debtor;

(d) a person who is a spouse or a relative of any person with whom the debtor is in partnership;

(e) a person who is employer of the debtor or employee of the debtor;

(f) a person who is a trustee of a trust in which the beneficiaries of the trust include a debtor, or the terms of the trust confer a power on the trustee which may be exercised for the benefit of the debtor; and

(g) a company, where the debtor or the debtor along with his associates, own more than fifty per cent. of the share capital of the company or control the appointment of the board of directors of the company.

Explanation.—For the purposes of this sub-section, "relative" with reference to any person, means anyone who is related to another, if—

(i) they are members of a Hindu Undivided Family;

(ii) one person is related to the other in such manner as may be prescribed;

(3) "bankrupt" means—

(a) a debtor who has been adjudged as bankrupt by a bankruptcy order under section 126;

(b) each of the partners of a firm, where a bankruptcy order under section 126 has been made against a firm; or

(c) any person adjudged as an undischarged insolvent;

(4) "bankruptcy" means the state of being bankrupt;

(5) "bankruptcy debt", in relation to a bankrupt, means—

(a) any debt owed by him as on the bankruptcy commencement date;

(b) any debt for which he may become liable after bankruptcy commencement date but before his discharge by reason of any transaction entered into before the bankruptcy commencement date; and

(c) any interest which is a part of the debt under section 171;

(6) "bankruptcy commencement date" means the date on which a bankruptcy order is passed by the Adjudicating Authority under section 126;

(7) "bankruptcy order" means an order passed by an Adjudicating Authority under section 126;

(8) "bankruptcy process" means a process against a debtor under Chapters IV and V of this Part;

(9) "bankruptcy trustee" means the insolvency professional appointed as a trustee for the estate of the bankrupt under section 125;

(10) "Chapter" means a chapter under this Part;

(11) "committee of creditors" means a committee constituted under section 134;

(12) "debtor" includes a judgment-debtor;

(13) "discharge order" means an order passed by the Adjudicating Authority discharging the debtor under sections 92, 119 and section 138, as the case may be;

(14) "excluded assets" for the purposes of this part includes—

(a) unencumbered tools, books, vehicles and other equipment as are necessary to the debtor or bankrupt for his personal use or for the purpose of his employment, business or vocation,

(b) unencumbered furniture, household equipment and provisions as are necessary for satisfying the basic domestic needs of the bankrupt and his immediate family;

(c) any unencumbered personal ornaments of such value, as may be prescribed, of the debtor or his immediate family which cannot be parted with, in accordance with religious usage;

(d) any unencumbered life insurance policy or pension plan taken in the name of debtor or his immediate family; and

(e) an unencumbered single dwelling unit owned by the debtor of such value as may be prescribed;

(15) "excluded debt" means—

(a) liability to pay fine imposed by a court or tribunal;

(b) liability to pay damages for negligence, nuisance or breach of a statutory, contractual or other legal obligation;

(c) liability to pay maintenance to any person under any law for the time being in force;

(d) liability in relation to a student loan; and

(e) any other debt as may be prescribed;

(16) "firm" means a body of individuals carrying on business in partnership whether or not registered under section 59 of the Indian Partnership Act, 1932;

(17) "immediate family" of the debtor means his spouse, dependent children and dependent parents;

(18) "partnership debt" means a debt for which all the partners in a firm are jointly liable;

(19) "qualifying debt" means amount due, which includes interest or any other sum due in respect of the amounts owed under any contract, by the debtor for a liquidated sum either immediately or at certain future time and does not include—

(a) an excluded debt;

(b) a debt to the extent it is secured; and

(c) any debt which has been incurred three months prior to the date of the application for fresh start process;

(20) "repayment plan" means a plan prepared by the debtor in consultation with the resolution professional under section 105 containing a proposal to the committee of creditors for restructuring of his debts or affairs;

(21) "resolution professional" means an insolvency professional appointed under this part as a resolution professional for conducting the fresh start process or insolvency resolution process;

(22) "undischarged bankrupt" means a bankrupt who has not received a discharge order under section 138.

CHAPTER II

FRESH START PROCESS

Eligibility for making an application.

80. (1) A debtor, who is unable to pay his debt and fulfils the conditions specified in sub-section (2), shall be entitled to make an application for a fresh start for discharge of his qualifying debt under this Chapter.

(2) A debtor may apply, either personally or through a resolution professional, for a fresh start under this Chapter in respect of his qualifying debts to the Adjudicating Authority if—

(a) the gross annual income of the debtor does not exceed sixty thousand rupees;

(b) the aggregate value of the assets of the debtor does not exceed twenty thousand rupees;

(c) the aggregate value of the qualifying debts does not exceed thirty-five thousand rupees;

(d) he is not an undischarged bankrupt;

(e) he does not own a dwelling unit, irrespective of whether it is encumbered or not;

(f) a fresh start process, insolvency resolution process or bankruptcy process is not subsisting against him; and

(g) no previous fresh start order under this Chapter has been made in relation to him in the preceding twelve months of the date of the application for fresh start.

Application for fresh start order.

81. (1) When an application is filed under section 80 by a debtor, an interim-moratorium shall commence on the date of filing of said application in relation to all the debts and shall cease to have effect on the date of admission or rejection of such application, as the case may be.

(2) During the interim-moratorium period,—

(i) any legal action or legal proceeding pending in respect of any of his debts shall be deemed to have been stayed; and

(ii) no creditor shall initiate any legal action or proceedings in respect of such debt.

(3) The application under section 80 shall be in such form and manner and accompanied by such fee, as may be prescribed.

(4) The application under sub-section (3) shall contain the following information supported by an affidavit, namely:—

(a) a list of all debts owed by the debtor as on the date of the said application along with details relating to the amount of each debt, interest payable thereon and the names of the creditors to whom each debt is owed;

(b) the interest payable on the debts and the rate thereof stipulated in the contract;

(c) a list of security held in respect of any of the debts;

(d) the financial information of the debtor and his immediate family up to two years prior to the date of the application;

(e) the particulars of the debtor's personal details, as may be prescribed;

(f) the reasons for making the application;

(g) the particulars of any legal proceedings which, to the debtor's knowledge has been commenced against him;

(h) the confirmation that no previous fresh start order under this Chapter has been made in respect of the qualifying debts of the debtor in the preceding twelve months of the date of the application.

82. (1) Where an application under section 80 is filed by the debtor through a resolution professional, the Adjudicating Authority shall direct the Board within seven days of the date of receipt of the application and shall seek confirmation from the Board that there are no disciplinary proceedings against the resolution professional who has submitted such application.

Appointment
of resolution
professional.

(2) The Board shall communicate to the Adjudicating Authority in writing either—

(a) confirmation of the appointment of the resolution professional who filed an application under sub-section (1); or

(b) rejection of the appointment of the resolution professional who filed an application under sub-section (1) and nominate a resolution professional suitable for the fresh start process.

(3) Where an application under section 80 is filed by the debtor himself and not through the resolution professional, the Adjudicating Authority shall direct the Board within seven days of the date of the receipt of an application to nominate a resolution professional for the fresh start process.

(4) The Board shall nominate a resolution professional within ten days of receiving the direction issued by the Adjudicating Authority under sub-section (3).

(5) The Adjudicating Authority shall by order appoint the resolution professional recommended or nominated by the Board under sub-section (2) or sub-section (4), as the case may be.

(6) A resolution professional appointed by the Adjudicating Authority under sub-section (5) shall be provided a copy of the application for fresh start.

83. (1) The resolution professional shall examine the application made under section 80 within ten days of his appointment, and submit a report to the Adjudicating Authority, either recommending acceptance or rejection of the application.

Examination
of application
by resolution
professional.

(2) The report referred to in sub-section (1) shall contain the details of the amounts mentioned in the application which in the opinion of the resolution professional are—

(a) qualifying debts; and

(b) liabilities eligible for discharge under sub-section (3) of section 92.

(3) The resolution professional may call for such further information or explanation in connection with the application as may be required from the debtor or any other person who, in the opinion of the resolution professional, may provide such information.

(4) The debtor or any other person, as the case may be, shall furnish such information or explanation within seven days of receipt of the request under sub-section (3).

(5) The resolution professional shall presume that the debtor is unable to pay his debts at the date of the application if—

(a) in his opinion the information supplied in the application indicates that the debtor is unable to pay his debts and he has no reason to believe that the information supplied is incorrect or incomplete; and

(b) he has reason to believe that there is no change in the financial circumstances of the debtor since the date of the application enabling the debtor to pay his debts.

(6) The resolution professional shall reject the application, if in his opinion—

(a) the debtor does not satisfy the conditions specified under section 80; or

(b) the debts disclosed in the application by the debtor are not qualifying debts; or

(c) the debtor has deliberately made a false representation or omission in the application or with respect to the documents or information submitted.

(7) The resolution professional shall record the reasons for recommending the acceptance or rejection of the application in the report to the Adjudicating Authority under sub-section (1) and shall give a copy of the report to the debtor.

Admission or rejection of application by Adjudicating Authority.

84. (1) The Adjudicating Authority may within fourteen days from the date of submission of the report by the resolution professional, pass an order either admitting or rejecting the application made under sub-section (1) of section 81.

(2) The order passed under sub-section (1) accepting the application shall state the amount which has been accepted as qualifying debts by the resolution professional and other amounts eligible for discharge under section 92 for the purposes of the fresh start order.

(3) A copy of the order passed by the Adjudicating Authority under sub-section (1) along with a copy of the application shall be provided to the creditors mentioned in the application within seven days of the passing of the order.

Effect of admission of application.

85. (1) On the date of admission of the application, the moratorium period shall commence in respect of all the debts.

(2) During the moratorium period—

(a) any pending legal action or legal proceeding in respect of any debt shall be deemed to have been stayed; and

(b) subject to the provisions of section 86, the creditors shall not initiate any legal action or proceedings in respect of any debt.

(3) During the moratorium period, the debtor shall—

(a) not act as a director of any company, or directly or indirectly take part in or be concerned in the promotion, formation or management of a company;

(b) not dispose of or alienate any of his assets;

(c) inform his business partners that he is undergoing a fresh start process;

(d) be required to inform prior to entering into any financial or commercial transaction of such value as may be notified by the Central Government, either individually or jointly, that he is undergoing a fresh start process;

(e) disclose the name under which he enters into business transactions, if it is different from the name in the application admitted under section 84;

(f) not travel outside India except with the permission of the Adjudicating Authority.

(4) The moratorium ceases to have effect at the end of the period of one hundred and eighty days beginning with the date of admission unless the order admitting the application is revoked under sub-section (2) of section 91.

86. (1) Any creditor mentioned in the order of the Adjudicating Authority under section 84 to whom a qualifying debt is owed may, within a period of ten days from the date of receipt of the order under section 84, object only on the following grounds, namely:—

(a) inclusion of a debt as a qualifying debt; or

(b) incorrectness of the details of the qualifying debt specified in the order under section 84.

(2) A creditor may file an objection under sub-section (1) by way of an application to the resolution professional.

(3) The application under sub-section (2) shall be supported by such information and documents as may be prescribed.

(4) The resolution professional shall consider every objection made under this section.

(5) The resolution professional shall examine the objections under sub-section (2) and either accept or reject the objections, within ten days of the date of the application.

(6) The resolution professional may examine any matter that appears to him to be relevant to the making of a final list of qualifying debts for the purposes of section 92.

(7) On the basis of the examination under sub-section (5) or sub-section (6), the resolution professional shall—

(a) prepare an amended list of qualifying debts for the purpose of the discharge order;

(b) make an application to the Adjudicating Authority for directions under section 90; or

(c) take such other steps as he considers necessary in relation to the debtor.

87. (1) The debtor or the creditor who is aggrieved by the action taken by the resolution professional under section 86 may, within ten days of such decision, make an application to the Adjudicating Authority challenging such action on any of the following grounds, namely:—

(a) that the resolution professional has not given an opportunity to the debtor or the creditor to make a representation; or

(b) that the resolution professional colluded with the other party in arriving at the decision; or

(c) that the resolution professional has not complied with the requirements of section 86.

Objections by creditor and their examination by resolution professional.

Application against decision of resolution professional.

(2) The Adjudicating Authority shall decide the application referred to in sub-section (1) within fourteen days of such application, and make an order as it deems fit.

(3) Where the application under sub-section (1) has been allowed by the Adjudicating Authority, it shall forward its order to the Board and the Board may take such action as may be required under Chapter VI of Part IV against the resolution professional.

General duties of debtor.

88. The debtor shall—

(a) make available to the resolution professional all information relating to his affairs, attend meetings and comply with the requests of the resolution professional in relation to the fresh start process.

(b) inform the resolution professional as soon as reasonably possible of—

(i) any material error or omission in relation to the information or document supplied to the resolution professional; or

(ii) any change in financial circumstances after the date of application, where such change has an impact on the fresh start process.

Replacement of resolution professional.

89. (1) Where the debtor or the creditor is of the opinion that the resolution professional appointed under section 82 is required to be replaced, he may apply to the Adjudicating Authority for the replacement of such resolution professional.

(2) The Adjudicating Authority shall within seven days of the receipt of the application under sub-section (1) make a reference to the Board for replacement of the resolution professional.

(3) The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (2), recommend the name of an insolvency professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.

(4) The Adjudicating Authority shall appoint another resolution professional for the purposes of the fresh start process on the basis of the recommendation by the Board.

(5) The Adjudicating Authority may give directions to the resolution professional replaced under sub-section (4)—

(a) to share all information with the new resolution professional in respect of the fresh start process; and

(b) to co-operate with the new resolution professional as may be required.

Directions for compliances of restrictions, etc.

90. (1) The resolution professional may apply to the Adjudicating Authority for any of the following directions, namely:—

(a) compliance of any restrictions referred to in sub-section (3) of section 85, in case of non-compliance by the debtor; or

(b) compliance of the duties of the debtor referred to in section 88, in case of non-compliance by the debtor.

(2) The resolution professional may apply to the Adjudicating Authority for directions in relation to any other matter under this Chapter for which no specific provisions have been made.

Revocation of order admitting application.

91. (1) The resolution professional may submit an application to the Adjudicating Authority seeking revocation of its order made under section 84 on the following grounds, namely:—

(a) if due to any change in the financial circumstances of the debtor, the debtor is ineligible for a fresh start process; or

(b) non-compliance by the debtor of the restrictions imposed under sub-section (3) of section 85; or

(c) if the debtor has acted in a *mala fide* manner and has wilfully failed to comply with the provisions of this Chapter.

(2) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (1), may by order admit or reject the application.

(3) On passing of the order admitting the application referred to in sub-section (1), the moratorium and the fresh start process shall cease to have effect.

(4) A copy of the order passed by the Adjudicating Authority under this section shall be provided to the Board for the purpose of recording an entry in the register referred to in section 196.

92. (1) The resolution professional shall prepare a final list of qualifying debts and submit such list to the Adjudicating Authority at least seven days before the moratorium period comes to an end.

Discharge order.

(2) The Adjudicating Authority shall pass a discharge order at the end of the moratorium period for discharge of the debtor from the qualifying debts mentioned in the list under sub-section (1).

(3) Without prejudice to the provisions of sub-section (2), the Adjudicating Authority shall discharge the debtor from the following liabilities, namely:—

(a) penalties in respect of the qualifying debts from the date of application till the date of the discharge order;

(b) interest including penal interest in respect of the qualifying debts from the date of application till the date of the discharge order; and

(c) any other sums owed under any contract in respect of the qualifying debts from the date of application till the date of the discharge order.

(4) The discharge order shall not discharge the debtor from any debt not included in sub-section (2) and from any liability not included under sub-section (3).

(5) The discharge order shall be forwarded to the Board for the purpose of recording an entry in the register referred to in section 196.

(6) A discharge order under sub-section (2) shall not discharge any other person from any liability in respect of the qualifying debts.

93. The resolution professional shall perform his functions and duties in compliance with the code of conduct provided under section 208.

Standard of conduct.

CHAPTER III

INSOLVENCY RESOLUTION PROCESS

94. (1) A debtor who commits a default may apply, either personally or through a resolution professional, to the Adjudicating Authority for initiating the insolvency resolution process, by submitting an application.

Application by debtor to initiate insolvency resolution process.

(2) Where the debtor is a partner of a firm, such debtor shall not apply under this Chapter to the Adjudicating Authority in respect of the firm unless all or a majority of the partners of the firm file the application jointly.

(3) An application under sub-section (1) shall be submitted only in respect of debts which are not excluded debts.

(4) A debtor shall not be entitled to make an application under sub-section (1) if he is—

- (a) an undischarged bankrupt;
- (b) undergoing a fresh start process;
- (c) undergoing an insolvency resolution process; or
- (d) undergoing a bankruptcy process.

(5) A debtor shall not be eligible to apply under sub-section (1) if an application under this Chapter has been admitted in respect of the debtor during the period of twelve months preceding the date of submission of the application under this section.

(6) The application referred to in sub-section (1) shall be in such form and manner and accompanied with such fee as may be prescribed.

Application
by creditor to
initiate
insolvency
resolution
process.

95. (1) A creditor may apply either by himself, or jointly with other creditors, or through a resolution professional to the Adjudicating Authority for initiating an insolvency resolution process under this section by submitting an application.

(2) A creditor may apply under sub-section (1) in relation to any partnership debt owed to him for initiating an insolvency resolution process against—

- (a) any one or more partners of the firm; or
- (b) the firm.

(3) Where an application has been made against one partner in a firm, any other application against another partner in the same firm shall be presented in or transferred to the Adjudicating Authority in which the first mentioned application is pending for adjudication and such Adjudicating Authority may give such directions for consolidating the proceedings under the applications as it thinks just.

(4) An application under sub-section (1) shall be accompanied with details and documents relating to—

- (a) the debts owed by the debtor to the creditor or creditors submitting the application for insolvency resolution process as on the date of application;
- (b) the failure by the debtor to pay the debt within a period of fourteen days of the service of the notice of demand; and
- (c) relevant evidence of such default or non-repayment of debt.

(5) The creditor shall also provide a copy of the application made under sub-section (1) to the debtor.

(6) The application referred to in sub-section (1) shall be in such form and manner and accompanied by such fee as may be prescribed.

(7) The details and documents required to be submitted under sub-section (4) shall be such as may be specified.

Interim-
moratorium.

96. (1) When an application is filed under section 94 or section 95—

(a) an interim-moratorium shall commence on the date of the application in relation to all the debts and shall cease to have effect on the date of admission of such application; and

(b) during the interim-moratorium period—

(i) any legal action or proceeding pending in respect of any debt shall be deemed to have been stayed; and

(ii) the creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt.

(2) Where the application has been made in relation to a firm, the interim-moratorium under sub-section (1) shall operate against all the partners of the firm as on the date of the application.

(3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

97. (1) If the application under section 94 or 95 is filed through a resolution professional, the Adjudicating Authority shall direct the Board within seven days of the date of the application to confirm that there are no disciplinary proceedings pending against resolution professional. Appointment of resolution professional.

(2) The Board shall within seven days of receipt of directions under sub-section (1) communicate to the Adjudicating Authority in writing either—

(a) confirming the appointment of the resolution professional; or

(b) rejecting the appointment of the resolution professional and nominating another resolution professional for the insolvency resolution process.

(3) Where an application under section 94 or 95 is filed by the debtor or the creditor himself, as the case may be, and not through the resolution professional, the Adjudicating Authority shall direct the Board, within seven days of the filing of such application, to nominate a resolution professional for the insolvency resolution process.

(4) The Board shall nominate a resolution professional within ten days of receiving the direction issued by the Adjudicating Authority under sub-section (3).

(5) The Adjudicating Authority shall by order appoint the resolution professional recommended under sub-section (2) or as nominated by the Board under sub-section (4).

(6) A resolution professional appointed by the Adjudicating Authority under sub-section (5) shall be provided a copy of the application for insolvency resolution process.

98. (1) Where the debtor or the creditor is of the opinion that the resolution professional appointed under section 97 is required to be replaced, he may apply to the Adjudicating Authority for the replacement of the such resolution professional. Replacement of resolution professional.

(2) The Adjudicating Authority shall within seven days of the receipt of the application under sub-section (1) make a reference to the Board for replacement of the resolution professional.

(3) The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (2), recommend the name of the resolution professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.

(4) Without prejudice to the provisions contained in sub-section (1), the creditors may apply to the Adjudicating Authority for replacement of the resolution professional where it has been decided in the meeting of the creditors, to replace the resolution professional with a new resolution professional for implementation of the repayment plan.

(5) Where the Adjudicating Authority admits an application made under sub-section (1) or sub-section (4), it shall direct the Board to confirm that there are no disciplinary proceedings pending against the proposed resolution professional.

(6) The Board shall send a communication within ten days of receipt of the direction under sub-section (5) either—

(a) confirming appointment of the nominated resolution professional; or

(b) rejecting appointment of the nominated resolution professional and recommend a new resolution professional.

(7) On the basis of the communication of the Board under sub-section (3) or sub-section (6), the Adjudicating Authority shall pass an order appointing a new resolution professional.

(8) The Adjudicating Authority may give directions to the resolution professional replaced under sub-section (7)—

(a) to share all information with the new resolution professional in respect of the insolvency resolution process; and

(b) to co-operate with the new resolution professional in such matters as may be required.

Submission of
report by
resolution
professional.

99. (1) The resolution professional shall examine the application referred to in section 94 or section 95, as the case may be, within ten days of his appointment, and submit a report to the Adjudicating Authority recommending for approval or rejection of the application.

(2) Where the application has been filed under section 95, the resolution professional may require the debtor to prove repayment of the debt claimed as unpaid by the creditor by furnishing—

(a) evidence of electronic transfer of the unpaid amount from the bank account of the debtor;

(b) evidence of encashment of a cheque issued by the debtor; or

(c) a signed acknowledgment by the creditor accepting receipt of dues.

(3) Where the debt for which an application has been filed by a creditor is registered with the information utility, the debtor shall not be entitled to dispute the validity of such debt.

(4) For the purposes of examining an application, the resolution professional may seek such further information or explanation in connection with the application as may be required from the debtor or the creditor or any other person who, in the opinion of the resolution professional, may provide such information.

(5) The person from whom information or explanation is sought under sub-section (4) shall furnish such information or explanation within seven days of receipt of the request.

(6) The resolution professional shall examine the application and ascertain that—

(a) the application satisfies the requirements set out in section 94 or 95;

(b) the applicant has provided information and given explanation sought by the resolution professional under sub-section (4).

(7) After examination of the application under sub-section (6), he may recommend acceptance or rejection of the application in his report.

(8) Where the resolution professional finds that the debtor is eligible for a fresh start under Chapter II, the resolution professional shall submit a report recommending that the application by the debtor under section 94 be treated as an application under section 81 by the Adjudicating Authority.

(9) The resolution professional shall record the reasons for recommending the acceptance or rejection of the application in the report under sub-section (7).

(10) The resolution professional shall give a copy of the report under sub-section (7) to the debtor or the creditor, as the case may be.

100. (1) The Adjudicating Authority shall, within fourteen days from the date of submission of the report under section 99 pass an order either admitting or rejecting the application referred to in section 94 or 95, as the case may be.

Admission or rejection of application.

(2) Where the Adjudicating Authority admits an application under sub-section (1), it may, on the request of the resolution professional, issue instructions for the purpose of conducting negotiations between the debtor and creditors and for arriving at a repayment plan.

(3) The Adjudicating Authority shall provide a copy of the order passed under sub-section (1) along with the report of the resolution professional and the application referred to in section 94 or 95, as the case may be, to the creditors within seven days from the date of the said order.

(4) If the application referred to in section 94 or 95, as the case may be, is rejected by the Adjudicating Authority on the basis of report submitted by the resolution professional that the application was made with the intention to defraud his creditors or the resolution professional, the order under sub-section (1) shall record that the creditor is entitled to file for a bankruptcy order under Chapter IV.

101. (1) When the application is admitted under section 100, a moratorium shall commence in relation to all the debts and shall cease to have effect at the end of the period of one hundred and eighty days beginning with the date of admission of the application or on the date the Adjudicating Authority passes an order on the repayment plan under section 114, whichever is earlier.

Moratorium.

(2) During the moratorium period—

(a) any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed;

(b) the creditors shall not initiate any legal action or legal proceedings in respect of any debt; and

(c) the debtor shall not transfer, alienate, encumber or dispose of any of his assets or his legal rights or beneficial interest therein;

(3) Where an order admitting the application under section 96 has been made in relation to a firm, the moratorium under sub-section (1) shall operate against all the partners of the firm.

(4) The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

102. (1) The Adjudicating Authority shall issue a public notice within seven days of passing the order under section 100 inviting claims from all creditors within twenty-one days of such issue.

Public notice and claims from creditors.

(2) The notice under sub-section (1) shall include—

(a) details of the order admitting the application;

(b) particulars of the resolution professional with whom the claims are to be registered; and

(c) the last date for submission of claims.

(3) The notice shall be—

(a) published in at least one English and one vernacular newspaper which is in circulation in the state where the debtor resides;

- (b) affixed in the premises of the Adjudicating Authority; and
- (c) placed on the website of the Adjudicating Authority.

Resistering of claims by creditors.

103. (1) The creditors shall register claims with the resolution professional by sending details of the claims by way of electronic communications or through courier, speed post or registered letter.

(2) In addition to the claims referred to in sub-section (1), the creditor shall provide to the resolution professional, personal information and such particulars as may be prescribed.

Preparation of list of creditors.

104. (1) The resolution professional shall prepare a list of creditors on the basis of—

(a) the information disclosed in the application filed by the debtor under section 94 or 95, as the case may be;

(b) claims received by the resolution professional under section 102.

(2) The resolution professional shall prepare the list mentioned in sub-section (1) within thirty days from the date of the notice.

Repayment plan.

105. (1) The debtor shall prepare, in consultation with the resolution professional, a repayment plan containing a proposal to the creditors for restructuring of his debts or affairs.

(2) The repayment plan may authorise or require the resolution professional to—

(a) carry on the debtor's business or trade on his behalf or in his name; or

(b) realise the assets of the debtor; or

(c) administer or dispose of any funds of the debtor.

(3) The repayment plan shall include the following, namely:—

(a) justification for preparation of such repayment plan and reasons on the basis of which the creditors may agree upon the plan;

(b) provision for payment of fee to the resolution professional;

(c) such other matters as may be specified.

Report of resolution professional on repayment plan.

106. (1) The resolution professional shall submit the repayment plan under section 105 along with his report on such plan to the Adjudicating Authority within a period of twenty-one days from the last date of submission of claims under section 102.

(2) The report referred in sub-section (1) shall include that—

(a) the repayment plan is in compliance with the provisions of any law for the time being in force;

(b) the repayment plan has a reasonable prospect of being approved and implemented; and

(c) there is a necessity of summoning a meeting of the creditors, if required, to consider the repayment plan;

Provided that where the resolution professional recommends that a meeting of the creditors is not required to be summoned, reasons for the same shall be provided.

(3) The report referred to in sub-section (2) shall also specify the date on which, and the time and place at which, the meeting should be held if he is of the opinion that a meeting of the creditors should be summoned.

(4) For the purposes of sub-section (3)—

(a) the date on which the meeting is to be held shall be not less than fourteen days and not more than twenty eight days from the date of submission of report under sub-section (1);

(b) the resolution professional shall consider the convenience of creditors in fixing the date and venue of the meeting of the creditors.

107. (1) The resolution professional shall issue a notice calling the meeting of the creditors at least fourteen days before the date fixed for such meeting.

Summoning
of meeting of
creditors.

(2) The resolution professional shall send the notice of the meeting to the list of creditors prepared under section 104.

(3) The notice sent under sub-section (1) shall state the address of the Adjudicating Authority to which the repayment plan and report of the resolution professional on the repayment plan has been submitted and shall be accompanied by—

(a) a copy of the repayment plan;

(b) a copy of the statement of affairs of the debtor;

(c) a copy of the said report of the resolution professional; and

(d) forms for proxy voting.

(4) The proxy voting, including electronic proxy voting shall take place in such manner and form as may be specified.

108. (1) The meeting of the creditors shall be conducted in accordance with the provisions of this section and sections 109, 110 and 111.

Conduct of
meeting of
creditors.

(2) In the meeting of the creditors, the creditors may decide to approve, modify or reject the repayment plan.

(3) The resolution professional shall ensure that if modifications are suggested by the creditors, consent of the debtor shall be obtained for each modification.

(4) The resolution professional may for a sufficient cause adjourn the meeting of the creditors for a period of not more than seven days at a time.

109. (1) A creditor shall be entitled to vote at every meeting of the creditors in respect of the repayment plan in accordance with the voting share assigned to him.

Voting rights
in meeting of
creditors.

(2) The resolution professional shall determine the voting share to be assigned to each creditor in the manner specified by the Board.

(3) A creditor shall not be entitled to vote in respect of a debt for an unliquidated amount.

(4) A creditor shall not be entitled to vote in a meeting of the creditors if he—

(a) is not a creditor mentioned in the list of creditors under section 104; or

(b) is an associate of the debtor.

110. (1) Secured creditors shall be entitled to participate and vote in the meetings of the creditors.

Rights of
secured
creditors in
relation to
repayment
plan.

(2) A secured creditor participating in the meetings of the creditors and voting in relation to the repayment plan shall forfeit his right to enforce the security during the period of the repayment plan in accordance with the terms of the repayment plan.

(3) Where a secured creditor does not forfeit his right to enforce security, he shall submit an affidavit to the resolution professional at the meeting of the creditors stating—

(a) that the right to vote exercised by the secured creditor is only in respect of the unsecured part of the debt; and

(b) the estimated value of the unsecured part of the debt.

(4) In case a secured creditor participates in the voting on the repayment plan by submitting an affidavit under sub-section (3), the secured and unsecured parts of the debt shall be treated as separate debts.

(5) The concurrence of the secured creditor shall be obtained if he does not participate in the voting on repayment plan but provision of the repayment plan affects his right to enforce security.

Explanation.—For the purposes of this section, "period of the repayment plan" means the period from the date of the order passed under section 114 till the date on which the notice is given by the resolution professional under section 117 or report submitted by the resolution professional under section 118, as the case may be.

Approval of
repayment
plan by
creditors.

111. The repayment plan or any modification to the repayment plan shall be approved by a majority of more than three-fourth in value of the creditors present in person or by proxy and voting on the resolution in a meeting of the creditors.

Report of
meeting of
creditors on
repayment
plan.

112. (1) The resolution professional shall prepare a report of the meeting of the creditors on repayment plan.

(2) The report under sub-section (1) shall contain—

(a) whether the repayment plan was approved or rejected and if approved, the list the modifications, if any;

(b) the resolutions which were proposed at the meeting and the decision on such resolutions;

(c) list of the creditors who were present or represented at the meeting, and the voting records of each creditor for all meetings of the creditors; and

(d) such other information as the resolution professional thinks appropriate to make known to the Adjudicating Authority.

Notice of
decisions
taken at
meeting of
creditors.

113. The resolution professional shall provide a copy of the report of the meeting of creditors prepared under section 99 to—

(a) the debtor;

(b) the creditors, including those who were not present at the meeting; and

(c) the Adjudicating Authority.

Order of
Adjudicating
Authority on
repayment
plan.

114. (1) The Adjudicating Authority shall by an order approve or reject the repayment plan on the basis of the report of the meeting of the creditors submitted by the resolution professional under section 112:

Provided that where a meeting of creditors is not summoned, the Adjudicating Authority shall pass an order on the basis of the report prepared by the resolution professional under section 106.

(2) The order of the Adjudicating Authority approving the repayment plan may also provide for directions for implementing the repayment plan.

(3) Where the Adjudicating Authority is of the opinion that the repayment plan requires modification, it may direct the resolution professional to re-convene a meeting of the creditors for reconsidering the repayment plan.

115. (1) Where the Adjudicating Authority has approved the repayment plan under section 114, such repayment plan shall—

(a) take effect as if proposed by the debtor in the meeting; and

(b) be binding on creditors mentioned in the repayment plan and the debtor.

(2) Where the Adjudicating Authority rejects the repayment plan under section 114, the debtor and the creditors shall be entitled to file an application for bankruptcy under Chapter IV.

(3) A copy of the order passed by the Adjudicating Authority under sub-section (2) shall be provided to the Board, for the purpose of recording an entry in the register referred to in section 196.

116. (1) The resolution professional appointed under section 97 or under section 98 shall supervise the implementation of the repayment plan.

(2) The resolution professional may apply to the Adjudicating Authority for directions, if necessary, in relation to any particular matter arising under the repayment plan.

(3) The Adjudicating Authority may issue directions to the resolution professional on the basis of an application under sub-section (2).

117. (1) The resolution professional shall within fourteen days of the completion of the repayment plan, forward to the persons who are bound by the repayment plan under section 115 and the Adjudicating Authority, the following documents, namely:—

(a) a notice that the repayment plan has been fully implemented; and

(b) a copy of a report by the resolution professional summarising all receipts and payments made in pursuance of the repayment plan and extent of the implementation of such plan as compared with the repayment plan approved by the meeting of the creditors.

(2) The resolution professional may apply to the Adjudicating Authority to extend the time mentioned in sub-section (1) for such further period not exceeding seven days.

118. (1) A repayment plan shall be deemed to have come to an end prematurely if it has not been fully implemented in respect of all persons bound by it within the period as mentioned in the repayment plan.

(2) Where a repayment plan comes to an end prematurely under this section, the resolution professional shall submit a report to the Adjudicating Authority which shall state—

(a) the receipts and payments made in pursuance of the repayment plan;

(b) the reasons for premature end of the repayment plan; and

(c) the details of the creditors whose claims have not been fully satisfied.

(3) The Adjudicating Authority shall pass an order on the basis of the report submitted under sub-section (2) by the resolution professional that the repayment plan has not been completely implemented.

(4) The debtor or the creditor, whose claims under repayment plan have not been fully satisfied, shall be entitled to apply for a bankruptcy order under Chapter IV.

Effect of order of Adjudicating Authority on repayment plan.

Implementation and supervision of repayment plan.

Completion of repayment plan.

Repayment plan coming to end prematurely.

(5) The Adjudicating Authority shall forward to the persons bound by the repayment plan under section 115, a copy of the—

(a) report submitted by the resolution professional to the Adjudicating Authority under sub-section (2); and

(b) order passed by the Adjudicating Authority under sub-section (3).

(6) The Adjudicating Authority shall forward a copy of the order passed under sub-section (4) to the Board, for the purpose of recording entries in the register referred to in section 196.

Discharge order.

119. (1) On the basis of the repayment plan, the resolution professional shall apply to the Adjudicating Authority for a discharge order in relation to the debts mentioned in the repayment plan and the Adjudicating Authority may pass such discharge order.

(2) The repayment plan may provide for—

(a) early discharge; or

(b) discharge on complete implementation of the repayment plan.

(3) The discharge order shall be forwarded to the Board, for the purpose of recording entries in the register referred to in section 196.

(4) The discharge order under sub-section (3) shall not discharge any other person from any liability in respect of his debt.

Standard of conduct.

120. The resolution professional shall perform his functions and duties in compliance with the code of conduct provided under section 208.

CHAPTER IV

BANKRUPTCY ORDER FOR INDIVIDUALS AND PARTNERSHIP FIRMS

Application for bankruptcy.

121. (1) An application for bankruptcy of a debtor may be made, by a creditor individually or jointly with other creditors or by a debtor, to the Adjudicating Authority in the following circumstances, namely;—

(a) where an order has been passed by an Adjudicating Authority under sub-section 4 of section 100; or

(b) where an order has been passed by an Adjudicating Authority under sub-section 2 of section 115; or

(c) where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118.

(2) An application for bankruptcy shall be filed within a period of three months of the date of the order passed by the Adjudicating Authority under the sections referred to in sub-section (1).

(3) Where the debtor is a firm, the application under sub-section (1) may be filed by any of its partners.

Application by debtor.

122. (1) The application for bankruptcy by the debtor shall be accompanied by—

(a) the records of insolvency resolution process undertaken under Chapter III of Part III;

(b) the statement of affairs of the debtor in such form and manner as may be prescribed, on the date of the application for bankruptcy; and

(c) a copy of the order passed by the Adjudicating Authority under Chapter III of Part III permitting the debtor to apply for bankruptcy.

(2) The debtor may propose an insolvency professional as the bankruptcy trustee in the application for bankruptcy.

(3) The application referred to in sub-section (1) shall be in such form and manner and accompanied by such fee as may be prescribed.

(4) An application for bankruptcy by the debtor shall not be withdrawn without the leave of the Adjudicating Authority.

123. (1) The application for bankruptcy by the creditor shall be accompanied by—

Application
by creditor.

(a) the records of insolvency resolution process undertaken under Chapter III;

(b) a copy of the order passed by the Adjudicating Authority under Chapter III permitting the creditor to apply for bankruptcy;

(c) details of the debts owed by the debtor to the creditor as on the date of the application for bankruptcy; and

(d) such other information as may be prescribed.

(2) An application under sub-section (1) made in respect of a debt which is secured, shall be accompanied with—

(a) a statement by the creditor having the right to enforce the security that he shall, in the event of a bankruptcy order being made, give up his security for the benefit of all the creditors of the bankrupt; or

(b) a statement by the creditor stating—

(i) that the application for bankruptcy is only in respect of the unsecured part of the debt; and

(ii) an estimated value of the unsecured part of the debt.

(3) If a secured creditor makes an application for bankruptcy and submits a statement under clause (b) of sub-section (2), the secured and unsecured parts of the debt shall be treated as separate debts.

(4) The creditor may propose an insolvency professional as the bankruptcy trustee in the application for bankruptcy.

(5) An application for bankruptcy under sub-section (1), in case of a deceased debtor, may be filed against his legal representatives.

(6) The application for bankruptcy shall be in such form and manner and accompanied by such fee as may be prescribed.

(7) An application for bankruptcy by the creditor shall not be withdrawn without the permission of the Adjudicating Authority.

124. (1) When an application is filed under sections 122 or 123,—

Effect of
application.

(a) an interim-moratorium shall commence on the date of the making of the application on all actions against the properties of the debtor in respect of his debts and such moratorium shall cease to have effect on the bankruptcy commencement date; and

(b) during the interim-moratorium period—

(i) any pending legal action or legal proceeding against any property of the debtor in respect of any of his debts shall be deemed to have been stayed;

(ii) the creditors of the debtor shall not be entitled to initiate any legal action or legal proceedings against any property of the debtor in respect of any of his debts.

(2) Where the application has been made in relation to a firm, the interim-moratorium under sub-section (1) shall operate against all the partners of the firm as on the date of the making of the application.

(3) The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

Appointment of insolvency professional as bankruptcy trustee.

125. (1) If an insolvency professional is proposed as the bankruptcy trustee in the application for bankruptcy under section 122 or section 123, the Adjudicating Authority shall direct the Board within seven days of receiving the application for bankruptcy to confirm that there are no disciplinary proceedings pending against such professional.

(2) The Board shall within ten days of the receipt of the direction under sub-section (1) in writing either—

(a) confirm the appointment of the proposed insolvency professional as the bankruptcy trustee for the bankruptcy process; or

(b) reject the appointment of the proposed insolvency professional as the bankruptcy trustee and nominate another bankruptcy trustee for the bankruptcy process.

(3) Where a bankruptcy trustee is not proposed by the debtor or creditor under section 122 or 123, the Adjudicating Authority shall direct the Board within seven days of receiving the application to nominate a bankruptcy trustee for the bankruptcy process.

(4) The Board shall nominate a bankruptcy trustee within ten days of receiving the direction of the Adjudicating Authority under sub-section (3).

(5) The bankruptcy trustee confirmed or nominated under this section shall be appointed as the bankruptcy trustee by the Adjudicating Authority in the bankruptcy order under section 126.

Bankruptcy order.

126. (1) The Adjudicating Authority shall pass a bankruptcy order within fourteen days of receiving the confirmation or nomination of the bankruptcy trustee under section 125.

(2) The Adjudicating Authority shall provide the following documents to bankrupt, creditors and the bankruptcy trustee within seven days of the passing of the bankruptcy order, namely:—

(a) a copy of the application for bankruptcy; and

(b) a copy of the bankruptcy order.

Validity of bankruptcy order.

127. The bankruptcy order passed by the Adjudicating Authority under section 126 shall continue to have effect till the debtor is discharged under section 138.

Effect of bankruptcy order.

128. (1) On the passing of the bankruptcy order under section 126,—

(a) the estate of the bankrupt shall vest in the bankruptcy trustee as provided in section 154;

(b) the estate of the bankrupt shall be divided among his creditors;

(c) subject to provisions of sub-section (2), a creditor of the bankrupt indebted in respect of any debt claimed as a bankruptcy debt shall not—

(i) initiate any action against the property of the bankrupt in respect of such debt; or

(ii) commence any suit or other legal proceedings except with the leave of the Adjudicating Authority and on such terms as the Adjudicating Authority may impose.

(2) Subject to the provisions of section 123, the bankruptcy order shall not affect the right of any secured creditor to realise or otherwise deal with his security interest in the same manner as he would have been entitled if the bankruptcy order had not been passed:

Provided that no secured creditor shall be entitled to any interest in respect of his debt after the bankruptcy commencement date if he does not take any action to realise his security within thirty days from the said date.

(3) Where a bankruptcy order under section 126 has been passed against a firm, the order shall operate as if it were a bankruptcy order made against each of the individuals who, on the date of the order, is a partner in the firm.

(4) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

129. (1) Where a bankruptcy order is passed on the application for bankruptcy by a creditor under section 123, the bankrupt shall submit his statement of financial position to the bankruptcy trustee within seven days from the bankruptcy commencement date.

Statement of financial position.

(2) The statement of financial position shall be submitted in the such form and manner as may be prescribed.

(3) Where the bankrupt is a firm, its partners on the date of the order shall submit a joint statement of financial position of the firm, and each partner of the firm shall submit a statement of his financial position.

(4) The bankruptcy trustee may require the bankrupt or any other person to submit in writing further information explaining or modifying any matter contained in the statement of financial position.

130. (1) The Adjudicating Authority shall—

(a) send notices within ten days of the bankruptcy commencement date, to the creditors mentioned in—

(i) the statement of affairs submitted by the bankrupt under section 129; or

(ii) the application for bankruptcy submitted by the bankrupt under section 122.

(b) issue a public notice inviting claims from creditors.

Public notice inviting claims from creditors.

(2) The public notice under clause (b) of sub-section (1) shall include the last date up to which the claims shall be submitted and such other matters and details as may be prescribed and shall be—

(a) published in leading newspapers, one in English and another in vernacular having sufficient circulation where the bankrupt resides;

(b) affixed on the premises of the Adjudicating Authority; and

(c) placed on the website of the Adjudicating Authority.

(3) The notice to the creditors referred to under clause (a) of sub-section (1) shall include such matters and details as may be prescribed.

131. (1) The creditors shall register claims with the bankruptcy trustee within seven days of the publication of the public notice, by sending details of the claims to the bankruptcy trustee in such manner as may be prescribed.

Registration of claims.

(2) The creditor, in addition to the details of his claims, shall provide such other information and in such manner as may be prescribed.

Preparation of list of creditors.

132. The bankruptcy trustee shall, within fourteen days from the bankruptcy commencement date, prepare a list of creditors of the bankrupt on the basis of—

(a) the information disclosed by the bankrupt in the application for bankruptcy filed by the bankrupt under section 118 and the statement of affairs filed under section 125; and

(b) claims received by the bankruptcy trustee under sub-section (2) of section 130.

Summoning of meeting of creditors.

133. (1) The bankruptcy trustee shall, within twenty-one days from the bankruptcy commencement date, issue a notice for calling a meeting of the creditors, to every creditor of the bankrupt as mentioned in the list prepared under section 132.

(2) The notices issued under sub-section (1) shall—

(a) state the date of the meeting of the creditors, which shall not be later than twenty-one days from the bankruptcy commencement date;

(b) be accompanied with forms of proxy voting;

(c) specify the form and manner in which the proxy voting may take place.

(3) The proxy voting, including electronic proxy voting shall take place in such manner and form as may be specified.

Conduct of meeting of creditors.

134. (1) The bankruptcy trustee shall be the convener of the meeting of the creditors summoned under section 133.

(2) The bankruptcy trustee shall decide the quorum for the meeting of the creditors, and conduct the meeting only if the quorum is present.

(3) The following business shall be conducted in the meeting of the creditors in which regard a resolution may be passed, namely:—

(a) the establishment of a committee of creditors;

(b) any other business that the bankruptcy trustee thinks fit to be transacted.

(4) The bankruptcy trustee shall cause the minutes of the meeting of the creditors to be recorded, signed and retained as a part of the records of the bankruptcy process.

(5) The bankruptcy trustee shall not adjourn the meeting of the creditors for any purpose for more than seven days at a time.

Voting rights of creditors.

135. (1) Every creditor mentioned in the list under section 132 or his proxy shall be entitled to vote in respect of the resolutions in the meeting of the creditors in accordance with the voting share assigned to him.

(2) The resolution professional shall determine the voting share to be assigned to each creditor in the manner specified by the Board.

(3) A creditor shall not be entitled to vote in respect of a debt for an unliquidated amount.

(4) The following creditors shall not be entitled to vote under this section, namely:—

(a) creditors who are not mentioned in the list of creditors under section 132 and those who have not been given a notice by the bankruptcy trustee;

(b) creditors who are associates of the bankrupt.

Administration and distribution of estate of bankrupt.

136. The bankruptcy trustee shall conduct the administration and distribution of the estate of the bankrupt in accordance with the provisions of Chapter V.

137. (1) The bankruptcy trustee shall convene a meeting of the committee of creditors on completion of the administration and distribution of the estate of the bankrupt in accordance with the provisions of Chapter V.

Completion of administration.

(2) The bankruptcy trustee shall provide the committee of creditors with a report of the administration of the estate of the bankrupt in the meeting of the said committee.

(3) The committee of creditors shall approve the report submitted by the bankruptcy trustee under sub-section (2) within seven days of the receipt of the report and determine whether the bankruptcy trustee should be released under section 148.

(4) The bankruptcy trustee shall retain sufficient sums from the estate of the bankrupt to meet the expenses of convening and conducting the meeting required under this section during the administration of the estate.

138. (1) The bankruptcy trustee shall apply to the Adjudicating Authority for a discharge order—

Discharge order.

(a) on the expiry of one year from the bankruptcy commencement date; or

(b) within seven days of the approval of the committee of creditors of the completion of administration of the estates of the bankrupt under section 137, where such approval is obtained prior to the period mentioned in clause (a).

(2) The Adjudicating Authority shall pass a discharge order on an application by the bankruptcy trustee under sub-section (1).

(3) A copy of the discharge order shall be provided to the Board for the purpose of recording an entry in the register referred to in section 196.

139. The discharge order under sub-section (2) of section 138 shall release the bankrupt from all the bankruptcy debt:

Effect of discharge.

Provided that discharge shall not—

(a) affect the functions of the bankruptcy trustee; or

(b) affect the operation of the provisions of Chapters IV and V of Part III; or

(c) release the bankrupt from any debt incurred by means of fraud or breach of trust to which he was a party; or

(d) discharge the bankrupt from any excluded debt.

140. (1) The bankrupt shall, from the bankruptcy commencement date, be subject to the disqualifications mentioned in this section.

Disqualification of bankrupt.

(2) In addition to any disqualification under any other law for the time being in force, a bankrupt shall be disqualified from—

(a) being appointed or acting as a trustee or representative in respect of any trust, estate or settlement;

(b) being appointed or acting as a public servant;

(c) being elected to any public office where the appointment to such office is by election; and

(d) being elected or sitting or voting as a member of any local authority.

(3) Any disqualification to which a bankrupt may be subject under this section shall cease to have effect, if—

(a) the bankruptcy order against him is modified or recalled under section 142; or

(b) he is discharged under section 138.

Explanation.—For the purposes of this section, the term "public servant" shall have the same meaning as assigned to it in section 21 of the Indian Penal Code.

45 of 1860.

Restrictions
on bankrupt.

141. (1) A bankrupt, from the bankruptcy commencement date, shall—

(a) not act as a director of any company, or directly or indirectly take part in or be concerned in the promotion, formation or management of a company;

(b) without the previous sanction of the bankruptcy trustee, be prohibited from creating any charge on his estate or taking any further debt;

(c) be required to inform his business partners that he is undergoing a bankruptcy process;

(d) prior to entering into any financial or commercial transaction of such value as may be prescribed, either individually or jointly, inform all the parties involved in such transaction that he is undergoing a bankruptcy process;

(e) without the previous sanction of the Adjudicating Authority, be incompetent to maintain any legal action or proceedings in relation to the bankruptcy debts; and

(f) not be permitted to travel overseas without the permission of the Adjudicating Authority.

(2) Any restriction to which a bankrupt may be subject under this section shall cease to have effect, if—

(a) the bankruptcy order against him is modified or recalled under section 142; or

(b) he is discharged under section 138.

Modification
or recall of
bankruptcy
order.

142. (1) The Adjudicating Authority may, on an application or *suo motu*, modify or recall a bankruptcy order, whether or not the bankrupt is discharged, if it appears to the Adjudicating Authority that—

(a) there exists an error apparent on the face of such order; or

(b) both the bankruptcy debts and the expenses of the bankruptcy have, after the making of the bankruptcy order, either been paid for or secured to the satisfaction of the Adjudicating Authority.

(2) Where the Adjudicating Authority modifies or recalls the bankruptcy order under this section, any sale or other disposition of property, payment made or other things duly done by the bankruptcy trustee shall be valid except that the property of the bankrupt shall vest in such person as the Adjudicating Authority may appoint or, in default of any such appointment, revert to the bankrupt on such terms as the Adjudicating Authority may direct.

(3) A copy of the order passed by the Adjudicating Authority under sub-section (1) shall be provided to the Board, for the purpose of recording an entry in the register referred to in section 191.

(4) The modification or recall of the order by the Adjudicating Authority under sub-section (1) shall be binding on all creditors so far as it relates to any debts due to them which form a part of the bankruptcy.

Standard of
conduct.

143. The bankruptcy trustee shall perform his functions and duties in compliance with the code of conduct provided under section 208.

Fees of
bankruptcy
trustee.

144. (1) A bankruptcy trustee appointed for conducting the bankruptcy process shall charge such fees as may be specified in proportion to the value of the estate of the bankrupt.

(2) The fees for the conduct of the bankruptcy process shall be paid to the bankruptcy trustee from the distribution of the estate of the bankrupt in the manner provided in section 178.

145. (1) Where Committee of creditors is of the opinion that at any time during the bankruptcy process, a bankruptcy trustee appointed under section 125 is required to be replaced, it may replace him with another bankruptcy trustee in the manner provided under this section.

Replacement
of bankruptcy
trustee.

(2) The Committee of creditors may, at a meeting, by a vote of seventy-five per cent. of voting share, propose to replace the bankruptcy trustee appointed under section 125 with another bankruptcy trustee.

(3) The Committee of creditors may apply to the Adjudicating Authority for the replacement of the bankruptcy trustee.

(4) The Adjudicating Authority shall within seven days of the receipt of the application under sub-section (3) direct the Board to recommend for replacement of bankruptcy trustee.

(5) The Board shall, within ten days of the direction of the Adjudicating Authority under sub-section (4), recommend a bankruptcy trustee for replacement against whom no disciplinary proceedings are pending.

(6) The Adjudicating Authority shall, by an order, appoint the bankruptcy trustee as recommended by the Board under sub-section (5) within fourteen days of receiving such recommendation.

(7) The earlier bankruptcy trustee shall deliver possession of the estate of the bankrupt to the bankruptcy trustee appointed under sub-section (6), on the date of his appointment.

(8) The Adjudicating Authority may give directions to the earlier bankruptcy trustee—

(a) to share all information with the new bankruptcy trustee in respect of the bankruptcy process; and

(b) to co-operate with the new bankruptcy trustee in such matters as may be required.

(9) The earlier bankruptcy trustee replaced under this section shall be released in accordance with the provisions of section 148.

(10) The bankruptcy trustee appointed under this section shall give a notice of his appointment to the bankrupt within seven days of his appointment.

146. (1) A bankruptcy trustee may resign if—

(a) he intends to cease practising as an insolvency professional; or

(b) there is conflict of interest or change of personal circumstances which preclude the further discharge of his duties as a bankruptcy trustee.

Resignation
by
bankruptcy
trustee.

(2) The Adjudicating Authority shall, within seven days of the acceptance of the resignation of the bankruptcy trustee, direct the Board for his replacement.

(3) The Board shall, within ten days of the direction of the Adjudicating Authority under sub-section (2) recommend another bankruptcy trustee as a replacement.

(4) The Adjudicating Authority shall appoint the bankruptcy trustee recommended by the Board under sub-section (3) within fourteen days of receiving the recommendation.

(5) The replaced bankruptcy trustee shall deliver possession of the estate of the bankrupt to the bankruptcy trustee appointed under sub-section (4), on the date of his appointment.

(6) The Adjudicating Authority may give directions to the bankruptcy trustee who has resigned—

(a) to share all information with the new bankruptcy trustee in respect of the bankruptcy process; and

(b) to co-operate with the new bankruptcy trustee in such matters as may be required.

(7) The bankruptcy trustee appointed under this section shall give a notice of his appointment to the committee of creditors and the bankrupt within seven days of his appointment.

(8) The bankruptcy trustee replaced under this section shall be released in accordance with the provisions of section 148.

Vacancy in
office of
bankruptcy
trustee.

147. (1) If a vacancy occurs in the office of the bankruptcy trustee for any reason other than his replacement or resignation, the vacancy shall be filled in accordance with the provisions of this section.

(2) In the event of the occurrence of vacancy referred to in sub-section (1), the Adjudicating Authority shall direct the Board for replacement of a bankruptcy trustee.

(3) The Board shall, within ten days of the direction of the Adjudicating Authority under sub-section (2), recommend a bankruptcy trustee as a replacement.

(4) The Adjudicating Authority shall appoint the bankruptcy trustee recommended by the Board under sub-section (3) within fourteen days of receiving the recommendation.

(5) The earlier bankruptcy trustee shall deliver possession of the estate of the bankrupt to the bankruptcy trustee appointed under sub-section (4), on the date of his appointment.

(6) The Adjudicating Authority may give directions to the bankruptcy trustee who has vacated the office—

(a) to share all information with the new bankruptcy trustee in respect of the bankruptcy;

(b) to co-operate with the new bankruptcy trustee in such matters as may be required.

(7) The bankruptcy trustee appointed under sub-section (4) shall give a notice of his appointment to the committee of creditors and the bankrupt within seven days of his appointment.

(8) The earlier bankruptcy trustee replaced under this section shall be released in accordance with the provisions of section 148:

Provided that this section shall not apply if the vacancy has occurred due to temporary illness or temporary leave of the bankruptcy trustee.

Release of
bankruptcy
trustee.

148. (1) A bankruptcy trustee shall be released from his office with effect from the date on which the Adjudicating Authority passes an order appointing a new bankruptcy trustee in the event of replacement, resignation or occurrence of vacancy under sections 145, 146 or section 147, as the case may be.

(2) Notwithstanding the release under sub-section (1), the bankruptcy trustee who has been so released, shall share all information with the new bankruptcy trustee in respect of the bankruptcy process and co-operate with the new bankruptcy trustee in such matters as may be required.

(3) A bankruptcy trustee who has completed the administration of the bankruptcy process shall be released of his duties with effect from the date on which the committee of creditors approves the report of the bankruptcy trustee under section 137.

CHAPTER V

ADMINISTRATION AND DISTRIBUTION OF THE ESTATE OF THE BANKRUPT

149. The bankruptcy trustee shall perform the following functions in accordance with the provisions of this Chapter—

Functions of
bankruptcy
trustee.

- (a) investigate the affairs of the bankrupt;
- (b) realise the estate of the bankrupt; and
- (c) distribute the estate of the bankrupt.

150. (1) The bankrupt shall assist the bankruptcy trustee in carrying out his functions under this Chapter by—

Duties of
bankrupt
towards
bankruptcy
trustee.

- (a) giving to the bankruptcy trustee the information of his affairs;
- (b) attending on the bankruptcy trustee at such times as may be required;
- (c) giving notice to the bankruptcy trustee of any of the following events which have occurred after the bankruptcy commencement date,—
 - (i) acquisition of any property by the bankrupt;
 - (ii) devolution of any property upon the bankrupt;
 - (iii) increase in the income of the bankrupt;
- (d) doing all other things as may be prescribed.

(2) The bankrupt shall give notice of the increase in income or acquisition or devolution of property under clause (c) of sub-section (1) within seven days of such increase, acquisition or devolution.

(3) The bankrupt shall continue to discharge the duties under sub-section (1) other than the duties under clause (c) even after the discharge under section 138.

151. For the purpose of performing his functions under this Chapter, the bankruptcy trustee may, by his official name—

Rights of
bankruptcy
trustee.

- (a) hold property of every description;
- (b) make contracts;
- (c) sue and be sued;
- (d) enter into engagements in respect of the estate of the bankrupt;
- (e) employ persons to assist him;
- (f) execute any power of attorney, deed or other instrument; and
- (g) do any other act which is necessary or expedient for the purposes of or in connection with the exercise of his rights.

152. The bankruptcy trustee may while discharging his functions under this Chapter,—

General powers
of bankruptcy
trustee.

- (a) sell any part of the estate of the bankrupt;
- (b) give receipts for any money received by him;
- (c) prove, rank, claim and draw a dividend in respect of such debts due to the bankrupt as are comprised in his estate;
- (d) where any property comprised in the estate of the bankrupt is held by any person by way of pledge or hypothecation, exercise the right of redemption in respect of any such property subject to the relevant contract by giving notice to the said person;

(e) where any part of the estate of the bankrupt consists of securities in a company or any other property which is transferable in the books of a person, exercise the right to transfer the property to the same extent as the bankrupt might have exercised it if he had not become bankrupt; and

(f) deal with any property comprised in the estate of the bankrupt to which the bankrupt is beneficially entitled in the same manner as he might have dealt with it.

Approval of
creditors for
certain acts.

153. The bankruptcy trustee for the purposes of this Chapter may after procuring the approval of the committee of creditors,—

(a) carry on any business of the bankrupt as far as may be necessary for winding it up beneficially;

(b) bring, institute or defend any legal action or proceedings relating to the property comprised in the estate of the bankrupt;

(c) accept as consideration for the sale of any property a sum of money due at a future time subject to certain stipulations such as security;

(d) mortgage or pledge any property for the purpose of raising money for the payment of the debts of the bankrupt;

(e) where any right, option or other power forms part of the estate of the bankrupt, make payments or incur liabilities with a view to obtaining, for the benefit of the creditors, any property which is the subject of such right, option or power;

(f) refer to arbitration or compromise on such terms as may be agreed, any debts subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt;

(g) make compromise or other arrangement as may be considered expedient, with the creditors;

(h) make compromise or other arrangement as he may deem expedient with respect to any claim arising out of or incidental to the bankrupt's estate;

(i) appoint the bankrupt to—

(A) supervise the management of the estate of the bankrupt or any part of it;

(B) carry on his business for the benefit of his creditors;

(C) assist the bankruptcy trustee in administering the estate of the bankrupt.

Vesting of
estate of
bankrupt in
bankruptcy
trustee.

154. (1) The estate of the bankrupt shall vest in the bankruptcy trustee immediately from the date of his appointment.

(2) The vesting under sub-section (1) shall take effect without any conveyance, assignment or transfer.

Estate of
bankrupt.

155. (1) The estate of the bankrupt shall include,—

(a) all property belonging to or vested in the bankrupt at the bankruptcy commencement date;

(b) the capacity to exercise and to initiate proceedings for exercising all such powers in or over or in respect of property as might have been exercised by the bankrupt for his own benefit at the bankruptcy commencement date or before the date of the discharge order passed under section 138; and

(c) all property which by virtue of any of the provisions of this Chapter is comprised in the estate.

(2) The estate of the bankrupt shall not include—

(a) excluded assets;

(b) property held by the bankrupt on trust for any other person;

(c) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund; and

(d) such assets as may be notified by the Central Government in consultation with any financial sector regulator.

156. The bankrupt, his banker or agent or any other person having possession of any property, books, papers or other records which bankruptcy trustee is required to take possession for the purposes of the bankruptcy process shall deliver the said property and documents to the bankruptcy trustee.

Delivery of property and documents to bankruptcy trustee.

157. (1) The bankruptcy trustee shall take possession and control of all property, books, papers and other records relating to the estate of the bankrupt or affairs of the bankrupt which belong to him or are in his possession or under his control.

Acquisition of control by bankruptcy trustee.

(2) Where any part of the estate of the bankrupt consists of things in actionable claims, they shall be deemed to have been assigned to the bankruptcy trustee without any notice of the assignment.

158. (1) Any disposition of property made by the debtor, during the period between the date of filing of the application for bankruptcy and the bankruptcy commencement date shall be void.

Restrictions on disposition of property.

(2) Any disposition of property made under sub-section (1) shall not give rise to any right against any person, in respect of such property, even if he has received such property before the bankruptcy commencement date in—

(a) good faith;

(b) for value; and

(c) without notice of the filing of the application for bankruptcy,

(3) For the purposes of this section, the term "property" means all the property of the debtor, whether or not it is comprised in the estate of the bankrupt, but shall not include property held by the debtor in trust for any other person.

159. (1) The bankruptcy trustee shall be entitled to claim for the estate of the bankrupt, any after-acquired property by giving a notice to the bankrupt.

After-acquired property of bankrupt.

(2) A notice under sub-section (1) shall not be served in respect of—

(a) excluded assets; or

(b) any property which is acquired by or devolves upon the bankrupt after a discharge order is passed under section 138.

(3) The notice under sub-section (2) shall be given within fifteen days from the day on which the acquisition or devolution of the after-acquired property comes to the knowledge of the bankruptcy trustee.

(4) For the purposes of sub-section (3)—

(a) anything which comes to the knowledge of the bankruptcy trustee shall be deemed to have come to the knowledge of the successor of the bankruptcy trustee at the same time; and

(b) anything which comes to the knowledge of a person before he is appointed as a bankruptcy trustee shall be deemed to have come to his knowledge on the date of his appointment as bankruptcy trustee.

(5) The bankruptcy trustee shall not be entitled, by virtue of this section, to claim from any person who has acquired any right over after-acquired property, in good faith, for value and without notice of the bankruptcy.

(6) A notice may be served after the expiry of the period under sub-section (3) only with the approval of the Adjudicating Authority.

Explanation.—For the purposes of this section, the term "after-acquired property" means any property which has been acquired by or has devolved upon the bankrupt after the bankruptcy commencement date.

Onerous
property of
bankrupt.

160. (1) The bankruptcy trustee may, by giving notice to the bankrupt or any person interested in the onerous property, disclaim any onerous property which forms a part of the estate of the bankrupt.

(2) The bankruptcy trustee may give the notice under sub-section (1) notwithstanding that he has taken possession of the onerous property, endeavoured to sell it or has exercised rights of ownership in relation to it.

(3) A notice of disclaimer under sub-section (1) shall—

(a) determine, as from the date of such notice, the rights, interests and liabilities of the bankrupt in respect of the onerous property disclaimed;

(b) discharge the bankruptcy trustee from all personal liability in respect of the onerous property as from the date of appointment of the bankruptcy trustee.

(4) A notice of disclaimer under sub-section (1) shall not be given in respect of the property which has been claimed for the estate of the bankrupt under section 155 without the permission of the committee of creditors.

(5) A notice of disclaimer under sub-section (1) shall not affect the rights or liabilities of any other person, and any person who sustains a loss or damage in consequence of the operation of a disclaimer under this section shall be deemed to be a creditor of the bankrupt to the extent of the loss or damage.

Explanation.—For the purposes of this section, the term "onerous property" means—

(i) any unprofitable contract; and

(ii) any other property comprised in the estate of the bankrupt which is unsaleable or not readily saleable, or is such that it may give rise to a claim.

Notice to
disclaim
onerous
property.

161. (1) No notice of disclaimer under section 160 shall be necessary if—

(a) a person interested in the onerous property has applied in writing to the bankruptcy trustee or his predecessor requiring him to decide whether the onerous property should be disclaimed or not; and

(b) a decision under clause (a) has not been taken by the bankruptcy trustee within seven days of receipt of the notice.

(2) Any onerous property which cannot be disclaimed under sub-section (1) shall be deemed to be part of the estate of the bankrupt.

Explanation.—For the purposes of this section, an onerous property is said to be disclaimed where notice in relation to that property has been given by the bankruptcy trustee under section 160.

Disclaimer of
leaseholds.

162. (1) The bankruptcy trustee shall not be entitled to disclaim any leasehold interest, unless a notice of disclaimer has been served on every interested person and—

(a) no application objecting to the disclaimer by the interested person, has been filed with respect to the leasehold interest, within fourteen days of the date on which notice was served; and

(b) where the application objecting to the disclaimer has been filed by the interested person, the Adjudicating Authority has directed under section 163 that the disclaimer shall take effect.

(2) Where the Adjudicating Authority gives a direction under clause (b) of sub-section (1), it may also make order with respect to fixtures, improvements by tenant and other matters arising out of the lease as it may think fit.

163. (1) An application challenging the disclaimer may be made by the following persons under this section to the Adjudicating Authority—

Challenge
against
disclaimed
property.

(a) any person who claims an interest in the disclaimed property; or

(b) any person who is under any liability in respect of the disclaimed property; or

(c) where the disclaimed property is a dwelling house, any person who on the date of application for bankruptcy was in occupation of or entitled to occupy that dwelling house.

(2) The Adjudicating Authority may on an application under sub-section (1) make an order for the vesting of the disclaimed property in, or for its delivery to any of the persons mentioned in sub-section (1).

(3) The Adjudicating Authority shall not make an order in favour of a person who has made an application under clause (b) of sub-section (1) except where it appears to the Adjudicating Authority that it would be just to do so for the purpose of compensating the person.

(4) The effect of an order under this section shall be taken into account while assessing loss or damage sustained by any person in consequence of the disclaimer under sub-section (5) of section 160.

(5) An order under sub-section (2) vesting property in any person need not be completed by any consequence, assignment or transfer.

164. (1) The bankruptcy trustee may apply to the Adjudicating Authority for an order under this section in respect of an undervalued transaction between a bankrupt and any person.

Undervalued
transactions.

(2) The undervalued transaction referred to in sub-section (1) should have—

(a) been entered into during the period of two years ending on the filing of the application for bankruptcy; and

(b) caused bankruptcy process to be triggered.

(3) A transaction between a bankrupt and his associate entered into during the period of two years preceding the date of making of the application for bankruptcy shall be deemed to be an undervalued transaction under this section.

(4) On the application of the bankruptcy trustee under sub-section (1), the Adjudicating Authority may—

(a) pass an order declaring an undervalued transaction void;

(b) pass an order requiring any property transferred as a part of an undervalued transaction to be vested with the bankruptcy trustee as a part of the estate of the bankrupt; and

(c) pass any other order it thinks fit for restoring the position to what it would have been if the bankrupt had not entered into the undervalued transaction.

(5) The order under clause (a) of sub-section (4) shall not be passed if it is proved by the bankrupt that the transaction was undertaken in the ordinary course of business of the bankrupt:

Provided that the provisions of this sub-section shall not be applicable to undervalued transaction entered into between a bankrupt and his associate under sub-section (3) of this section.

(6) For the purposes of this section, a bankrupt enters into an undervalued transaction with any person if—

(a) he makes a gift to that person;

(b) no consideration has been received by that person from the bankrupt;

(c) it is in consideration of marriage; or

(d) it is for a consideration, the value of which in money or money's worth is significantly less than the value in money or money's worth of the consideration provided by the bankrupt.

Preference transactions.

165. (1) The bankruptcy trustee may apply to the Adjudicating Authority for an order under this section if a bankrupt has given a preference to any person.

(2) The transaction giving preference to an associate of the bankrupt under sub-section (1) should have been entered into by the bankrupt with the associate during the period of two years ending on the date of the application for bankruptcy.

(3) Any transaction giving preference not covered under sub-section (2) should have been entered into by the bankrupt during the period of six months ending on the date of the application for bankruptcy.

(4) The transaction giving preference under sub-section (2) or under sub-section (3) should have caused the bankruptcy process to be triggered.

(5) On the application of the bankruptcy trustee under sub-section (1), the Adjudicating Authority may—

(a) pass an order declaring a transaction giving preference void;

(b) pass an order requiring any property transferred in respect of a transaction giving preference to be vested with the bankruptcy trustee as a part of the estate of the bankrupt; and

(c) pass any other order it thinks fit for restoring the position to what it would have been if the bankrupt had not entered into the transaction giving preference.

(6) The Adjudicating Authority shall not pass an order under sub-section (5) unless the bankrupt was influenced in his decision of giving preference to a person by a desire to produce in relation to that person an effect under clause (b) of sub-section (8).

(7) For the purpose of sub-section (6), if the person is an associate of the bankrupt, (otherwise than by reason only of being his employee), at the time when the preference was given, it shall be presumed that the bankrupt was influenced in his decision under that sub-section.

(8) For the purposes of this section, a bankrupt shall be deemed to have entered into a transaction giving preference to any person if—

(a) the person is the creditor or surety or guarantor for any debt of the bankrupt; and

(b) the bankrupt does anything or suffers anything to be done which has the effect of putting that person into a position which, in the event of the debtor becoming a bankrupt, will be better than the position he would have been in, if that thing had not been done.

166. (1) Subject to the provision of sub-section (2), an order passed by the Adjudicating Authority under section 164 or section 165 shall not,—

Effect of order.

(a) give rise to a right against a person interested in the property which was acquired in an undervalued transaction or a transaction giving preference, whether or not he is the person with whom the bankrupt entered into such transaction; and

(b) require any person to pay a sum to the bankruptcy trustee in respect of the benefit received from the undervalued transaction or a transaction giving preference, whether or not he is the person with whom the bankrupt entered into such transaction.

(2) The provision of sub-section (1) shall apply only if the interest was acquired or the benefit was received—

(a) in good faith;

(b) for value;

(c) without notice that the bankrupt entered into the transaction at an undervalue or for giving preference;

(d) without notice that the bankrupt has filed an application for bankruptcy or a bankruptcy order has been passed; and

(e) by any person who at the time of acquiring the interest or receiving the benefit was not an associate of the bankrupt.

(3) Any sum required to be paid to the bankruptcy trustee under sub-section (1) shall be included in the estate of the bankrupt.

167. (1) Subject to sub-section (6), on an application by the bankruptcy trustee, the Adjudicating Authority may make an order under this section in respect of extortionate credit transactions to which the bankrupt is or has been a party.

Extortionate credit transactions.

(2) The transactions under sub-section (1) should have been entered into by the bankrupt during the period of two years ending on the bankruptcy commencement date.

(3) An order of the Adjudicating Authority may—

(a) set aside the whole or part of any debt created by the transaction;

(b) vary the terms of the transaction or vary the terms on which any security for the purposes of the transaction is held;

(c) require any person who has been paid by the bankrupt under any transaction, to pay a sum to the bankruptcy trustee;

(d) require any person to surrender to the bankruptcy trustee any property of the bankrupt held as security for the purposes of the transaction.

(4) Any sum paid or any property surrendered to the bankruptcy trustee shall be included in the estate of the bankrupt.

(5) For the purposes of this section, an extortionate credit transaction is a transaction for or involving the provision of credit to the bankrupt by any person—

(a) on terms requiring the bankrupt to make exorbitant payments in respect of the credit provided; or

(b) which is unconscionable under the principles of law relating to contracts.

(6) Any debt extended by a person regulated for the provision of financial services in compliance with the law in force in relation to such debt, shall not be considered as an extortionate credit transaction under this section.

Obligations
under
contracts.

168. (1) This section shall apply where a contract has been entered into by the bankrupt with a person before the bankruptcy commencement date.

(2) Any party to a contract, other than the bankrupt under sub-section (1), may apply to the Adjudicating Authority for—

(a) an order discharging the obligations of the applicant or the bankrupt under the contract; and

(b) payment of damages by the party or the bankrupt, for non-performance of the contract or otherwise.

(3) Any damages payable by the bankrupt by virtue of an order under clause (b) of sub-section (2) shall be provable as bankruptcy debt.

(4) When a bankrupt is a party to the contract under this section jointly with another person, that person may sue or be sued in respect of the contract without joinder of the bankrupt.

Continuance
of proceedings
on death of
bankrupt.

169. If a bankrupt dies, the bankruptcy proceedings shall, continue as if he were alive.

Administration
of estate of
deceased
bankrupt.

170. (1) All the provisions of Chapter V relating to the administration and distribution of the estate of the bankrupt shall, so far as the same are applicable, apply to the administration of the estate of a deceased bankrupt.

(2) While administering the estate of a deceased bankrupt, the bankruptcy trustee shall have regard to the claims by the legal representatives of the deceased bankrupt to payment of the proper funeral and testamentary expenses incurred by them.

(3) The claims under sub-section (2) shall rank equally to the secured creditors in the priority provided under section 178.

(4) If, on the administration of the estate of a deceased bankrupt, any surplus remains in the hands of the bankruptcy trustee after payment in full of all the debts due from the deceased bankrupt, together with the costs of the administration and interest as provided under section 178, such surplus shall be paid to the legal representatives of the estate of the deceased bankrupt or dealt with in such manner as may be prescribed.

Proof of debt.

171. (1) The bankruptcy trustee shall give notice to each of the creditors to submit proof of debt within fourteen days of preparing the list of creditors under section 132.

(2) The proof of debt shall—

(a) require the creditor to give full particulars of debt, including the date on which the debt was contracted and the value at which that person assesses it;

(b) require the creditor to give full particulars of the security, including the date on which the security was given and the value at which that person assesses it;

(c) be in such form and manner as may be prescribed.

(3) In case the creditor is a decree holder against the bankrupt, a copy of the decree shall be a valid proof of debt.

(4) Where a debt bears interest, that interest shall be provable as part of the debt except in so far as it is owed in respect of any period after the bankruptcy commencement date.

(5) The bankruptcy trustee shall estimate the value of any bankruptcy debt which does not have a specific value.

(6) The value assigned by the bankruptcy trustee under sub-section (5) shall be the amount provable by the concerned creditor.

(7) A creditor may prove for a debt where payment would have become due at a date later than the bankruptcy commencement date as if it were owed presently and may receive dividends in a manner as may be prescribed.

(8) Where the bankruptcy trustee serves a notice under sub-section (1) and the person on whom the notice is served does not file a proof of security within thirty days after the date of service of the notice, the bankruptcy trustee may, with leave of the Adjudicating Authority, sell or dispose of any property that was subject to the security, free of that security.

172. (1) Where a secured creditor realises his security, he may produce proof of the balance due to him.

Proof of debt by secured creditors.

(2) Where a secured creditor surrenders his security to the bankruptcy trustee for the general benefit of the creditors, he may produce proof of his whole claim.

173. (1) Where before the bankruptcy commencement date, there have been mutual dealings between the bankrupt and any creditor, the bankruptcy trustee shall—

Mutual credit and set-off.

(a) take an account of what is due from each party to the other in respect of the mutual dealings and the sums due from one party shall be set-off against the sums due from the other; and

(b) only the balance shall be provable as a bankruptcy debt or as the amount payable to the bankruptcy trustee as part of the estate of the bankrupt.

(2) Sums due from the bankrupt to another party shall not be included in the account taken by the bankruptcy trustee under sub-section (1), if that other party had notice at the time they became due that an application for bankruptcy relating to the bankrupt was pending.

174. (1) Whenever the bankruptcy trustee has sufficient funds in his hand, he may declare and distribute interim dividend among the creditors in respect of the bankruptcy debts which they have respectively proved.

Distribution of interim dividend.

(2) Where the bankruptcy trustee has declared any interim dividend, he shall give notice of such dividend and the manner in which it is proposed to be distributed.

(3) In the calculation and distribution of the interim dividend, the bankruptcy trustee shall make provision for—

(a) any bankruptcy debts which appear to him to be due to persons who, by reason of the distance of their place of residence, may not have had sufficient time to tender and establish their debts; and

(b) any bankruptcy debts which are subject of claims which have not yet been determined;

(c) disputed proofs and claims; and

(d) expenses necessary for the administration of the estate of the bankrupt.

175. (1) The bankruptcy trustee may, with the approval of the committee of creditors, divide in its existing form amongst the creditors, according to its estimated value, any property in its existing form which from its peculiar nature or other special circumstances cannot be readily or advantageously sold.

Distribution of property.

(2) An approval under sub-section (1) shall be sought by the bankruptcy trustee for each transaction, and a person dealing with the bankruptcy trustee in good faith and for value shall not be required to enquire whether any approval required under sub-section (1) has been given.

(3) Where the bankruptcy trustee has done anything without the approval of the committee of creditors, the committee may, for the purpose of enabling him to meet his expenses out of the estate of the bankrupt, ratify the act of the bankruptcy trustee.

(4) The committee of the creditors shall not ratify the act of the bankruptcy trustee under sub-section (3) unless it is satisfied that the bankruptcy trustee acted in a case of urgency and has sought its ratification without undue delay.

Final dividend.

176. (1) Where the bankruptcy trustee has realised the entire estate of the bankrupt or so much of it as could be realised in the opinion of the bankruptcy trustee, he shall give notice—

(a) of his intention to declare a final dividend; or

(b) that no dividend or further dividend shall be declared.

(2) The notice under sub-section (1) shall contain such particulars as may be prescribed and shall require all claims against the estate of the bankrupt to be established by a final date specified in the notice.

(3) The Adjudicating Authority may, on the application of any person interested in the administration of the estate of the bankrupt, postpone the final date referred to in sub-section (2).

(4) After the final date referred to in sub-section (2), the bankruptcy trustee shall—

(a) defray any outstanding expenses of the bankruptcy out of the estate of the bankrupt; and

(b) if he intends to declare a final dividend, declare and distribute that dividend among the creditors who have proved their debts, without regard to the claims of any other persons.

(5) If a surplus remains after payment in full with interest to all the creditors of the bankrupt and the payment of the expenses of the bankruptcy, the bankrupt shall be entitled to the surplus.

(6) Where a bankruptcy order has been passed in respect of one partner in a firm, a creditor to whom the bankrupt is indebted jointly with the other partners in the firm or any of them shall not receive any dividend out of the separate property of the bankrupt until all the separate creditors have received the full amount of their respective debts.

Claims of creditors.

177. (1) A creditor who has not proved his debt before the declaration of any dividend is not entitled to disturb, by reason that he has not participated in it, the distribution of that dividend or any other dividend declared before his debt was proved; but—

(a) when he has proved the debt, he shall be entitled to be paid any dividend or dividends which he has failed to receive, out of any money for the time being available for the payment of any further dividend; and

(b) any dividend or dividends payable to him shall be paid before that money is applied to the payment of any such further dividend.

(2) No action shall lie against the bankruptcy trustee for a dividend, but if the bankruptcy trustee refuses to pay a dividend payable under sub-section (1), the Adjudicating Authority may order him to—

(a) pay the dividend; and

(b) pay, out of his own money—

(i) interest on the dividend; and

(ii) the costs of the proceedings in which the order to pay has been made.

178. (1) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or the State Legislature for the time being in force, in the distribution of the final dividend, the following debts shall be paid in priority to all other debts—

Priority of
payment of
debts.

(a) firstly, the costs and expenses incurred by the bankruptcy trustee for the bankruptcy process in full;

(b) secondly,—

(i) the workmen's dues for the period of twenty-four months preceding the bankruptcy commencement date; and

(ii) debts owed to secured creditors;

(c) thirdly, wages and any unpaid dues owed to employees, other than workmen, of the bankrupt for the period of twelve months preceding the bankruptcy commencement date;

(d) fourthly, any amount due to the Central Government and the State Government including the amount to be received on account of Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the bankruptcy commencement date;

(e) lastly, all other debts and dues owed by the bankrupt including unsecured debts.

(2) The debts in each class specified in sub-section (1) shall rank in the order mentioned in that sub-section but debts of the same class shall rank equally amongst themselves, and shall be paid in full, unless the estate of the bankrupt is insufficient to meet them, in which case they shall abate in equal proportions between themselves.

(3) Where any creditor has given any indemnity or has made any payment of moneys by virtue of which any asset of the bankrupt has been recovered, protected or preserved, the Adjudicating Authority may make such order as it thinks just with respect to the distribution of such asset with a view to giving that creditor an advantage over other creditors in consideration of the risks taken by him in so doing.

(4) Unsecured creditors shall rank equally amongst themselves unless contractually agreed to the contrary by such creditors.

(5) Any surplus remaining after the payment of the debts under sub-section (1) shall be applied in paying interest on those debts in respect of the periods during which they have been outstanding since the bankruptcy commencement date.

(6) Interest payments under sub-section (5) shall rank equally irrespective of the nature of the debt.

(7) In the case of partners, the partnership property shall be applicable in the first instance in payment of the partnership debts and the separate property of each partner shall be applicable in the first instance in payment of his separate debts.

(8) Where there is a surplus of the separate property of the partners, it shall be dealt with as part of the partnership property; and where there is a surplus of the partnership property, it shall be dealt with as part of the respective separate property in proportion to the rights and interests of each partner in the partnership property.

CHAPTER VI

ADJUDICATING AUTHORITY FOR INDIVIDUALS AND PARTNERSHIP FIRMS

Adjudicating
Authority for
individuals
and
partnership
firms.

179. (1) Subject to the provisions of section 60, the Adjudicating Authority, in relation to insolvency matters of individuals and firms shall be the Debt Recovery Tribunal having territorial jurisdiction over the place where the individual debtor actually and voluntarily resides or carries on business or personally works for gain and can entertain an application under this Code regarding such person.

(2) The Debt Recovery Tribunal shall, notwithstanding anything contained in any other law for the time being in force, have jurisdiction to entertain or dispose of—

(a) any suit or proceeding by or against the individual debtor;

(b) any claim made by or against the individual debtor;

(c) any question of priorities or any other question whether of law or facts, arising out of or in relation to insolvency and bankruptcy of the individual debtor or firm under this Code.

(3) Notwithstanding anything contained in the Limitation Act, 1963 or in any other law for the time being in force, in computing the period of limitation specified for any suit or application in the name and on behalf of a debtor for which an order of moratorium has been made under this Part, the period during which such moratorium is in place shall be excluded. 14 of 1963.

Civil court not
to have
jurisdiction.

180. (1) No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal has jurisdiction under this Code.

(2) No injunction shall be granted by any court, tribunal or authority in respect of any action taken, or to be taken, in pursuance of any power conferred on the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal by or under this Code.

Appeal to Debt
Recovery
Appellate
Tribunal.

181. (1) An appeal from an order of the Debt Recovery Tribunal under this Code shall be filed within thirty days before the Debt Recovery Appellate Tribunal.

(2) The Debt Recovery Appellate Tribunal may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within thirty days, allow the appeal to be filed within a further period not exceeding fifteen days.

Appeal to
Supreme
Court.

182. (1) An appeal from an order of the Debt Recovery Appellate Tribunal on a question of law under this Code shall be filed within forty-five days before the Supreme Court.

(2) The Supreme Court may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within forty-five days, allow the appeal to be filed within a further period not exceeding fifteen days.

Expeditious
disposal of
applications.

183. Where an application is not disposed of or order is not passed within the period specified in this Code, the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal, as the case may be, shall record the reasons for not doing so within the period so specified; and the Chairperson of the Debt Recovery Appellate Tribunal, after taking into account the reasons so recorded, extend the period specified in this Code, but not exceeding ten days.

CHAPTER VII
OFFENCES AND PENALTIES

184. (1) If a debtor or creditor provides information which is false in any material particulars to the resolution professional, he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to five lakh rupees, or with both.

Punishment for false information, etc., by creditor in insolvency resolution process.

(2) If a creditor promises to vote in favour of the repayment plan dishonestly by accepting any money, property or security from the debtor, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to three times the amount or its equivalent of such money, property or security accepted by such creditor, as the case may be, or with both:

Provided that where such amount is not quantifiable, the total amount of fine shall not exceed five lakh rupees.

185. If an insolvency professional deliberately contravenes the provisions of this Part, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which shall not be less than one lakh rupees, but may extend to five lakhs rupees, or with both.

Punishment for contravention of provisions.

186. If the bankrupt—

Punishment for false information, concealment, etc., by bankrupt.

(a) knowingly makes a false representation or wilfully omits or conceals any material information while making an application for bankruptcy under section 122 or while providing any information during the bankruptcy process, he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five lakh rupees, or with both;

Explanation.—For the purposes of clause (a), a false representation or omission includes non-disclosure of the details of disposal of any property, which but for the disposal, would be comprised in the estate of the bankrupt, other than dispositions made in the ordinary course of business carried on by the bankrupt;

(b) fraudulently has failed to provide or deliberately withheld the production of, destroyed, falsified or altered, his books of account, financial information and other records under his custody or control, he shall be punishable with imprisonment which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

(c) has contravened the restrictions under section 140 or the provisions of section 141, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

(d) has failed to deliver the possession of any property comprised in the estate of the bankrupt under his possession or control, which he is required to deliver under section 156, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

(e) has failed to account, without any reasonable cause or satisfactory explanation, for any loss incurred of any substantial part of his property comprised in the estate of the bankrupt from the date which is twelve months before the filing of the bankruptcy application, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, which may extend to three times of the value of the loss, or with both:

Provided that that where such loss is not quantifiable, the total amount of fine imposed shall not exceed five lakh rupees;

(f) has absconded or attempts to abscond after the bankruptcy commencement date, he shall be punishable with imprisonment for a term which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

Explanation.—For the purposes of this clause, a bankrupt shall be deemed to have absconded if he leaves, or attempts to leave the country without delivering the possession of any property which he is required to deliver to the bankruptcy trustee under section 156.

Punishment
for certain
actions.

187. If a bankruptcy trustee,—

(a) has fraudulently misapplied, retained or accounted for any money or property comprised in the estate of the bankrupt; or

(b) has wilfully acted in a manner that the estate of the bankrupt has suffered any loss in consequence of breach of any duty of the bankruptcy trustee in carrying out his functions under section 149,

he shall be punishable with imprisonment for a term which may extend to three years, or with fine, which shall not be less than three times the amount of the loss caused, or likely to have been caused, to persons concerned on account of such contravention, or with both:

Provided that where such loss or unlawful gain is not quantifiable, the total amount of fine imposed shall not exceed five lakh rupees:

Provided further that the bankruptcy trustee shall not be liable under this section if he seizes or disposes of any property which is not comprised in the estate of the bankrupt and at that time had reasonable grounds to believe that he is entitled to seize or dispose that property.

PART IV

REGULATION OF INSOLVENCY PROFESSIONALS, AGENCIES AND INFORMATION UTILITIES

CHAPTER I

THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Establishment
and
incorporation
of Board.

188. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Code, a Board by the name of the Insolvency and Bankruptcy Board of India.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Code, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

(3) The head office of the Board shall be at such place in the National Capital Region, as the Central Government may, by notification, specify.

Explanation.—For the purposes of this section, the expression "National Capital Region" shall have the same meaning as assigned to it in clause (f) of section 2 of the National Capital Region Planning Board Act, 1985.

2 of 1985.

(4) The Board may establish offices at other places in India.

Constitution
of Board.

189. (1) The Board shall consist of the following members who shall be appointed by the Central Government, namely:—

(a) a Chairperson;

(b) three members from amongst the officers of the Central Government not below the rank of Joint Secretary or equivalent, one each to represent the Ministry of Finance, the Ministry of Corporate Affairs and Ministry of Law, *ex officio*;

(c) one member to be nominated by the Reserve Bank of India, *ex officio*;

(d) five other members to be nominated by the Central Government, of whom at least three shall be the whole-time members.

(2) The Chairperson and the other members shall be persons of ability, integrity and standing, who have shown capacity in dealing with problems relating to insolvency or bankruptcy and have special knowledge and experience in the field of law, finance, economics, accountancy or administration.

(3) The appointment of the Chairperson and the members of the Board other than the appointment of an *ex officio* member under this section shall be made after obtaining the recommendation of a selection committee consisting of—

(a) Cabinet Secretary—Chairperson;

(b) Secretary to the Government of India to be nominated by the Central Government—Member;

(c) Chairperson of the Insolvency and Bankruptcy Board of India (in case of selection of members of the Board)—Member;

(d) three experts of repute from the field of finance, law, management, insolvency and related subjects, to be nominated by the Central Government—Members.

(4) The term of office of the Chairperson and members (other than *ex officio* members) shall be five years or till they attain the age of sixty-five years, whichever is earlier, and they shall be eligible for reappointment.

(5) The salaries and allowances payable to, and other terms and conditions of service of, the Chairperson and members (other than the *ex officio* members) shall be such as may be prescribed.

190. The Central Government may remove a member from office if he—

(a) is an undischarged bankrupt as defined under Part III;

(b) has become physically or mentally incapable of acting as a member;

(c) has been convicted of an offence, which in the opinion of the Central Government involves moral turpitude;

(d) has, so abused his position as to render his continuation in office detrimental to the public interest.

Provided that no member shall be removed under clause (d) unless he has been given a reasonable opportunity of being heard in the matter.

191. Save as otherwise determined by regulations, the Chairperson shall have powers of general superintendence and direction of the affairs of the Board and may also exercise such other powers as may be delegated to him by the Board.

192. (1) The Board shall meet at such times and places, and observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meetings) as may be determined by regulations.

(2) The Chairperson, or if, for any reason, the Chairperson is unable to attend any meeting of the Board, any other member chosen by the members present at the meeting shall preside at the meeting.

(3) All questions which come up before any meeting of the Board shall be decided by a majority votes of the members present and voting, and, in the event of an equality of votes, the Chairperson, or in his absence, the person presiding, shall have a second or casting vote.

Removal of member from office.

Powers of Chairperson.

Meetings of Board.

Member not to participate in meetings in certain cases.

193. Any member, who is a director of a company and who as such director has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Board, and the member shall not take any part in any deliberation or decision of the Board with respect to that matter.

Vacancies, etc., not to invalidate proceedings of Board, Officers and employees of Board.

194. (1) No act or proceeding of the Board shall be invalid merely by reason of—

- (a) any vacancy in, or any defect in the constitution of, the Board; or
- (b) any defect in the appointment of a person acting as a member of the Board; or
- (c) any irregularity in the procedure of the Board not affecting the merits of the case.

(2) The Board may appoint such other officers and employees as it considers necessary for the efficient discharge of its functions in such manner as may be specified.

(3) The salaries and allowances payable to, and other terms and conditions of service of, officers and employees of the Board appointed under sub-section (2) shall be such as may be specified by regulations.

Power to designate financial sector regulator.

195. Until the Board is established, the Central Government may by notification, designate any financial sector regulator to exercise the powers and functions of the Board under this Code.

CHAPTER II

POWERS AND FUNCTIONS OF THE BOARD

Powers and functions of Board.

196. (1) The Board shall, subject to the general direction of the Central Government, perform all or any of the following functions, namely:—

- (a) register insolvency professional agencies, insolvency professionals and information utilities and renew, withdraw, suspend or cancel such registrations;
- (b) specify the minimum eligibility requirements for registration of insolvency professional agencies, insolvency professionals and information utilities;
- (c) levy fee or other charges for the registration of insolvency professional agencies, insolvency professionals and information utilities;
- (d) specify by regulations standards for the functioning of insolvency professional agencies, insolvency professionals and information utilities;
- (e) lay down by regulations the minimum curriculum for the examination of the insolvency professionals for their enrolment as members of the insolvency professional agencies;
- (f) carry out inspections and investigations on insolvency professional agencies, insolvency professionals and information utilities and pass such orders as may be required for compliance of the provisions of this Code and the regulations issued hereunder;
- (g) monitor the performance of insolvency professional agencies, insolvency professionals and information utilities and pass any directions as may be required for compliance of the provisions of this Code and the regulations issued hereunder;
- (h) call for any information and records from the insolvency professional agencies, insolvency professionals and information utilities;

(i) publish such information, data, research studies and other information as may be specified by regulations;

(j) specify by regulations the manner of collecting and storing data by the information utilities and for providing access to such data;

(k) collect and maintain records relating to insolvency and bankruptcy cases and disseminate information relating to such cases;

(l) constitute such committees as may be required including in particular the committees laid down in section 197;

(m) promote transparency and best practices in its governance;

(n) maintain websites and such other universally accessible repositories of electronic information as may be necessary;

(o) enter into memorandum of understanding with any other statutory authorities;

(p) issue necessary guidelines to the insolvency professional agencies, insolvency professionals and information utilities;

(q) specify mechanism for redressal of grievances against insolvency professionals, insolvency professional agencies and information utilities and pass orders relating to complaints filed against the aforesaid for compliance of the provisions of this Code and the regulations issued hereunder;

(r) conduct periodic study, research and audit the functioning and performance of to the insolvency professional agencies, insolvency professionals and information utilities at such intervals as may be specified by the Board;

(s) specify mechanisms for issuing regulations, including the conduct of public consultation processes before notification of any regulations;

(t) make regulations and guidelines on matters relating to insolvency and bankruptcy as may be required under this Code, including mechanism for time bound disposal of the assets of the corporate debtor or debtor; and

(u) perform such other functions as may be prescribed.

(2) The Board may make model bye-laws to be adopted by insolvency professional agencies which may provide for—

(a) the minimum standards of professional competence of the members of insolvency professional agencies;

(b) the standards for professional and ethical conduct of the members of insolvency professional agencies;

(c) requirements for enrolment of persons as members of insolvency professional agencies which shall be non-discriminatory;

Explanation.—For the purposes of this clause, the term "non-discriminatory" means lack of discrimination on the grounds of religion, caste, gender or place of birth and such other grounds as may be specified;

(d) the manner of granting membership;

(e) setting up of a governing board for internal governance and management of insolvency professional agency in accordance with the regulations specified by the Board;

(f) the information required to be submitted by members including the form and the time for submitting such information;

(g) the specific classes of persons to whom services shall be provided at concessional rates or for no remuneration by members;

(h) the grounds on which penalties may be levied upon the members of insolvency professional agencies and the manner thereof;

(i) a fair and transparent mechanism for redressal of grievances against the members of insolvency professional agencies;

(j) the grounds under which the insolvency professionals may be expelled from the membership of insolvency professional agencies;

(k) the quantum of fee and the manner of collecting fee for inducting persons as its members;

(l) the procedure for enrolment of persons as members of insolvency professional agency;

(m) the manner of conducting examination for enrolment of insolvency professionals;

(n) the manner of monitoring and reviewing the working of insolvency professional who are members;

(o) the duties and other activities to be performed by members;

(p) the manner of conducting disciplinary proceedings against its members and imposing penalties;

(q) the manner of utilising the amount received as penalty imposed against any insolvency professional.

(3) Notwithstanding anything contained in any other law for the time being in force, while exercising the powers under this Code, the Board shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:— 5 of 1908.

(i) the discovery and production of books of account and other documents, at such place and such time as may be specified by the Board;

(ii) summoning and enforcing the attendance of persons and examining them on oath;

(iii) inspection of any books, registers and other documents of any person at any place;

(iv) issuing of commissions for the examination of witnesses or documents.

Constitution of advisory committee, executive committee or other committee.

197. The Board may, for the efficient discharge of its functions, may constitute advisory and executive committees or such other committees, as it may deem fit, consisting of a Chairperson and such other members as may be specified by regulations.

Condonation of delay.

198. Notwithstanding anything contained in this Code, where the Board does not perform any act within the period specified under this Code, the relevant Adjudicating Authority may, for reasons to be recorded in writing, condone the delay.

CHAPTER III

INSOLVENCY PROFESSIONAL AGENCIES

No person to function as insolvency professional agency without valid certificate of registration.

199. Save as otherwise provided in this Code, no person shall carry on its business as insolvency professional agencies under this Code and enrol insolvency professionals as its members except under and in accordance with a certificate of registration issued in this behalf by the Board.

200. The Board shall have regard to the following principles while registering the insolvency professional agencies under this Code, namely:—

Principles governing registration of insolvency professional agency.

(a) to promote the professional development of and regulation of insolvency professionals;

(b) to promote the services of competent insolvency professionals to cater to the needs of debtors, creditors and such other persons as may be specified;

(c) to promote good professional and ethical conduct amongst insolvency professionals;

(d) to protect the interests of debtors, creditors and such other persons as may be specified;

(e) to promote the growth of insolvency professional agencies for the effective resolution of insolvency and bankruptcy processes under this Code.

201. (1) Every application for registration shall be made to the Board in such form and manner; containing such particulars, and accompanied by such fee, as may be specified by regulations:

Registration of insolvency professional agency.

Provided that every application received by the Board shall be acknowledged within seven days of its receipt.

(2) On receipt of the application under sub-section (1), the Board may, on being satisfied that the application conforms with all requirements specified under sub-section (1), grant a certificate of registration to the applicant or else, reject, by order, such application:

Provided that no order rejecting the application shall be made without giving an opportunity of being heard to the applicant:

Provided further that every order so made shall be communicated to the applicant within a period of fifteen days.

(3) The Board may issue a certificate of registration to the applicant in such form and manner and subject to such terms and conditions as may be specified.

(4) The Board may renew the certificate of registration from time to time in such manner and on payment of such fee as may be specified.

(5) The Board may, by order, suspend or cancel the certificate of registration granted to an insolvency professional agency on any of the following grounds, namely:—

(a) that it has obtained registration by making a false statement or misrepresentation or by any other unlawful means;

(b) that it has failed to comply with the requirements of the regulations made by the Board or bye-laws made by the insolvency professional agency;

(c) that it has contravened any of the provisions of the Act or the rules or the regulations made thereunder;

(d) on any other ground as may be specified by regulations:

Provided that no order shall be made under this sub-section unless the insolvency professional agency concerned has been given a reasonable opportunity of being heard:

Provided further that no such order shall be passed by any member except whole-time members of the Board.

202. Any insolvency professional agency which is aggrieved by the order of the Board made under section 201 may prefer an appeal to the National Company Law Appellate Tribunal in such form, within such period, and in such manner, as may be specified by regulations.

Appeal to National Company Law Appellate Tribunal.

Governing Board of insolvency professional agency.

203. The Board may, for the purposes of ensuring that every insolvency professional agency takes into account the objectives sought to be achieved under this Code, make regulations to specify—

- (a) the setting up of a governing board of an insolvency professional agency;
- (b) the minimum number of independent members to be on the governing board of the insolvency professional agency; and
- (c) the number of the insolvency professionals being its members who shall be on the governing board of the insolvency professional agency.

Functions of insolvency professional agencies.

204. An insolvency professional agency shall perform the following functions, namely:—

- (a) grant membership to persons who fulfil all requirements set out in its bye-laws on payment of membership fee;
- (b) lay down standards of professional conduct for its members;
- (c) monitor the performance of its members;
- (d) safeguard the rights, privileges and interests of insolvency professionals who are its members;
- (e) suspend or cancel the membership of insolvency professionals who are its members on the grounds set out in its bye-laws;
- (f) redress the grievances of consumers against insolvency professionals who are its members; and
- (g) publish information about its functions, list of its members, performance of its members and such other information as may be specified by regulations.

Insolvency professional agencies to make bye-laws.

205. Subject to the provisions of this Code and any rules or regulations made thereunder and after obtaining the approval of the Board, every insolvency professional agency shall make bye-laws consistent with the model bye-laws specified by the Board under sub-section (2) of section 196.

CHAPTER IV

INSOLVENCY PROFESSIONALS

Enrolled and registered persons to act as insolvency professionals.

206. No person shall render his services as insolvency professional under this Code without being enrolled as a member of an insolvency professional agency and registered with the Board.

Registration of insolvency professionals.

207. (1) Every insolvency professional shall, after obtaining the membership of any insolvency professional agency, register himself with the Board within such time, in such manner and on payment of such fee, as may be specified by regulations.

(2) The Board may specify the categories of professionals or persons possessing such qualifications and experience in the field of finance, law, management, insolvency or such other field, as it deems fit.

Functions and obligations of insolvency professionals.

208. (1) Where any insolvency resolution, fresh start, liquidation or bankruptcy process has been initiated, it shall be the function of an insolvency professional to take such actions as may be necessary, in the following matters, namely:—

- (a) a fresh start order process under Chapter II of Part III;
- (b) individual insolvency resolution process under Chapter III of Part III;

- (c) corporate insolvency resolution process under Chapter II of Part II;
 - (d) individual bankruptcy process under Chapter IV of Part III; and
 - (e) liquidation of a corporate debtor firm under Chapter III of Part II.
- (2) Every insolvency professional shall abide by the following code of conduct:—
- (a) to take reasonable care and diligence while performing his duties;
 - (b) to comply with all requirements and terms and conditions specified in the bye-laws of the insolvency professional agency of which he is a member;
 - (c) to allow the insolvency professional agency to inspect his records;
 - (d) to submit a copy of the records of every proceeding before the Adjudicating Authority to the Board as well as to the insolvency professional agency of which he is a member; and
 - (e) to perform his functions in such manner and subject to such conditions as may be specified.

CHAPTER V

INFORMATION UTILITIES

209. Save as otherwise provided in this Code, no person shall carry on its business as information utility under this Code without a certificate of registration issued in that behalf by the Board.

No person to function as information utility without certificate of registration.

210. (1) Every application for registration shall be made to the Board in such form and manner, containing such particulars, and accompanied by such fee, as may be specified by regulations:

Registration of information utility.

Provided that every application received by the Board shall be acknowledged within seven days of its receipt.

(2) On receipt of the application under sub-section (1), the Board may, on being satisfied that the application conforms to all requirements specified under sub-section (1), grant a certificate of registration to the applicant or else, reject, by order, such application.

(3) The Board may issue a certificate of registration to the applicant in such form and manner and subject to such terms and conditions as may be specified.

(4) The Board may renew the certificate of registration from time to time in such manner and on payment of such fee as may be specified by regulations.

(5) The Board may, by order, suspend or cancel the certificate of registration granted to an information utility on any of the following grounds, namely:—

(a) that it has obtained registration by making a false statement or misrepresentation or any other unlawful means;

(b) that it has failed to comply with the requirements of the regulations made by the Board;

(c) that it has contravened any of the provisions of the Act or the rules or the regulations made thereunder;

(d) on any other ground as may be specified by regulations:

Provided that no order shall be made under this sub-section unless the information utility concerned has been given a reasonable opportunity of being heard:

Provided further that no such order shall be passed by any member except whole-time members of the Board.

Appeal to National Company Law Appellate Tribunal:

211. Any information utility which is aggrieved by the order of the Board made under section 210 may prefer an appeal to the National Company Law Appellate Tribunal in such form, within such period, and in such manner, as may be specified by regulations.

Governing Board of information utility.

212. The Board may, for ensuring that an information utility takes into account the objectives sought to be achieved under this Code, require every information utility to set up a governing board, with such number of independent members, as may be specified by regulations.

Core services, etc., of information utilities.

213. An information utility shall provide such services as may be specified including core services to any person if such person complies with the terms and conditions as may be specified by regulations.

Obligations of information utility.

214. For the purposes of providing core services to any person, every information utility shall—

(a) create and store financial information in a universally accessible format;

(b) accept electronic submissions of financial information from persons who are under obligations to submit financial information under sub-section (1) of section 215, in such form and manner as may be specified by regulations;

(c) accept, in specified form and manner, electronic submissions of financial information from persons who intend to submit such information;

(d) meet such minimum service quality standards as may be specified by regulations;

(e) get the information received from various persons authenticated by all concerned parties before storing such information;

(f) provide access to the financial information stored by it to any person who intends to access such information in such manner as may be specified by regulations;

(g) publish such statistical information as may be specified by regulations;

(h) have inter-operability with other information utilities.

Procedure for submission, etc., of financial information.

215. (1) Any person who intends to submit financial information to the information utility or access the information from the information utility shall pay such fee and submit information in such form and manner as may be specified by regulations.

(2) A financial creditor shall submit financial information and information relating to assets in relation to which any security interest has been created, in such form and manner as may be specified by regulations.

(3) An operational creditor may submit financial information to the information utility in such form and manner as may be specified.

Rights and obligations of persons submitting financial information.

216. (1) A person who intends to update or modify or rectify errors in the financial information submitted under section 215, he may make an application to the information utility for such purpose stating reasons therefor, in such manner and within such time, as may be specified.

(2) A person who submits financial information to an information utility shall not provide such information to any other person, except to such extent, under such circumstances, and in such manner, as may be specified.

CHAPTER VI

INSPECTION AND INVESTIGATION

217. Any person aggrieved by the functioning of an insolvency professional agency or insolvency professional or an information utility may file a complaint to the Board in such form, within such time and in such manner as may be specified.

Complaints against insolvency professional agency or its member or information utility.

218. (1) Where the Board, on receipt of a complaint under section 217 or has reasonable grounds to believe that any insolvency professional agency or insolvency professional or an information utility has contravened any of the provisions of the Code or the rules or regulations made or directions issued by the Board thereunder, it may, at any time by an order in writing, direct any person or persons to act as an investigating authority to conduct an inspection or investigation of the insolvency professional agency or insolvency professional or an information utility.

Investigation of insolvency professional agency or its member or information utility.

(2) The inspection or investigation carried out under sub-section (1) of this section shall be conducted within such time and in such manner as may be specified by regulations.

(3) The Investigating Authority may, in the course of such inspection or investigation, require any other person who is likely to have any relevant document, record or information to furnish the same, and such person shall be bound to furnish such document, record or information:

Provided that the Investigating Authority shall provide detailed reasons to such person before requiring him to furnish such document, record or information.

(4) The Investigating Authority may, in the course of its inspection or investigation, enter any building or place where they may have reasons to believe that any such document, record or information relating to the subject-matter of the inquiry may be found and may seize any such document, record or information or take extracts or copies therefrom, subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, insofar as they may be applicable.

(5) The Investigating Authority shall keep in its custody the books, registers, other documents and records seized under this section for such period not later than the conclusion of the investigation as it considers necessary and thereafter shall return the same to the concerned person from whose custody or power they were seized:

Provided that the Investigating Authority may, before returning such books, registers, other documents and record as aforesaid, place identification marks on them or any part thereof.

(6) A detailed report of inspection or investigation shall be submitted to the Board by the Investigating Authority.

219. The Board may, upon completion of an inspection or investigation under section 218, issue a show cause notice to such insolvency professional agency or insolvency professional or information utility, and carry out inspection of such insolvency professional agency or insolvency professional or information utility in such manner, giving such time for giving reply, as may be specified by regulations.

Show cause notice to insolvency professional agency or its member or information utility.

Appointment
of disciplinary
committee.

220. (1) The Board shall constitute a disciplinary committee to consider the reports of the investigating Authority submitted under sub-section (6) of section 218:

Provided that the members of the disciplinary committee shall consist of whole-time members of the Board only.

(2) On the examination of the report of the Investigating Authority, if the disciplinary committee is satisfied that sufficient cause exists, it may impose penalty as specified in sub-section (3) or suspend or cancel the registration of the insolvency professional or, suspend or cancel the registration of insolvency professional agency or information utility as the case may be.

(3) Where any insolvency professional agency or insolvency professional or an information utility has contravened any provision of this Code or rules or regulations made thereunder, the disciplinary committee may impose penalty which shall be—

(i) three times the amount of the loss caused, or likely to have been caused, to persons concerned on account of such contravention; or

(ii) three times the amount of the unlawful gain made on account of such contravention,

whichever is higher:

Provided that where such loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed more than one crore rupees.

(4) Notwithstanding anything contained in sub-section (3), the Board may direct any person who has made unlawful gain or averted loss by indulging in any activity in contravention of this Code, or the rules or regulations made thereunder, to disgorge an amount equivalent to such unlawful gain or aversion of loss.

(5) The Board may take such action as may be required to provide restitution to the person who suffered loss on account of any contravention from the amount so disgorged, if the person who suffered such loss is identifiable and the loss so suffered is directly attributable to such person.

(6) The Board may make regulations to specify—

(a) the procedure for claiming restitution under sub-section (5);

(b) the period within which such restitution may be claimed; and

(c) the manner in which restitution of amount may be made.

CHAPTER VII

FINANCE, ACCOUNTS AND AUDIT

Grants by
Central
Government.

221. The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Board grants of such sums of money as that Government may think fit for being utilised for the purposes of this Code.

Board's Fund.

222. (1) There shall be constituted a Fund to be called the Fund of the Insolvency and Bankruptcy Board and there shall be credited thereto—

(a) all grants, fees and charges received by the Board under this Code;

(b) all sums received by the Board from such other sources as may be decided upon by the Central Government;

(c) such other funds as may be specified by the Board or prescribed by the Central Government.

(2) The Fund shall be applied for meeting—

(a) the salaries, allowances and other remuneration of the members, officers and other employees of the Board;

(b) the expenses of the Board in the discharge of its functions under section 196;

(c) the expenses on objects and for purposes authorised by this Code;

(d) such other purposes as may be prescribed.

223. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

Accounts and
audit.

(2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

PART V

MISCELLANEOUS

224. (1) There shall be formed a Fund to be called the Insolvency and Bankruptcy Fund (hereafter in this section referred to as the "Fund") for the purposes of insolvency resolution, liquidation and bankruptcy of persons under the Code.

Insolvency
and
Bankruptcy
Fund.

(2) There shall be credited to the Fund the following amounts, namely—

(a) the grants made by the Central Government for the purposes of the Fund;

(b) the amount deposited by persons as contribution to the Fund;

(c) the amount received in the Fund from any other source; and

(d) the interest or other income received out of the investment made from the Fund.

(3) A person who has contributed any amount to the Fund may, in the event of proceedings initiated in respect of such person under this Code before an Adjudicating Authority, make an application to such Adjudicating Authority for withdrawal of funds not exceeding the amount contributed by it, for making payments to workmen, protecting the assets of such persons, meeting the incidental costs during the proceedings or such other purposes as may be prescribed.

(4) The Central Government shall, by notification, appoint an administrator to administer the fund in such manner as may be prescribed.

225. (1) Without prejudice to the foregoing provisions of this Code, the Board shall, in exercise of its powers or the performance of its functions under this Code, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Power of
Central
Government to
issue
directions.

Provided that the Board shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government as to whether a question is one of policy or not shall be final.

Power of
Central
Government to
supersede
Board.

226. (1) If at any time the Central Government is of opinion—

(a) that on account of grave emergency, the Board is unable to discharge the functions and duties imposed on it by or under the provisions of this Code; or

(b) that the Board has persistently not complied with any direction issued by the Central Government under this Code or in the discharge of the functions and duties imposed on it by or under the provisions of this Code and as a result of such non-compliance the financial position of the Board or the administration of the Board has deteriorated; or

(c) that circumstances exist which render it necessary in the public interest so to do,

the Central Government may, by notification, supersede the Board for such period, not exceeding six months, as may be specified in the notification.

(2) Upon the publication of a notification under sub-section (1) superseding the Board,— (a) all the members shall, as from the date of supersession, vacate their offices as such; (b) all the powers, functions and duties which may, by or under the provisions of this Code, be exercised or discharged by or on behalf of the Board, shall until the Board is reconstituted under sub-section (3), be exercised and discharged by such person or persons as the Central Government may direct; and (c) all property owned or controlled by the Board shall, until the Board is reconstituted under sub-section (3), vest in the Central Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Board by a fresh appointment and in such case any person or persons who vacated their offices under clause (a) of sub-section (2), shall not be deemed disqualified for appointment:

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section.

(4) The Central Government shall cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

Power of
Central
Government to
notify
financial
service
providers, etc.

227. Notwithstanding anything to the contrary examined in this Code or any other law for the time being in force, the Central Government may, if it considers necessary, in consultation with the appropriate financial sector regulators, notify financial service providers or categories of financial service providers for the purpose of their insolvency and liquidation proceedings, which may be conducted under this Code, in such manner as may be prescribed.

Budget.

228. The Board shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board and forward the same to the Central Government.

Annual
report.

229. (1) The Board shall prepare, in such form and at such time in each financial year as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the Central Government.

(2) A copy of the report received under sub-section (1) shall be laid, as soon as may be after it is received, before each House of Parliament.

230. The Board may, by general or special order in writing delegate to any member or officer of the Board subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Code (except the powers under section 240 as it may deem necessary.

Delegation.

231. No civil court shall have jurisdiction in respect of any matter in which the Adjudicating Authority is empowered by, or under, this Code to pass any order and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any order passed by such Adjudicating Authority under this Code.

Bar of jurisdiction.

232. The Chairperson, Members, officers and other employees of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Code, to be public servants within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

Members, officers and employees of Board to the public servants.

233. No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government, or the Chairperson, Member, officer or other employee of the Board or an insolvency professional or liquidator for anything which is done or intended to be done in good faith under this Code or the rules or regulations made thereunder.

Protection of action taken in good faith.

234. (1) The Central Government may enter into an agreement with the Government of any country outside India for enforcing the provisions of this Code.

Agreements with foreign countries.

(2) The Central Government may, by notification in the Official Gazette, direct that the application of provisions of this Code in relation to assets or property of corporate debtor or debtor, including a personal guarantor of a corporate debtor, as the case may be, situated at any place in a country outside India with which reciprocal arrangements have been made, shall be subject to such conditions as may be specified.

235. (1) Notwithstanding anything contained in this Code or any law for the time being in force if, in the course of insolvency resolution process, or liquidation or bankruptcy proceedings, as the case may be, under this Code, the resolution professional, liquidator or bankruptcy trustee, as the case may be, is of the opinion that assets of the corporate debtor or debtor, including a personal guarantor of a corporate debtor, are situated in a country outside India with which reciprocal arrangements have been made under section 234, he may make an application to the Adjudicating Authority that evidence or action relating to such assets is required in connection with such process or proceeding.

Letter of request to a country outside India in certain cases.

(2) The Adjudicating Authority on receipt of an application under sub-section (1) and, on being satisfied that evidence or action relating to assets under sub-section (1) is required in connection with insolvency resolution process or liquidation or bankruptcy proceeding, may issue a letter of request to a court or an authority of such country competent to deal with such request.

2 of 1974.

236. (1) Notwithstanding anything in the Code of Criminal Procedure, 1973, offences under this Code shall be tried by the Special Court established under Chapter XXVIII of the Companies Act, 2013.

Trial of offences by Special Court.

18 of 2013.

(2) No Court shall take cognizance of any offence punishable under this Act, save on a complaint made by the Board or the Central Government or any person authorised by the Central Government in this behalf.

(3) The provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting a prosecution before a Special Court shall be deemed to be a Public Prosecutor.

(4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, in case of a complaint under sub-section (2), the presence of the person authorised by the

Central Government or the Board before the Court trying the offences shall not be necessary unless the Court requires his personal attendance at the trial.

Appeal and revision.

237. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court. 2 of 1974.

Provisions of this Code to override other laws.

238. The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

Power to make rules.

239. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Code.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for any of the following matters, namely:—

(a) any other instrument which shall be a financial product under clause (15) of section 3;

(b) other accounting standards which shall be a financial debt under clause (d) of sub-section (8) of section 5;

(c) the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by financial creditor under sub-section (2) of section 7;

(d) the form and manner in which demand notice may be made and the manner of delivery thereof to the corporate debtor under sub-section (1) of section 8;

(e) the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by operational creditor under sub-section (2) of section 9;

(f) the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by corporate applicant under sub-section (2) of section 10;

(g) the persons who shall be relative under clause (ii) of the *Explanation* to sub-section (1) of section 79;

(h) the value of unencumbered single dwelling unit owned by the debtor under clause (e) of sub-section (13) of section 79;

(i) the value under clause (c), and any other debt under clause (f), of sub-section (14) of section 79;

(j) the form, the manner and the fee for making application for fresh start order under sub-section (3) of section 81;

(k) the particulars of the debtor's personal details under clause (e) of sub-section (3) of section 81;

(l) the information and documents to support application under sub-section (3) of section 86;

(m) the form, the manner and the fee for making application for initiating the insolvency resolution process by the debtor under sub-section (6) of section 94;

(n) the form, the manner and the fee for making application for initiating the insolvency resolution process by the creditor under sub-section (6) of section 95;

- (o) the particulars to be provided by the creditor to the resolution professional under sub-section (2) of section 103;
- (p) the form and the manner for making application for bankruptcy by the debtor under clause (b) of sub-section (1) of section 122;
- (q) the form and the manner of the statement of affairs of the debtor under sub-section (3) of section 122;
- (r) the other information under clause (d) of sub-section (1) of section 123;
- (s) the form, the manner and the fee for making application for bankruptcy under sub-section (6) of section 123;
- (t) the form and the manner in which statement of financial position shall be submitted under sub-section (2) of section 129;
- (u) the matters and the details which shall be included in the public notice under sub-section (2) of section 130;
- (v) the matters and the details which shall be included in the notice to the creditors under sub-section (3) of section 130;
- (w) the manner of sending details of the claims to the bankruptcy trustee and other information under sub-sections (1) and (2) of section 131;
- (x) the value of financial or commercial transaction under clause (d) of sub-section (1) of section 141;
- (y) the other things to be done by a bankrupt to assist bankruptcy trustee in carrying out his functions under clause (d) of sub-section (1) of section 150;
- (z) the manner of dealing with the surplus under sub-section (4) of section 170;
- (za) the form and the manner of proof of debt under clause (c) of sub-section (2) of section 171;
- (zb) the manner of receiving dividends under sub-section (7) of section 171;
- (zc) the particulars which the notice shall contain under sub-section (2) of section 176;
- (zd) the salaries and allowances payable to, and other terms and conditions of service of, the Chairperson and members of the Board under sub-section (5) of section 189;
- (ze) the other functions of the Board under clause (u) of sub-section (1) of section 196;
- (zf) the other funds under clause (c) of sub-section (1) of section 222;
- (zg) the other purposes for which the fund shall be applied under clause (d) of sub-section (2) of section 222;
- (zh) the form in which annual statement of accounts shall be prepared under sub-section (1) of section 223;
- (zi) the purpose for which application for withdrawal of funds may be made under sub-section (3) of section 224;
- (zj) the manner of administering the fund under sub-section (4) of section 224;
- (zk) the manner of conducting insolvency and liquidation proceedings under section 227;
- (zl) the form and the time for preparing budget by the Board under section 228;

(zm) the form and the time for preparing annual report under sub-section (1) of section 229;

(zn) the time up to which a person appointed to any office shall continue to hold such office under clause (vi) of sub-section (2) of section 243.

Power to make regulations.

240. (1) The Board may, by notification, make regulations consistent with this Code and the rules made thereunder, to carry out the provisions of this Code.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the form and the manner of accepting electronic submission of financial information under sub-clause (a) of clause (9) of section 3;

(b) the persons to whom access to information stored with the information utility may be provided under sub-clause (d) of clause (9) of section 3;

(c) the other information under sub-clause (f) of clause (13) of section 3;

(d) the other costs under clause (e) of sub-section (13) of section 5;

(e) the cost incurred by the liquidator during the period of liquidation which shall be liquidation cost under sub-section (16) of section 5;

(f) the other record or evidence of default under clause (a), and any other information under clause (c), of sub-section (3) of section 7;

(g) the other information under clause (d) of sub-section (3) of section 9;

(h) the period under clause (a) of sub-section (3) of section 10;

(i) the supply of essential goods or services to the corporate debtor under sub-section (2) of section 14;

(j) the manner of making public announcement under sub-section (2) of section 15;

(k) the manner of taking action and the restrictions thereof under clause (b) of sub-section (2) of section 17;

(l) the other persons under clause (d) of sub-section (2) of section 17;

(m) the other matters under clause (d) of sub-section (2) of section 17;

(n) the other matters under sub-clause (iv) of clause (a), and the other duties to be performed by the interim resolution professional under clause (g), of section 18;

(o) the persons who shall comprise the committee of creditors, the functions to be exercised such committee and the manner in which functions shall be exercised under the proviso to sub-section (8) of section 21;

(p) the other electronic means by which the members of the committee of creditors may meet under sub-section (1) of section 24;

(q) the manner of assigning voting share to each creditor under sub-section (7) of section 24;

(r) the manner of conducting the meetings of the committee of creditors under sub-section (8) of section 24;

(s) the manner of appointing accountants, lawyers and other advisors under clause (d) of sub-section (2) of section 25;

(t) the other actions under clause (k) of sub-section (2) of section 25;

(u) the form and the manner in which an information memorandum shall be prepared by the resolution professional sub-section (1) of section 29;

(v) the other matter pertaining to the corporate debtor under the *Explanation* to sub-section (2) of section 29;

(w) the manner of making payment of insolvency resolution process costs under clause (a), the manner of repayment of debts of operational creditors under clause (b), and the other requirements to which a resolution plan shall conform to under clause (d), of sub-section (2) of section 30;

(x) the fee for the conduct of the liquidation proceedings and proportion to the value of the liquidation estate assets under sub-section (8) of section 34;

(y) the manner of evaluating the assets and property of the corporate debtor under clause (c), the manner of selling property in parcels under clause (f), the manner of reporting progress of the liquidation process under clause (n), and the other functions to be performed under clause (o), of sub-section (1) of section 35;

(z) the manner of making the records available to other stakeholders under sub-section (2) of section 35;

(za) the other means under clause (a) of sub-section (3) of section 36;

(zb) the other assets under clause (e) of sub-section (4) of section 36;

(zc) the other source under clause (g) of sub-section (1) of section 37;

(zd) the manner of providing financial information relating to the corporate debtor under sub-section (2) of section 37;

(ze) the form, the manner and the supporting documents to be submitted by operational creditor to prove the claim under sub-section (3) of section 38;

(zf) the time within which the liquidator shall verify the claims under sub-section (1) of section 39;

(zg) the manner of determining the value of claims under section 41;

(zh) the manner of relinquishing security interest to the liquidation estate and receiving proceeds from the sale of assets by the liquidator under clause (a), and the manner of realising security interest under clause (b) of sub-section (1) of section 52;

(zi) the other means under clause (b) of sub-section (3) of section 52;

(zj) the manner in which secured creditor shall be paid by the liquidator under sub-section (9) of section 52;

(zk) the period and the manner of distribution of proceeds of sale under sub-section (1) of section 53;

(zl) the other means under clause (a) and the other information under clause (b) of section 57;

(zm) the conditions and procedural requirements under sub-section (2) of section 59;

(zn) the details and the documents required to be submitted under sub-section (7) of section 95;

(zo) the other matters under clause (c) of sub-section (3) of section 105;

(zp) the manner and form of proxy voting under sub-section (4) of section 107;

(zq) the manner of assigning voting share to creditor under sub-section (2) of section 109;

(zr) the manner and form of proxy voting under sub-section (3) of section 133;

(zs) the fee to be charged under sub-section (1) of section 144;

(zt) the appointment of other officers and employees under sub-section (2), and the salaries and allowances payable to, and other terms and conditions of service of, such officers and employees of the Board under sub-section (3), of section 194;

(zu) the other information under clause (i) of sub-section (1) of section 196;

(zv) the intervals in which the periodic study, research and audit of the functioning and performance of the insolvency professional agencies, insolvency professionals and information utilities under clause (r), and mechanism for disposal of assets under clause (t), of sub-section (1) of section 196;

(zw) the place and the time for discovery and production of books of account and other documents under clause (i) of sub-section (3) of section 196;

(zx) the other committees to be constituted by the Board and the other members of such committees under section 197;

(zy) the other persons under clause (b) and clause (d) of section 200;

(zz) the form and the manner of application for registration, the particulars to be contained therein and the fee it shall accompany under sub-section (1) of section 201;

(zza) the form and manner of issuing a certificate of registration and the terms and conditions thereof, under sub-section (3) of section 201;

(zzb) the manner of renewal of the certificate of registration and the fee therefor, under sub-section (4) of section 201;

(zzc) the other ground under clause (d) of sub-section (5) of section 201;

(zzd) the form of appeal to the National Company Law Appellate Tribunal, the period within which it shall be filed under section 202;

(zze) the other information under clause (g) of section 204;

(zzf) the other grounds under *Explanation* to section 196;

(zzg) the setting up of a governing board for its internal governance and management under clause (e), the curriculum under clause (l), the manner of conducting examination under clause (m), of section 196;

(zzh) the time within which, the manner in which, and the fee for registration of insolvency professional under sub-section (1) of section 207;

(zzi) the categories of professionals or persons, the qualifications and experience and the fields under sub-section (2) of section 207;

(zzj) the manner and the conditions subject to which the insolvency professional shall perform his function under clause (f) of sub-section (2) of section 208;

(zzk) the form and manner in which, and the fee for registration of information utility under sub-section (1) of section 210;

(zzl) the form and manner for issuing certificate of registration and the terms and conditions thereof, under sub-section (3) of section 210;

(zzm) the manner of renewal of the certificate of registration and the fee therefor, under sub-section (4) of section 210;

(zzn) the other ground under clause (d) of sub-section (5) of section 210;

(zzo) the form, the period and the manner of filing appeal to the National Company Law Appellate Tribunal under section 211;

(zzp) the number of independent members under section 212;

(zzq) the services to be provided by information utility and the terms and conditions under section 213;

(zzr) the form and manner of accepting electronic submissions of financial information under clause (b) and clause (c) of section 214;

(zss) the minimum service quality standards under clause (d) of section 214;

(zzt) the information to be accessed and the manner of accessing such information under clause (f) of section 214;

(zsu) the statistical information to be published under clause (g) of section 214;

(zzv) the form, the fee and the manner for submitting or accessing information under sub-section (1) of section 215;

(zzw) the form and manner for submitting financial information and information relating to assets under sub-section (2) of section 215;

(zzx) the manner and the time within which financial information may be updated or modified or rectified under section 216;

(zzy) the form, manner and time of filing complaint under section 217;

(zzz) the time and manner of carrying out inspection or investigation under sub-section (2) of section 218;

(zzza) the manner of carrying out inspection of insolvency professional agency or insolvency professional or information utility and the time for giving reply under section 219;

(zzzb) the procedure for claiming restitution under sub-section (6), the period within which such restitution may be claimed and the manner in which restitution of amount may be made under sub-section (7) of section 220;

(zzzc) the other funds of clause (c) of sub-section (1) of section 222.

241. Every rule and every regulation made under this Code shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Rules and regulations to be laid before Parliament.

242. (1) If any difficulty arises in giving effect to the provisions of this Code, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Code as may appear to be necessary for removing the difficulty:

Power to remove difficulties.

Provided that no order shall be made under this section after the expiry of five years from the commencement of this Code.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

3 of 1909.
5 of 1920.

243. (1) The Presidency Towns Insolvency Act, 1909 and the Provincial Insolvency Act, 1920 are hereby repealed.

Repeal of certain enactments and savings.

(2) Notwithstanding the repeal under sub-sections (1),—

(i) all proceedings pending under and relating to the Presidency Towns Insolvency Act 1909, and the Provincial Insolvency Act 1920 immediately before the commencement of this Code shall continue to be governed under the aforementioned Acts and be

heard and disposed of by the concerned courts or tribunals, as if the aforementioned Acts have not been repealed;

(ii) any order, rule, notification, regulation, appointment, conveyance, mortgage, deed, document or agreement made, fee directed, resolution passed, direction given, proceeding taken, instrument executed or issued, or thing done under or in pursuance of any repealed enactment shall, if in force at the commencement of this Code, continue to be in force, and shall have effect as if the aforementioned Acts have not been repealed;

(iii) anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall be deemed valid;

(iv) any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure or existing usage, custom, privilege, restriction or exemption shall not be affected, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in, or from, the repealed enactments;

(v) any prosecution instituted under the repealed enactments and pending immediately before the commencement of this Code before any court or tribunal shall, subject to the provisions of this Code, continue to be heard and disposed of by the concerned court or tribunal;

(vi) any person appointed to any office under or by virtue of any repealed enactment shall continue to hold such office until such time as may be prescribed; and

(vii) any jurisdiction, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not in existence or in force shall not be revised or restored.

(3) The mention of particular matters in sub-section (2) shall not be held to prejudice the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal of the repealed enactments or provisions of the enactments mentioned in the Schedule. 10 of 1897.

Transitional provisions.

244. (1) Until the Board is constituted or a financial sector regulator is designated under section 195, as the case may be, the powers and functions of the Board or such designated financial sector regulator, including its power to make regulations, shall be exercised by the Central Government.

(2) Without prejudice to the generality of the power under sub-section (1), the Central Government may by regulations provide for the following matters:—

(a) recognition of persons, categories of professionals and persons having such qualifications and experience in the field of finance, law, management or insolvency as it deems necessary, as insolvency professionals and insolvency professional agencies under this Code;

(b) recognition of persons with technological, statistical, and data protection capability as it deems necessary, as information utilities under this Code; and

(c) conduct of the corporate insolvency resolution process, insolvency resolution process, liquidation process, fresh start process and bankruptcy process under this Code.

Amendments of Act 9 of 1932.

245. The Indian Partnership Act, 1932 shall be amended in the manner specified in the First Schedule.

246. The Central Excise Act, 1944 shall be amended in the manner specified in the Second Schedule.	Amendments of Act 1 of 1944.
247. The Income-tax Act, 1961 shall be amended in the manner specified in the Third Schedule.	Amendments of Act 43 of 1961.
248. The Customs Act, 1962 shall be amended in the manner specified in the Fourth Schedule.	Amendments of Act 52 of 1962.
249. The Recovery of Debts due to Banks and Financial Institutions Act, 1993 shall be amended in the manner specified in the Fifth Schedule.	Amendments of Act 51 of 1993.
250. The Finance Act, 1994 shall be amended in the manner specified in the Sixth Schedule.	Amendments of Act 32 of 1994.
251. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 shall be amended in the manner specified in the Seventh Schedule.	Amendments of Act 54 of 2002.
252. The Sick Industrial Companies (Special Provisions) Repeal Act, 2003 shall be amended in the manner specified in the Eighth Schedule.	Amendments of Act 1 of 2004.
253. The Payment and Settlement Systems Act, 2007 shall be amended in the manner specified in the Ninth Schedule.	Amendments of Act 51 of 2007.
254. The Limited Liability Partnership Act, 2008 shall be amended in the manner specified in the Tenth Schedule.	Amendments of Act 6 of 2009.
255. The Companies Act, 2013 shall be amended in the manner specified in the Eleventh Schedule.	Amendments of Act 18 of 2013.

THE FIRST SCHEDULE

(See section 245)

AMENDMENT TO THE INDIAN PARTNERSHIP ACT, 1932

(9 OF 1932)

1. In section 41, clause (a) shall be omitted.

THE SECOND SCHEDULE

(See section 246)

AMENDMENT TO THE CENTRAL EXCISE ACT, 1944

(1 of 1944)

1. In section 11E, for the words, figures and brackets "and the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002)", the words, figures and brackets "the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002) and the Insolvency and Bankruptcy Code, 2016" shall be substituted.

THE THIRD SCHEDULE*(See section 247)***AMENDMENT TO THE INCOME-TAX ACT, 1961****(43 OF 1961)**

In sub-section (6) of section 178, after the words "for the time being in force", the words and figures "except the provisions of the Insolvency and Bankruptcy Code, 2016" shall be inserted.

THE FOURTH SCHEDULE*(See section 248)***AMENDMENT TO THE CUSTOMS ACT, 1962****(52 OF 1962)**

In section 142A, for the words and figures "and the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002)", the words and figures "the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 and the Insolvency and Bankruptcy Code, 2016" shall be substituted.

THE FIFTH SCHEDULE*(See section 249)***AMENDMENT TO THE RECOVERY OF DEBTS DUE TO BANKS AND FINANCIAL INSTITUTIONS ACT, 1993****(51 OF 1993)**

1. In the long title, after the words "financial institutions", the words ", insolvency resolution and bankruptcy of individuals and partnership firms" shall be inserted, namely:—

2. In section 1,—

(a) in sub-section (1), for the words "Due to Banks and Financial Institutions" the words "and Bankruptcy" shall be substituted;

(b) in sub-section (4), for the words "The provision of this Code", the words "Save as otherwise provided, the provisions of this Code", shall be substituted.

3. In section 3, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) The Central Government shall by notification establish such number of Debts Recovery Tribunals and its benches as it may consider necessary, to exercise the jurisdiction, powers and authority of the Adjudicating Authority conferred on such Tribunal by or under the Insolvency and Bankruptcy Code, 2016."

4. In section 8, after sub-section (1), the following section shall be inserted, namely:—

"(1A) The Central Government shall, by notification, establish such number of Debt Recovery Appellate Tribunals to exercise jurisdiction, powers and authority to entertain appeal against the order made by the Adjudicating Authority under Part III of the Insolvency and Bankruptcy Code, 2016."

5. In section 17,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Without prejudice to sub-section (1),—

(a) the Tribunal shall exercise, on and from the date to be appointed by the Central Government, the jurisdiction, powers and authority to entertain and decide applications under Part III of Insolvency and Bankruptcy Code, 2016.

(b) the Tribunal shall have circuit sittings in all district headquarters."

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) Without prejudice to sub-section (2), the Appellate Tribunal shall exercise, on and from the date to be appointed by the Central Government, the jurisdiction, powers and authority to entertain appeals against the order made by the Adjudicating Authority under Part III of the Insolvency and Bankruptcy Code, 2016."

6. After section 19, the following section shall be inserted, namely:—

"19A. The application made to Tribunal for exercising the powers of the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall be dealt with in the manner as provided under that Code."

7. In section 20, in sub-section (4), after the word, brackets and figure "sub-section (1)", the words, brackets and figures "or under sub-section (1) of section 181 of the Insolvency and Bankruptcy Code, 2016" shall be inserted.

THE SIXTH SCHEDULE

(See section 250)

AMENDMENT TO THE FINANCE ACT, 1994

(32 OF 1994)

In section 88, for the words and figures "and the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002)", the words and figures "the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 and the Insolvency and Bankruptcy Code, 2016" shall be substituted.

THE SEVENTH SCHEDULE

(See section 251)

AMENDMENT TO THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002

(54 OF 2002)

In section 13, in sub-section (9), for the words "In the case of", the words and figures "Subject to the provisions of the Insolvency and Bankruptcy Code, 2016, in the case of" shall be substituted.

THE EIGHTH SCHEDULE

(See section 252)

AMENDMENT TO THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) REPEAL ACT, 2003

(1 OF 2004)

In section 4, for sub-clause (b), the following sub-clause shall be substituted, namely—

"(b) On such date as may be notified by the Central Government in this behalf, any appeal preferred to the Appellate Authority or any reference made or inquiry pending to or before the Board or any proceeding of whatever nature pending before the Appellate Authority or the Board under the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) shall stand abated:

Provided that a company in respect of which such appeal or reference or inquiry stands abated under this clause may make reference to the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 within one hundred and eighty days from

the commencement of the Insolvency and Bankruptcy Code, 2016 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016:

Provided further that no fees shall be payable for making such reference under Insolvency and Bankruptcy Code, 2016 by a company whose appeal or reference or inquiry stands abated under this clause."

THE NINTH SCHEDULE

(See section 253)

AMENDMENT TO THE PAYMENT AND SETTLEMENT SYSTEMS ACT, 2007

(51 OF 2007)

1. In section 23, in sub-sections (4), (5) and (6), after the words and figures "the Banking Regulation Act, 1949 (10 of 1949)" "the Companies Act, 2013 (18 of 2013)", the words and figures "or the Insolvency and Bankruptcy Code, 2016" shall be inserted.

2. In section 23A, in sub-section (3), after the words and figures "the Companies Act, 2013", the words and figures "or the Insolvency and Bankruptcy Code, 2016" shall be inserted.

THE TENTH SCHEDULE

(See section 254)

AMENDMENT TO THE LIMITED LIABILITY PARTNERSHIP ACT, 2008

(6 OF 2009)

In section 64, Clause (c) shall be omitted.

THE ELEVENTH SCHEDULE

(See section 255)

AMENDMENTS TO THE COMPANIES ACT, 2013

(18 OF 2013)

1. In section 2,—

(a) for clause (23), the following clause shall be substituted, namely:—

"(23) "Company Liquidator" means a person appointed by the Tribunal as the Company Liquidator in accordance with the provisions of section 275 for the winding up of a company under this Act;"

(b) after clause (94), the following clause shall be inserted, namely:—

"(94A) "winding up" means winding up under this Act or liquidation under the Insolvency and Bankruptcy Code, 2016, as applicable."

2. In section 8, in sub-section (9), for the words "the Rehabilitation and Insolvency Fund formed under section 269", the words "Insolvency and Bankruptcy Fund formed under section 224 of the Insolvency and Bankruptcy Code, 2016" shall be substituted.

3. In section 66, in sub-section (8), for the words, brackets and figures " is unable, within the meaning of sub-section (2) of section 271, to pay the amount of his debt or claim," the words and figures "commits a default, within the meaning of section 6 of the Insolvency and Bankruptcy Code, 2016, in respect of the amount of his debt or claim," shall be substituted.

4. In sections 77, in sub-section (3), after the words "the liquidator", the words and figures "appointed under this Act or the Insolvency and Bankruptcy Code, 2016, as the case may be," shall be inserted.

5. In section 117 in sub-section (3), in clause (f), for the word and figures "section 304", the words and figures "section 59 of the Insolvency and Bankruptcy Code, 2016" shall be substituted.

6. In section 224, in sub-section (2), after the words "wound up under this Act", the words and figures "or under the Insolvency and Bankruptcy Code, 2016" shall be inserted.

6A. In section 230,—

(a) in sub-section (1), after the word "liquidator", the words "appointed under this Act or under the Insolvency and Bankruptcy Code, 2016, as the case may be," shall be inserted;

(b) in sub-section (6), after the word "on the liquidator", the words "appointed under this Act or under the Insolvency and Bankruptcy Code, 2016, as the case may be," shall be inserted;

7. In section 249, in sub-section (1), for clause (e), the following clause shall be substituted, namely:—

"(e) is being wound up under Chapter XX of this Act or under the Insolvency and Bankruptcy Code, 2016."

8. Sections 253 to 269 shall be omitted.

9. For section 270, the following section shall be substituted, namely:—

"270. The provisions of Part I shall apply to the winding up of a company by the Tribunal under this Act."

Winding up by
Tribunal.

10. For section 271, the following section shall be substituted, namely:—

"271. A company may, on a petition under section 272, be wound up by the Tribunal,—

Circumstances
in which
company may
be wound up
by Tribunal.

(a) if the company has, by special resolution, resolved that the company be wound up by the Tribunal;

(b) if the company has acted against the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality;

(c) if on an application made by the Registrar or any other person authorised by the Central Government by notification under this Act, the Tribunal is of the opinion that the affairs of the company have been conducted in a fraudulent manner or the company was formed for fraudulent and unlawful purpose or the persons concerned in the formation or management of its affairs have been guilty of fraud, misfeasance or misconduct in connection therewith and that it is proper that the company be wound up;

(d) if the company has made a default in filing with the Registrar its financial statements or annual returns for immediately preceding five consecutive financial years; or

(e) if the Tribunal is of the opinion that it is just and equitable that the company should be wound up."

12. For section 272, the following section shall be substituted, namely:—

"272. (1) Subject to the provisions of this section, a petition to the Tribunal for the winding up of a company shall be presented by—

Petition for
winding up.

- (a) the company;
- (b) any contributory or contributories;
- (c) all or any of the persons specified in clauses (a) and (b);
- (d) the Registrar;
- (e) any person authorised by the Central Government in that behalf; or
- (f) in a case falling under clause (b) of section 271, by the Central Government or a State Government.

(2) A contributory shall be entitled to present a petition for the winding up of a company, notwithstanding that he may be the holder of fully paid-up shares, or that the company may have no assets at all or may have no surplus assets left for distribution among the shareholders after the satisfaction of its liabilities, and shares in respect of which he is a contributory or some of them were either originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months immediately before the commencement of the winding up or have devolved on him through the death of a former holder.

(3) The Registrar shall be entitled to present a petition for winding up under section 271, except on the grounds specified in clause (a) or clause (e) of that sub-section:

Provided that the Registrar shall obtain the previous sanction of the Central Government to the presentation of a petition:

Provided further that the Central Government shall not accord its sanction unless the company has been given a reasonable opportunity of making representations.

(4) A petition presented by the company for winding up before the Tribunal shall be admitted only if accompanied by a statement of affairs in such form and in such manner as may be prescribed.

(5) A copy of the petition made under this section shall also be filed with the Registrar and the Registrar shall, without prejudice to any other provisions, submit his views to the Tribunal within sixty days of receipt of such petition."

13. In section 275,—

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The provisional liquidator or the Company Liquidator, as the case may, shall be appointed by the Tribunal from amongst the insolvency professionals registered under the Insolvency and Bankruptcy Code, 2016;"

(b) sub-section (4) shall be omitted.

14. For section 280, the following section shall be substituted, namely:—

"280. The Tribunal shall, notwithstanding anything contained in any other law for the time being in force, have jurisdiction to entertain, or dispose of,—

(a) any suit or proceeding by or against the company;

(b) any claim made by or against the company, including claims by or against any of its branches in India;

(c) any application made under section 233;

(d) any question of priorities or any other question whatsoever, whether of law or facts, including those relating to assets, business, actions, rights, entitlements, privileges, benefits, duties, responsibilities, obligations or in any matter arising out of, or in relation to winding up of the company,

whether such suit or proceeding has been instituted, or is instituted, or such claim or question has arisen or arises or such application has been made or is made or such scheme has been submitted, or is submitted, before or after the order for the winding up of the company is made."

15. Section 289 shall be omitted.

15A. The heading "Part II.—Voluntary winding up" shall be omitted.

16. Sections 304 to 323 shall be omitted.

17. Section 325 shall be omitted.

18. For section 326, the following section shall be substituted, namely:—

"326. (1) In the winding up of a company under this Act, the following debts shall be paid in priority to all other debts:—

Overriding preferential payments.

(a) workmen's dues; and

(b) where a secured creditor has realised a secured asset, so much of the debts due to such secured creditor as could not be realised by him or the amount of the workmen's portion in his security (if payable under the law), whichever is less, *pari passu* with the workmen's dues:

Provided that in case of the winding up of a company, the sums referred to in sub-clauses (i) and (ii) of clause (b) of the *Explanation*, which are payable for a period of two years preceding the winding up order or such other period as may be prescribed, shall be paid in priority to all other debts (including debts due to secured creditors), within a period of thirty days of sale of assets and shall be subject to such charge over the security of secured creditors as may be prescribed.

(2) The debts payable under the proviso to sub-section (1) shall be paid in full before any payment is made to secured creditors and thereafter debts payable under that sub-section shall be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportions.

Explanation.—For the purposes of this section, and section 327—

(a) "workmen", in relation to a company, means the employees of the company, being workmen within the meaning of clause (s) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947);

(b) "workmen's dues", in relation to a company, means the aggregate of the following sums due from the company to its workmen, namely:—

(i) all wages or salary including wages payable for time or piece work and salary earned wholly or in part by way of commission of any workman in respect of services rendered to the company and any compensation payable to any workman under any of the provisions of the Industrial Disputes Act, 1947 (14 of 1947);

(ii) all accrued holiday remuneration becoming payable to any workman or, in the case of his death, to any other person in his right on the termination of his employment before or by the effect of the winding up order or resolution;

(iii) unless the company is being wound up voluntarily merely for the purposes of reconstruction or amalgamation with another company or unless the company has, at the commencement of the winding up, under such a contract with insurers as is mentioned in section 14 of the Workmen's Compensation Act, 1923 (19 of 1923), rights capable of being transferred to and vested in the workmen, all amount due in respect of any compensation or liability for compensation under the said Act in respect of the death or disablement of any workman of the company;

(iv) all sums due to any workman from the provident fund, the pension fund, the gratuity fund or any other fund for the welfare of the workmen, maintained by the company;

(c) "workmen's portion", in relation to the security of any secured creditor of a company, means the amount which bears to the value of the security the same proportion as the amount of the workmen's dues bears to the aggregate of the amount of workmen's dues and the amount of the debts due to the secured creditors.

Illustration

The value of the security of a secured creditor of a company is Rs. 1,00,000. The total amount of the workmen's dues is Rs. 1,00,000. The amount of the debts due from the company to its secured creditors is Rs. 3,00,000. The aggregate of the amount of workmen's dues and the amount of debts due to secured creditors is Rs. 4,00,000. The workmen's portion of the security is, therefore, one-fourth of the value of the security, that is Rs. 25,000."

19. In section 327,—

(a) after sub-section (6), the following sub-section shall be inserted, namely:—

"(7) Sections 326 and 327 shall not be applicable in the event of liquidation under the Insolvency and Bankruptcy Code, 2016.";

(b) in the *Explanation*, for clause (c), the following clause shall be substituted, namely:—

"(c) the expression "relevant date" means in the case of a company being wound up by the Tribunal, the date of appointment or first appointment of a provisional liquidator, or if no such appointment was made, the date of the winding up order, unless, in either case, the company had commenced to be wound up voluntarily before that date under the Insolvency and Bankruptcy Code, 2016;"

20. For section 329, the following section shall be substituted, namely:—

"329. Any transfer of property, movable or immovable, or any delivery of goods, made by a company, not being a transfer or delivery made in the ordinary course of its business or in favour of a purchaser or encumbrancer in good faith and for valuable consideration, if made within a period of one year before the presentation of a petition for winding up by the Tribunal under this Act shall be void against the Company Liquidator."

21. For section 334, the following section shall be substituted, namely:—

"334. In the case of a winding up by the Tribunal, any disposition of the property including actionable claims, of the company and any transfer of shares in the company or alteration in the status of its members, made after the commencement of the winding up shall, unless the Tribunal otherwise orders, be void."

22. In section 336, in sub-section (1), in the opening paragraph, for the words "whether by the Tribunal or voluntarily, or which is subsequently ordered to be wound up by the Tribunal or which subsequently passes a resolution for voluntary winding up", the words "by the Tribunal under this Act or which is subsequently ordered to be wound up by the Tribunal under this Act" shall be substituted.

23. In section 337, for the words "or which subsequently passes a resolution for voluntary winding up," the words "under this Act", shall be substituted.

24. In section 342, sub-sections (2), (3) and (4) shall be omitted.

25. In section 343, for sub-section (1), the following sub-section shall be substituted, namely—

Transfers not in good faith to be void.

Transfer, etc., after commencement of winding up to be void.

"(1) The Company Liquidator may, with the sanction of the Tribunal, when the company is being wound up by the Tribunal,—

(i) pay any class of creditors in full;

(ii) make any compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging themselves to have any claim, present or future, certain or contingent, against the company, or whereby the company may be rendered liable; or

(iii) compromise any call or liability to call, debt, and liability capable of resulting in a debt, and any claim, present or future, certain or contingent, ascertained or sounding only in damages, subsisting or alleged to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or liabilities or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof."

26. In section 347, for sub-section (1), the following sub-section shall be substituted, namely—

"(1) When the affairs of a company have been completely wound up and it is about to be dissolved, the books and papers of such company and those of the Company Liquidator may be disposed of in such manner as the Tribunal directs."

27. In section 348, for sub-section (1), the following sub-section shall be substituted, namely—

"(1) If the winding up of a company is not concluded within one year after its commencement, the Company Liquidator shall, unless he is exempted from so doing, either wholly or in part by the Central Government, within two months of the expiry of such year and thereafter until the winding up is concluded, at intervals of not more than one year or at such shorter intervals, if any, as may be prescribed, file a statement in such form containing such particulars as may be prescribed, duly audited, by a person qualified to act as auditor of the company, with respect to the proceedings in, and position of, the liquidation, with the Tribunal:

Provided that no such audit as is referred to in this sub-section shall be necessary where the provisions of section 294 apply;"

28. For section 357, the following section shall be substituted, namely:—

"357. The winding up of a company by the Tribunal under this Act shall be deemed to commence at the time of the presentation of the petition for the winding up."

Commencement
of winding up by
Tribunal.

29. In section 370, in the proviso, after the words "obtained for the winding up the company", the words "in accordance with the provisions of this Act or of the Insolvency and Bankruptcy Code, 2016" shall be inserted.

30. In section 372, after the words "The provisions of this Act", the words "or of the Insolvency and Bankruptcy Code, 2016, as the case may be," shall be inserted.

31. In section 419, for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) The Central Government shall, by notification, establish such number of benches of the Tribunal, as it may consider necessary, to exercise the jurisdiction, powers and authority of the Adjudicating Authority conferred on such Tribunal by or under Part II of the Insolvency and Bankruptcy Code, 2016."

32. In section 424,—

(i) in sub-section (1), after the words, "other provisions of this Act", the words "or of the Insolvency and Bankruptcy Code, 2016" shall be inserted;

(ii) in sub-section (2), after the words, "under this Act", the words "or under the Insolvency and Bankruptcy Code, 2016" shall be inserted.

33. In section 429, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) The Tribunal may, in any proceedings for winding up of a company under this Act or in any proceedings under the Insolvency and Bankruptcy Code, 2016, in order to take into custody or under its control all property, books of account or other documents, request, in writing, the Chief Metropolitan Magistrate, Chief Judicial Magistrate or the District Collector within whose jurisdiction any such property, books of account or other documents of such company under this Act or of corporate persons under the said Code, are situated or found, to take possession thereof, and the Chief Metropolitan Magistrate, Chief Judicial Magistrate or the District Collector, as the case may be, shall, on such request being made to him,—

(a) take possession of such property, books of account or other documents; and

(b) cause the same to be entrusted to the Tribunal or other persons authorised by it."

34. For section 434, the following section shall be substituted, namely:—

"434. (1) On such date as may be notified by the Central Government in this behalf,—

(a) all matters, proceedings or cases pending before the Board of Company Law Administration (herein in this section referred to as the Company Law Board) constituted under sub-section (1) of section 10E of the Companies Act, 1956 (1 of 1956), immediately before such date shall stand transferred to the Tribunal and the Tribunal shall dispose of such matters, proceedings or cases in accordance with the provisions of this Act;

(b) any person aggrieved by any decision or order of the Company Law Board made before such date may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Company Law Board to him on any question of law arising out of such order:

Provided that the High Court may if it is satisfied that the appellant was prevented by sufficient cause from filing an appeal within the said period, allow it to be filed within a further period not exceeding sixty days; and

(c) all proceedings under the Companies Act, 1956 (1 of 1956), including proceedings relating to arbitration, compromise, arrangements and reconstruction and winding up of companies, pending immediately before such date before any District Court or High Court, shall stand transferred to the Tribunal and the Tribunal may proceed to deal with such proceedings from the stage before their transfer:

Provided that only such proceedings relating to the winding up of companies shall be transferred to the Tribunal that are at a stage as may be prescribed by the Central Government.

(2) The Central Government may make rules consistent with the provisions of this Act to ensure timely transfer of all matters, proceedings or cases pending before the Company Law Board or the courts, to the Tribunal under this section."

Transfer of
certain
pending
proceedings.

35. In section 468, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(i) as to the mode of proceedings to be held for winding up of a company by the Tribunal under this Act;

(ii) for the holding of meetings of creditors and members in connection with proceedings under section 230;

(iii) for giving effect to the provisions of this Act as to the reduction of the capital;

(iv) generally for all applications to be made to the Tribunal under the provisions of this Act;

(v) the holding and conducting of meetings to ascertain the wishes of creditors and contributories;

(vi) the settling of lists of contributories and the rectifying of the register of members where required, and collecting and applying the assets;

(vii) the payment, delivery, conveyance, surrender or transfer of money, property, books or papers to the liquidator;

(viii) the making of calls; and

(ix) the fixing of a time within which debts and claims shall be proved."

36. In Schedule V, in Part II, in section III, for clause (b), the following clause shall be substituted, namely:—

"(b) where the company—

(i) is a newly incorporated company, for a period of seven years from the date of its incorporation, or

(ii) is a sick company, for whom a scheme of revival or rehabilitation has been ordered by the Board for Industrial and Financial Reconstruction for a period of five years from the date of sanction of scheme of revival, or

(iii) is a company in relation to which a resolution plan has been approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 for a period of five years from the date of such approval,

it may pay remuneration up to two times the amount permissible under section II."

The above Bill has been passed by the Houses of Parliament.

भाग ४ (ग)

अंतिम नियम

आदिम जाति कल्याण विभाग

मंत्रालय, वल्लभ भवन, भोपाल

भोपाल, दिनांक 23 सितम्बर 2016

मध्यप्रदेश अनुसूचित जनजाति राहत योजना नियम, 2015 (यथासंशोधित)

क्र. एफ-23-21-2015-3-पच्चीस.—मध्यप्रदेश शासन द्वारा, प्रदेश में जरूरतमंद अनुसूचित जनजाति वर्ग के व्यक्तियों को तत्कालिक राहत स्वीकृत करने के लिये मध्यप्रदेश अनुसूचित जनजाति राहत योजना नियम, 1979 (यथासंशोधित) में अनुसूचित जनजातियों से संबंधित समस्त प्रावधानों को अधिक्रमित करते हुए, राज्य सरकार, एतद्द्वारा, निम्नानुसार नियम बनाये जाते हैं :—

1. संक्षिप्त नाम, विस्तार तथा प्रारंभ.—(1) यह नियम “मध्यप्रदेश अनुसूचित जनजाति राहत योजना नियम, 2015 (यथा संशोधित)” कहलायेंगे.

(2) इनका विस्तार सम्पूर्ण मध्यप्रदेश में रहेगा.

(3) यह नियम “मध्यप्रदेश राजपत्र” में प्रकाशन की तारीख से प्रभावशील होंगे.

2. परिभाषायें.—इन नियमों में संदर्भित परिभाषायें निम्नांकित होंगी :—

(एक) “राज्य शासन” से आशय मध्यप्रदेश शासन से है.

(दो) “विभागाध्यक्ष” से आशय आयुक्त आदिवासी विकास मध्यप्रदेश से है.

(तीन) “कलेक्टर” से आशय मध्यप्रदेश के यथा उल्लेखित जिले के कलेक्टर से है.

(चार) “जिला अधिकारी” से आशय सहायक आयुक्त आदिवासी विकास / जिला संयोजक, आदिम जाति कल्याण से है.

(पांच) “अनुसूचित जनजाति” से आशय संविधान के अनुच्छेद 341 में इस राज्य के लिए परिभाषित “अनुसूचित जनजाति” से है.

(छह) “राहत” से अभिप्राय नियम के अधीन प्राधिकारी द्वारा जरूरतमंद अनुसूचित जनजाति के व्यक्ति को अथवा अनुसूचित जनजाति परिवार के लिये स्वीकृत नगद आर्थिक सहायता से है, यह किसी प्रकार की क्षतिपूर्ति नहीं मानी जायेगी और यह अधिकार के रूप में स्वीकृत नहीं की जा सकेगी.

3. उद्देश्य.—अनुसूचित जनजाति राहत योजना नियम, 2015 (यथासंशोधित) का उद्देश्य ऐसे जरूरतमंद अनुसूचित जनजाति परिवारों को तुरन्त राहत पहुंचाना है जो अपनी निर्धनता एवं असहाय अवस्था के कारण संकटापन्न स्थिति में हैं, जिन्हें तत्संबंधी जरूरत पूरी करने के लिए शासन की किसी योजना से अथवा अन्य किसी स्रोत से शीघ्र आर्थिक सहायता मिलने की संभावना न हो, किसी भी प्रार्थी को यह राहत उसी परिस्थिति में स्वीकृत की जायेगी जब स्वीकृतकर्ता प्राधिकारी को यह विश्वास हो जायेगा कि प्रकरण में राहत स्वीकृत करना नितांत आवश्यक है और प्रार्थी को ऐसे कोई दूसरा वित्तीय स्रोत उपलब्ध नहीं है, जिससे कि उसे संकटापन्न स्थिति में तुरन्त आर्थिक सहायता प्राप्त हो सके.

4. पात्रता.—अनुसूचित जनजाति वर्ग के निम्नांकित सदस्यों / परिवारों को राहत प्राप्त करने की पात्रता रहेगी :—

- (1) निःशक्तजन जो कि जीवकोपार्जन में असमर्थ है तथा निराश्रित वृद्ध और ऐसा बीमार जिसकी देखभाल करने वाला कोई न हो.
- (2) ऐसा व्यक्ति जो कि रोजनदारी, खेतीहर मजदूरी अथवा कोई छोटा रोजगार करता था और जो किसी दुर्घटना अथवा दैवीय प्रकोप के कारण लम्बे समय के लिये काम करने में असमर्थ हो तथा उसके परिवार की आजीविका का दूसरा कोई साधन न हो.
- (3) ऐसा परिवार जिसके एक मात्र मुखिया का निधन हो गया हो और परिवार के भरण-पोषण की तत्काल कोई व्यवस्था न हो पा रही हो.

5. आवेदन-पत्र प्रस्तुत करने की प्रक्रिया.—आवेदक राहत प्राप्त करने के लिये आवेदन-पत्र कलेक्टर कार्यालय / सहायक आयुक्त, आदिवासी विकास मध्यप्रदेश / जिला संयोजक, आदिम जाति कल्याण से मध्यप्रदेश में लिखित रूप में प्रस्तुत करेगा. आवेदन-पत्र में प्रार्थी अपना पूरा नाम, पूरा पता, जाति तथा यह स्पष्ट करना होगा कि उसे राहत की क्यों आवश्यकता है, उसके आवेदन-पत्र पर ग्राम पंचायत के सरपंच जनपद / अध्यक्ष / नगर निगम / नगर पालिका परिषद / क्षेत्रीय विधायक / संसद सदस्य में से किसी एक के द्वारा यह तस्दीक होना आवश्यक है कि प्रार्थी अनुसूचित जनजाति समुदाय का सदस्य है और उसे आवेदन-पत्र में उल्लेखित प्रयोजन के लिये राहत की तुरन्त आवश्यकता है.

6. आवेदन-पत्र के परीक्षण की प्रक्रिया.—(1) जिन प्रकरणों में राहत स्वीकृत करने के लिये विभागीय जिला अधिकारी प्राधिकृत है, उससे संबंधित आवेदन-पत्र का परीक्षण जिला कार्यालय द्वारा ही किया जायेगा.

(2) जिन प्रकरणों में कलेक्टर द्वारा राहत स्वीकृत की जाना है, उनके संबंधित आवेदन-पत्र सहायक आयुक्त, आदिवासी विकास, मध्यप्रदेश/ जिला संयोजक, आदिम जाति कल्याण मध्यप्रदेश द्वारा परीक्षण कर कलेक्टर को प्रस्तुत किये जायेंगे.

7. योजना के अन्तर्गत राहत की पात्रता.—(क) श्रेणी के प्रकरण—सम्पत्ति की हानि,—

क्रमांक (1)	विवरण (2)	देय राहत (3)
1	मकान जला दिया जाना	अधिकतम रुपये 15,000/- तक
2	ऐसी चल सम्पत्ति का नुकसान जो आजीविका का आधार हो जैसे कि नांव, गाड़ी / वाहन तथा पशु आदि.	(1) सम्पत्ति को पुनः जुटाने के लिये आवश्यक राशि (जो अनुविभागीय अधिकारी द्वारा निर्धारित की जावे) परन्तु तात्कालिक राहत के तौर पर रुपये 5,000/- तक की राशि.
	(2) अन्य प्रकार की चल सम्पत्ति का नुकसान जैसे कि अनाज, कपड़े, घरेलू सामान आदि.	(2) रुपये 5,000/- तक (जो अनुविभागीय अधिकारी द्वारा निर्धारित की जावे).
3	कुओं, ट्यूबवेल, बिजली मोटर, फलदार वृक्ष एवं अन्य आर्थिक संसाधनों का नुकसान.	सम्पत्ति को पुनः जुटाने के लिये आवश्यक राशि (जो अनुविभागीय अधिकारी द्वारा निर्धारित की जावे) परन्तु तात्कालिक राहत के तौर पर रुपये 5,000/- तक की राशि.

“ग” श्रेणी के अन्य संकटापन्न स्थितियों के प्रकरणों में निम्नलिखित प्रावधान किये जाते हैं :—

- (1) परिवार के मुखिया का आकस्मिक निधन होने पर चाहे स्त्री हो या पुरुष बिना लिंग भेद के परिवार के पालक को यदि परिवार में कोई सहारा देने वाला न हो तो तात्कालिक सहायक राशि 10,000/- रुपये.

- (II) आकस्मिक दुर्घटना हो जाने से पीड़ित को तत्कालिक सहायता राशि रुपये 5,000/- रुपये.
- (III) गरीबी रेखा के नीचे 5,000/- रुपये.
- (IV) अपाहिज, निराश्रित, वृद्ध, दृष्टि-बाधित तथा अति संकटापन्न व्यक्तियों के प्रकरण में न्यूनतम राहत राशि 2,000/- तथा अधिकतम राहत राशि 15,000/- रुपये तक होगी. इसका निर्धारण सक्षम अधिकारी अपने वित्तीय अधिकारी की सीमा के अन्दर करेंगे.

2. राहत स्वीकृति के अधिकार निम्नानुसार होंगे.—

- (I) संभागीय आयुक्त / आयुक्त, आदिवासी विकास, मध्यप्रदेश राशि 15,000/- रुपये तक.
- (II) संबंधित जिला / कलेक्टर / एस.डी.एम. (राजस्व) राशि 10,000/- रुपये तक.
- (III) सहायक आयुक्त, आदिवासी विकास, मध्यप्रदेश / जिला संयोजक, आदिम जाति कल्याण राशि रुपये 5,000/- रुपये तक.

3. उपरोक्त संशोधन और नये नियम अनुसूचित जनजाति वर्ग के लिये ही प्रभावशील होंगे.

4. यदि पीड़ित या प्रभावित या संकटापन्न व्यक्ति को अन्य स्रोतों से भी सहायता प्राप्त हो तो संबंधित व्यक्ति को जिस स्रोत से अधिक राहत राशि प्राप्त हो वहां से राहत ले सकता है अर्थात् एक ही स्रोत से राशि की पात्रता होगी.
योजना में लक्ष्य का निर्धारण नहीं होगा.

8. योजना में होने वाला व्यय निम्नलिखित शीर्ष से विकलनीय होगा—“मांग संख्या 41 मुख्य शीर्ष 2225-अनुसूचित जाति, अनुसूचित जनजाति एवं अन्य पिछड़े वर्गों का कल्याण (02) अनुसूचित जनजाति का कल्याण (800) अन्य व्यय 0102-आदिवासी क्षेत्र उपयोजना 8804 राहत योजना-44 राज्य सहायता 008-अन्य राज्य सहायता”.

मध्यप्रदेश के राज्यपाल के नाम से तथा आदेशानुसार,
के. एन. पाण्डे, अवर सचिव.

मध्यप्रदेश विद्युत नियामक आयोग

पंचम तल, बिट्टन मार्केट, भोपाल — 462 016

अन्तिम विनियम

भोपाल, दिनांक 29.09.2016

क्रमांक 1578/मप्रविनिआ/2016. विद्युत अधिनियम, 2003 (क्रमांक 36, वर्ष 2003) की धारा 181 की उपधारा (2) के खण्ड (यत) में प्रदत्त शक्तियों को प्रयोग में लाते हुए, मध्यप्रदेश विद्युत नियामक आयोग एतद्वारा निम्नलिखित विनियम बनाता है, अर्थात् :

मध्यप्रदेश विद्युत नियामक आयोग (स्मार्ट ग्रिड) विनियम, 2016

1. संक्षिप्त नाम, लागू होना विस्तार तथा प्रारंभ :-

- (1) इन विनियमों का संक्षिप्त नाम 'मध्यप्रदेश विद्युत नियामक आयोग (स्मार्ट ग्रिड) विनियम, 2016' है । (जी-41, वर्ष 2016)
- (2) ये विनियम समस्त विद्युत उत्पादक कम्पनियों, विद्युत पारेषण अनुज्ञप्तिधारियों, विद्युत वितरण अनुज्ञप्तिधारियों तथा राज्य के उपभोक्ताओं को जो राज्य ग्रिड से संयोजित हैं, को लागू होंगे ।
- (3) इनका विस्तार सम्पूर्ण मध्यप्रदेश राज्य में होगा ।
- (4) ये विनियम मध्यप्रदेश राजपत्र में उनके प्रकाशन तिथि से प्रभावशील होंगे ।

2. परिभाषाएं

- (1) इन विनियमों में जब तक संदर्भ से अन्यथा अपेक्षित न हो,
 - (क) "अधिनियम " से अभिप्रेत है, विद्युत अधिनियम, 2003
 - (ख) "उन्नत मापयंत्र अधोसंरचना (ए.एम.एआई)" जिनमें स्मार्ट मापयंत्र सम्मिलित है से अभिप्रेत है ऐसी अधोसंरचना से है जिसकी आवश्यकता वितरण अनुज्ञप्तिधारी को शुद्ध रूप से उपभोक्ताओं से वास्तविक-समय खपत का संग्रहण करने, अनुश्रवण तथा विश्लेषण करने, मूल्य संकेतों का संप्रेषण करने तथा जहां अनुज्ञेय किया जाए भार को नियंत्रण करने में समर्थ बनाने हेतु अपेक्षित है;
 - (ग) "संकलनकर्ता" का से अभिप्रेत है ऐसा व्यक्ति जो वितरण अनुज्ञप्तिधारी के साथ एक या एक से अधिक सेवाओं, जैसे कि मांग अनुक्रिया प्रणाली आदि के अन्तर्गत मांग अनुक्रिया सेवाओं वितरित विद्युत उत्पादन, ऊर्जा संग्रहण, आदि के संकलन हेतु पंजीकृत है ;
 - (घ) "आयोग" से अभिप्रेत है मध्यप्रदेश विद्युत नियामक आयोग;
 - (ङ) "सायबर सुरक्षा" से अभिप्रेत है सूचना, उपकरण, यंत्रों, संगणक (कम्प्यूटर), संगणक संसाधन, तन्त्र (नेटवर्क), क्रमबद्ध अनुदेशों के समुच्चयों (प्रोग्रामों), आंकड़ों, संचार तंत्र तथा उसमें संग्रहीत सूचना को अवैध अथवा अनभिप्रेत पहुंच, उपयोग, प्रकटीकरण, विच्छेदन, संशोधन अथवा नष्ट करने से सुरक्षा प्रदान करने से है;

- (च) "विद्युत ऊर्जा संग्रहण " से अभिप्रेत प्रौद्योगिकी के ऐसे समुच्चय से है जो पूर्व में उत्पादित विद्युत ऊर्जा के भण्डारण तथा बाद में इसे किसी भी समय पर ग्रिड को पोषित करने हेतु सक्षम है । विद्युत संग्रहण प्रौद्योगिकियां ऊर्जा का संग्रहण स्थितिज , गतिज , रासायनिक अथवा ताप ऊर्जा के रूप में कर सकती हैं तथा इनमें शामिल हैं विभिन्न प्रकार की बैटरियां, गतिपालक-चक्र , विद्युत रासायन , संधारित्र , सम्पीड़ित वायु संचायक , ताप संचायक यंत्र तथा उत्थापित जल विद्युत ऊर्जा जो प्रणाली को विद्युत उत्पादन के लिए सक्षम बनाते हैं ;
- (छ) "अन्तर्परिचालन सुयोग्यता" से अभिप्रेत है एक क्रियात्मक लक्ष्य की प्राप्ति के लिए दो प्रणालियों अथवा सॉफ्टवेयर घटकों के मापन को सुगम बनाने के एकीकरण;
- (ज) "मुख्य निष्पादन संकेतक" निष्पादन मापन का एक प्रकार है जो इसकी सफलता का मूल्यांकन करता है या फिर किसी विशिष्ट गतिविधि जिसके अन्तर्गत वह नियोजित है, के परिणाम का मूल्यांकन करता है;
- (झ) "लघु ग्रिड" एक प्रज्ञावान विद्युत वितरण प्रणाली है जो भारों, वितरित ऊर्जा संसाधनों तथा संग्राहक को मुख्य ग्रिड के संबंध में एकल नियंत्रणीय इकाई के रूप में कार्य करने बाबत परिभाषित विद्युत परिसीमाओं के अन्तर्गत परस्पर संयोजित करती है । एक सूक्ष्म ग्रिड सूचना, सम्प्रेषणों तथा नियंत्रक प्रौद्योगिकियों का उपयोग प्रणाली के वितरित विद्युत प्रदाय तथा मांग संसाधनों को नियंत्रित तथा समन्वित विधि के अनुरूप मुख्य ग्रिड से संयोजित करते हुए या फिर द्वैपक तौर पर भी परिचालन हेतु करती है । एक सूक्ष्म ग्रिड स्वयं को ग्रिड से संयोजित तथा विच्छेदित कर सकती है ताकि यह दोनों ग्रिड-संयोजित अथवा द्वैपीय पद्धति में परिचालन हेतु सक्षम होती है ;
- (ञ) "अनुसूची" से अभिप्रेत है, इन विनियमों से संलग्न अनुसूची;
- (ट) "स्मार्ट ग्रिड" एक विद्युत तन्त्र (नेटवर्क) है जो लागत-दक्ष विधि द्वारा इससे जुड़े समस्त प्रयोक्ताओं जैसे कि, विद्युत उत्पादकों, उपभोक्ताओं तथा वे जो दोनों गतिविधियों का निष्पादन करते हैं के व्यवहार तथा क्रियाओं को संयोजित करते हैं जिसके अनुसार मितव्ययी तौर पर सुदक्ष, टिकाऊ विद्युत प्रणालियों का संचालन मय न्यून हानियों के तथा गुणवत्ता से युक्त विद्युत प्रदाय की सुरक्षा तथा इससे बचाव के उच्च स्तर को सुनिश्चित किया जा सकता है ;
- (ठ) "वृहद् क्षेत्र मापन प्रणालियां" एक उन्नत मापन प्रौद्योगिकी, सूचना उपकरण तथा परिचालन अधोसंरचना है जो सुरक्षित तथा विश्वसनीय ग्रिड संचालन हेतु प्रणाली के

परिचालक को "पारिस्थितिक जागरूकता " हेतु उसे विद्युत प्रणालियों द्वारा प्रदर्शित बढ़ते हुए जटिल व्यवहार को समझने तथा प्रबंधन की सुविधा प्रदान करती है ।

- (2) उन शब्दों तथा अभिव्यक्तियों के जो इन विनियमों में प्रयुक्त हुए हैं, किन्तु जिन्हें परिभाषित नहीं किया गया है वही अर्थ होंगे जैसा कि इन्हें अधिनियम, नियमों तथा विनियमों में निर्दिष्ट किया गया हो ।

स्मार्ट ग्रिड के उद्देश्य तथा दिशा-निर्देश

3. स्मार्ट ग्रिड के उद्देश्य

- (1) इन विनियमों के उद्देश्य विद्युत उत्पादन, पारेषण तथा वितरण अनुज्ञप्तिधारी की परिचालन व्यवस्थाओं में मितव्ययता, दक्षता तथा सुधार लाए जाने हेतु विभिन्न स्मार्ट ग्रिड, प्रौद्योगिकियों तथा उपायों को एकीकृत किए जाने हेतु समर्थ बनाना, पारेषण तथा वितरण तन्त्रों का प्रभावी ढंग से प्रबंधन करना, तन्त्र सुरक्षा में वृद्धि करना, ग्रिड तथा सूक्ष्म ग्रिडों के अन्तर्गत नवकरणीय तथा स्वच्छ ऊर्जा से एकीकृत करना है ।
- (2) उद्देश्यों में तन्त्र दृष्टिक्षेत्र तथा पहुंच में वृद्धि करना, अनुकूलतम परिसम्पत्ति उपयोग का संवर्धन करना, उपभोक्ता सेवा स्तरों में सुधार करना भी शामिल है जिसके अनुसार विद्युत क्षेत्र में मूल्य कड़ी के आरपार अधिक से अधिक प्रौद्योगिकी अंगीकरण, विशेष रूप से पारेषण तथा वितरण क्षेत्रों में पारेषण अनुज्ञप्तिधारियों व वितरण अनुज्ञप्तिधारियों के प्रचालन में सहभागिता को अनुज्ञेय किया जाता है ।

4. स्मार्ट ग्रिड प्रक्रिया संबंधी दिशा-निर्देश

- (1) आयोग, समय-समय पर, विद्युत उत्पादक कम्पनियों, पारेषण अनुज्ञप्तिधारियों, वितरण अनुज्ञप्तिधारियों हेतु दिशा-निर्देश जारी कर सकेगा जो निम्न गतिविधियों के निष्पादन तक ही सीमित न होंगे :
- (क) स्मार्ट ग्रिड कार्यक्रमों का प्रतिपादन
 (ख) स्मार्ट ग्रिड कार्यक्रमों का कार्यान्वयन
 (ग) स्मार्ट ग्रिड कार्यक्रमों का लागत प्रभोत्पादक आकलन
 (घ) स्मार्ट ग्रिड योजनाओं तथा कार्यक्रमों का अनुश्रवण करना तथा प्रतिवेदित करना
 (ङ) स्मार्ट ग्रिड कार्यक्रमों की अनिवार्य आवश्यकताएं
 (च) उपभोक्ता नियोजन तथा सहभागिता (छ) प्रशिक्षण तथा क्षमता निर्माण

- (ज) स्मार्ट ग्रिड योजनाओं को स्थापित करने की विधि तथा निधीयन स्तर
(झ) आधारभूत विकास संरचना तथा सूचना प्रणाली आवश्यकताएं

- (2) इस प्रकार जारी किए जाने वाले दिशा-निर्देश विद्युत उत्पादक कम्पनी, पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी द्वारा स्मार्ट ग्रिड योजना को तैयार करने बाबत पूर्वपेक्षी न होंगे ।

स्मार्ट ग्रिड प्रकोष्ठ

5. स्मार्ट ग्रिड प्रकोष्ठ का गठन, इसकी भूमिका तथा उत्तरदायित्व

- (1) प्रत्येक पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी के लिए इन विनियमों की अधिसूचना जारी होने की तारीख से तीन माह के भीतर, स्मार्ट ग्रिड प्रकोष्ठ का गठन करना अनिवार्य होगा ।
- (2) इस प्रकार गठित किए गए स्मार्ट ग्रिड प्रकोष्ठ को इन विनियमों के अन्तर्गत निर्धारित दायित्वों के निष्पादन हेतु आवश्यक प्राधिकार होगा जिसके लिए आवश्यक संसाधनों का प्रावधान किया जाएगा ।
- (3) स्मार्ट ग्रिड प्रकोष्ठ निम्न कार्यों हेतु उत्तरदायी होगा :
- (क) आधार-रेखा अध्ययन तथा आंकड़ों को विकसित करना
(ख) स्मार्ट ग्रिड योजनाओं, कार्यक्रमों, परियोजनाओं को प्रतिपादित करना
(ग) स्मार्ट ग्रिड परियोजनाओं का रूपांकन करना तथा इन्हें विकसित करना, जिसमें सम्मिलित हैं लागत लाभ विश्लेषण, कार्यान्वयन संबंधी योजना, अनुश्रवण तथा प्रतिवेदन तैयार करने, तथा मापन एवं सत्यापन; (घ) स्मार्ट ग्रिड योजनाओं, कार्यक्रमों, परियोजनाओं के संबंध में आवश्यक अनुमोदन प्राप्त करना
(च) स्मार्ट ग्रिड कार्यक्रमों का क्रियान्वयन करना
(छ) अन्य कोई अतिरिक्त कृत्य जैसा कि वहां आयोग द्वारा समय-समय पर सौंपे जाएं।

पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी, ऊर्जा दक्षता, मांग-परक प्रबंधन तथा स्मार्ट ग्रिड के कार्यान्वयन से संबंधित इन गतिविधियों को उक्त प्रकोष्ठ के अन्तर्गत संयोजित कर सकेगा ।

स्मार्ट ग्रिड प्रक्रिया

6. आधार-रेखा अध्ययन तथा आंकड़ों का विकास

- (1) पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी द्वारा सर्वप्रथम स्मार्ट ग्रिड कार्यक्रमों हेतु लक्ष्यों तथा अन्तिम परिणामों को चिन्हांकित करने हेतु आधार-रेखा अध्ययन का कार्य हाथ में लिया जाएगा । पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी द्वारा आवश्यक आंकड़ा आधार भी तैयार किया जाएगा ।
- (2) पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी द्वारा विशिष्ट दक्षता प्रौद्योगिकियों तथा अनुप्रयोगों के नियोजन की संभावनाओं के आकलन, मुख्य निष्पादन संसूचकों को स्थापित करने तथा विद्यमान आधार-रेखा तकनीकी परिस्थितियों के अवधारण हेतु अध्ययन कार्य हाथ में लिया जाएगा ।
- (3) आधार-रेखा अध्ययन के परिणामों के आधार पर, पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी, अपने प्रदाय क्षेत्र के अन्तर्गत स्मार्ट ग्रिड कार्यक्रम विकसित करेंगे ।

7. स्मार्ट ग्रिड योजना, कार्यक्रमों, परियोजनाओं का प्रतिपादन

- (1) पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी बहुवर्षीय टैरिफ याचिका अथवा सम्पूर्ण राजस्व आवश्यकतायाचिका के साथ आयोग के अनुमोदन हेतु एक एकीकृत बहुवर्षीय स्मार्ट ग्रिड योजना अपने-अपने तत्संबंधी अनुज्ञप्त क्षेत्रों हेतु प्रस्तुत करेंगे ।
- (2) समस्त स्मार्ट ग्रिड परियोजनाएं, आयोग द्वारा जारी पूंजीगत व्यय हेतु दिशा निर्देशों के प्रावधानों के अनुरूप, पूंजी निवेश के पूर्व अनुमोदन हेतु आयोग को प्रस्तुत की जाएंगी ।
- (3) स्मार्ट ग्रिड परियोजनाओं हेतु प्रस्तावों में निम्नलिखित सम्मिलित होंगे :-
 - (क) विस्तृत परियोजना प्रतिवेदन;
 - (ख) क्रेता को नियोजित करना तथा सहभागिता योजना, जैसी कि वह लागू हो;
 - (ग) प्रशिक्षण तथा क्षमता निर्माण योजना; और
 - (घ) अन्य कोई जानकारी, जैसी कि वह आयोग द्वारा समय-समय पर बताई जाए; परन्तु यह कि ग्रिड योजना के लिए प्रस्तावित विस्तृत परियोजना प्रतिवेदन तथा कार्यक्रम जिसमें सम्मिलित होगा से परियोजना का समग्र रूप वर्णन, परियोजना का उद्देश्य तथा आधार, तकनीकी संभाव्यता अध्ययन, प्रक्षेपित वित्तीय भार, लक्ष्यबद्ध हितधारक, विस्तृत लागत-लाभ विश्लेषण, ऐसी समस्त लागतों के विवरण जो

प्रकृति से गुणात्मक तथा परिमाणात्मक हैं, आयोग द्वारा जारी लागत प्रभावोत्पादक दिशा-निर्देशों के अनुरूप हैं, लागतों की वसूली हेतु प्रस्तावित क्रियाविधि, प्रदाय रणनीति, क्रियान्वयन क्रियाविधि, विद्युत-प्रदाय रणनीति, क्रियान्वयन क्रियाविधि, क्रियान्वयन अनुसूची, निष्पादन प्रोत्साहन, यदि कोई हों, अनुश्रवण तथा मूल्यांकन योजना, हितधारकों के मध्य जागरूकता में वृद्धि करना ।

(4) स्मार्ट ग्रिड परियोजनाओं के निर्देशात्मक, घटकों की सूची अनुसूची-1 में संलग्न की गई है।

8. स्मार्ट ग्रिड योजना, कार्यक्रम परियोजना अभिलेख का अनुमोदन

- (1) आयोग, स्मार्ट ग्रिड कार्यक्रम तथा परियोजना को अनुमोदित करेगा, यदि यह विनियमों के उपबंधों के अनुसार दिए गए उद्देश्यों के अनुरूप है ।
- (2) आयोग, पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी द्वारा प्रस्तुत किए गए प्रस्ताव के परीक्षण हेतु ऐसे विशेषज्ञों की सहायता तथा परामर्श प्राप्त कर सकेगा जैसा कि वह आवश्यक समझे ।
- (3) आयोग, प्रस्तावों को अनुमोदन प्रदान करते समय कार्यक्रम तथा परियोजना, से संबंधित लागतों को, यदि कोई हों, चिन्हांकित कर सकेगा तथा ऐसी लागतों की वसूली के बारे में विधि, प्रक्रिया, क्रियाविधि निर्धारित कर सकेगा ।

परन्तु, आयोग, परियोजना के जीवनकाल के दौरान पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी हेतु निष्पादन, क्रियान्वयन तथा निष्पादन से संबद्ध प्रोत्साहन/गैर-प्रोत्साहन क्रियाविधि निर्दिष्ट कर सकेगा । आयोग, सहभागी उपभोक्ताओं को स्मार्ट ग्रिड कार्यक्रमों में सक्रिय तथा प्रभावी सहभागिता को प्रोत्साहन प्रदान करने हेतु वित्तीय प्रोत्साहन/गैर-प्रोत्साहन भी निर्दिष्ट कर सकेगा;

परन्तु यह और कि आयोग, समग्र उद्देश्यों से सुसंगत प्रस्तावों में उपांहरण भी कर सकेगा, जैसा कि वे उचित समझे जाएं ।

9. स्मार्ट ग्रिड कार्यक्रमों और परियोजनाओं का निष्पादन

- (1) पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी, परियोजना तथा कार्यक्रम के निष्पादन का दायित्व आयोग द्वारा दिए गए अनुमोदनार्थ तथा आयोग द्वारा समय-समय पर जारी अन्य दिशा-निर्देशों के अनुसार वहन करेंगे ।
- (2) पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी, सामान्यतः केन्द्रीय विद्युत प्राधिकरण द्वारा अधिसूचित विनियमों के अनुसार प्रणाली मानकों को अपनाएंगे । ऐसे प्रकरण में जहां केन्द्रीय विद्युत प्राधिकरण द्वारा कोई मानक या विनियम अनुसूचित न किए गए हों वहां समुचित आयोग द्वारा अधिसूचित उपयुक्त मानक लागू होंगे । तन्त्र (नेटवर्क), संचार, उत्पादों, अन्तर्परिचालन योग्यता तथा सायबर सुरक्षा के संबंध में भारतीय मानक ब्यूरोया फिर इसी प्रकार के उपयुक्त प्राधिकारी द्वारा लागू किए गए मानक अपनाए जाएंगे । जहां ऐसे मानक पृथक् से संस्थापित न किए गए हों वहां क्रमिक रूप से मानकों का उक्त अनुक्रमानुसार परिपालन किया जाएगा ।
- (3) आयोग द्वारा यथाअधिसूचित निष्पादन के मानकों से संबंधित विनियम लागू होंगे । स्मार्ट ग्रिड परियोजनाओं के निष्पादन का आकलन पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी के निष्पादन के बारे में उसे प्रोत्साहन/दण्ड प्रदान करने बाबत किया जाएगा । आयोग, अधिकतम लाभ प्रदान करने हेतु निष्पादन के अतिरिक्त मानकों का क्रियान्वयन तथा प्रस्तावित स्मार्ट ग्रिड निष्पादन मानकों का अनुपालन सुनिश्चित करने विनिर्दिष्ट करेगा ।
- (4) स्मार्ट ग्रिड कार्यक्रमों, परियोजनाओं के लिए उत्तरदायी पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी तथा अन्य अभिकरण यह सुनिश्चित करेंगे कि उपभोक्ता आंकड़ों तथा उपभोक्ता निजता को उच्चतम स्तरों पर प्राथमिकता प्रदान की जाए ।

10. लागत की वसूली हेतु क्रियाविधि

- (1) पारेषण अनुज्ञप्तिधारी, तथा वितरण अनुज्ञप्तिधारी द्वारा कार्यक्रमों के नियोजन, रूपांकन तथा क्रियान्वयन से संबद्ध शुद्ध धनात्मक लागतों, यदि कोई हों, को चिन्हांकित किया जाएगा ।
- (2) पारेषण अनुज्ञप्तिधारी, वितरण अनुज्ञप्तिधारी शुद्ध धनात्मक लागतों की वसूली हेतु विद्युत-दर के माध्यम से या फिर किसी अन्य क्रियाविधि द्वारा पद्धति प्रस्तावित कर सकेंगे ।
- (3) लागत वसूली हेतु अर्हता के प्रयोजन से प्रत्येक कार्यक्रम को
 - क. क्रियान्वयन से पूर्व अनुमोदित कराया जाना अनिवार्य होगा
 - ख. पूर्व अनुमोदित कार्यक्रम को योजना के अनुसार क्रियान्वित किया जाएगा

स्मार्ट ग्रिड परियोजना मूल्यांकन**11. स्मार्ट ग्रिड कार्यक्रम, परियोजना पूर्ण किए जाने संबंधी प्रतिवेदन**

- (1) पारेषण अनुज्ञप्तिधारी तथा वितरण अनुज्ञप्तिधारी एक विस्तृत कार्यक्रम, परियोजना पूर्ण किए जाने संबंधी प्रतिवेदन तैयार करेंगे । ऐसे कार्यक्रम पूर्ण होने के एक माह के भीतर आयोग को प्रस्तुत करेंगे ।
- (2) इस प्रतिवेदन में कार्यक्रम, परियोजना व्यय, भौतिक उपलब्धियां प्रतिबंध, कठिनाईयां जिनका सामना किया गया हो तथा विचलन, यदि कोई हों, संबंधी पहलुओं को शामिल किया जाएगा ।
- (3) पारेषण अनुज्ञप्तिधारी तथा वितरण अनुज्ञप्तिधारी कार्यपूर्ण करने संबंधी प्रतिवेदन को अपनी वेबसाईट के माध्यम से सार्वजनिक अवलोकन हेतु प्रस्तुत करेंगे ।

12. स्मार्ट ग्रिड कार्यक्रम, परियोजना के निष्पादन के प्रदर्शन का अनुश्रवण, मूल्यांकन, मापन तथा सत्यापन

- (1) स्मार्ट ग्रिड कार्यक्रम तथा परियोजना का अनुश्रवण तथा मूल्यांकन समुचित विधि पर आधारित किया जाएगा जिसके अन्तर्गत मुख्य निष्पादन संकेतक जैसा कि इनके बारे में आयोग द्वारा निर्णय लिया जाए तथा उपयुक्त मापन तथा सत्यापन नयाचार , जैसा कि वे आयोग द्वारा प्रत्येक वैयक्तिक कार्यक्रमों, परियोजनाओं के बारे में चिन्हांकित, उपयोग किए जाएं, शामिल किए जाएंगे ।
- (2) पारेषण अनुज्ञप्तिधारी तथा वितरण अनुज्ञप्तिधारी द्वारा आयोग को मूल्यांकन प्रतिवेदन भी प्रस्तुत किया जाएगा जिसमें समग्र रूप से परिणामों, लाभों, अनुभव के आधार पर प्राप्त की गई शिक्षा तथा भविष्यगामी मार्ग संबंधी समस्त पहलू सम्मिलित होंगे ।

13. विविध

- (1) आयोग, किसी भी समय इन विनियमों के उपबंधों में जोड़ने, बदलने, परिवर्तन करने, सुधारने अथवा संशोधन संबंधी प्रक्रिया कर सकेगा । यदि इन विनियमों को प्रभावी बनाने में कोई कठिनाई उत्पन्न हो, तो आयोग इन विनियमों में किसी सामान्य अथवा विशिष्ट आदेश द्वारा ऐसे उपबंध कर सकेगा, जो अधिनियम के उपबंधों से अनसंगत न हो जो कठिनाई दूर करने के लिए आवश्यक प्रतीत हों ।
- (2) आयोग, समय-समय पर, विनियमों के क्रार्यान्वयन तथा अपनाए जाने वाली प्रक्रिया के बारे में आदेश तथा निर्देश जारी कर सकेगा ।

आयोग के आदेशानुसार,
शैलेन्द्र सक्सेना, आयोग सचिव.

अनुसूची

(विनियम 7 देखिए)

स्मार्ट ग्रिड परियोजनाओं के निर्देशात्मक घटकों की सूची

- क. स्वचालित मापयंत्र अधोसंरचना
- ख. मांग अनुक्रिया
- ग. सूक्ष्म-ग्रिड
- घ. वितरण स्काडा/प्रबंधन
- ङ. वितरित विद्युत उत्पादन
- च. शीर्ष-भार प्रबंधन
- छ. अवरोध प्रबंधन
- ज. परिसम्पत्ति प्रबंधन
- झ. वृहद क्षेत्र मापन प्रणालियां
- ञ. ऊर्जा संग्राहक परियोजनाएं
- ट. नवकरणीय ऊर्जा स्रोतों का ग्रिड से समकालन करना
- ठ. विद्युत साधन, ग्रिड से साधन तथा साधन से ग्रिड अन्तर्क्रिया
- ड. स्मार्ट ग्रिड आंकड़ा संग्रहण तथा विश्लेषण
- ढ. विद्युत-दर क्रियाविधि, अवरुद्ध तथा गतिशील विद्युत-दरें, उपयोग का समय, विवेचनात्मक शीर्ष मूल्य निर्धारण, वास्तविक समय मूल्य निर्धारण आदि

Madhya Pradesh Electricity Regulatory Commission

Dated: 29.09.2016

N0.1578 /MPERC/2016. In exercise of the powers conferred by clause (zp) of sub-section (2) of section 181 of the Electricity Act, 2003 (36 of 2003), the Madhya Pradesh Electricity Regulatory Commission, hereby makes the following Regulations, namely:-

Madhya Pradesh Electricity Regulatory Commission (Smart Grid) Regulations, 2016

1. Short Title, application, extent and Commencement :-

- (1) These Regulations shall be called the Madhya Pradesh Electricity Regulatory Commission (Smart Grid) Regulations, 2016. (G-41 of 2016)
- (2) They shall be applicable to all Generating Companies, Transmission Licensees, Distribution Licensees and consumers in the State and connected to the state grid.
- (3) They shall extend to the whole of the State of Madhya Pradesh.
- (2) They shall come into force from the date of their publication in the Madhya Pradesh Gazette .

2. Definitions :- (1) In these Regulations, unless the context otherwise requires:-

- (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "Advanced Metering Infrastructure (AMI)" including smart meters means the infrastructure required to enable the Distribution Licensee to accurately collect, monitor and analyse real-time consumption data from consumers, communicate price signals to consumers and where permitted control load;
- (c) "Aggregator" means a person registered with the Distribution Licensee to provide aggregation of one or more of the services like demand response services under the demand response mechanism, Distributed Generation, Energy Storage etc. within a control area;
- (d) "Commission" means the M.P. Electricity Regulatory Commission;

- (e) "Cyber Security" means protecting information, equipment, devices, computer, computer resource, network, programmes, data, communication device and information stored therein from unauthorized or unintended access, use, disclosure, disruption, modification or destruction;
- (f) "Electric Energy Storage" means a set of technologies capable of storing previously generated energy and releasing energy at a later time to feed electricity into grid. Electric storage technologies may store energy as potential, kinetic, chemical, or thermal energy, and include various types of batteries, flywheels, electrochemical, capacitors, compressed air storage, thermal storage devices and pumped hydroelectric power and able to generate electricity;
- (g) "Interoperability" means the measure of ease of integration between two systems or software components to achieve a functional goal;
- (h) "Key Performance Indicator (KPI)" is a type of performance measurement to evaluate its success, or to evaluate the outcome of a particular activity in which it is engaged;
- (i) "Microgrid" is an intelligent electricity distribution system that interconnects loads, distributed energy resources and storage within clearly defined electrical boundaries to act as a single controllable entity with respect to the main grid. A microgrid uses information, communications and control technologies to operate the system's distributed supply and demand resources in a controlled and coordinated way either while connected to the main grid or while islanded. A microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode.
- j) "Schedule" means a schedule appended to these Regulations;
- k) "Smart Grid" is an electricity network that can cost-efficiently integrate the behavior and actions of all users connected to it – generators, consumers and those that do both – in order to ensure economically efficient, sustainable power systems with low losses and high levels of quality and security of supply and safety.
- l) "Wide Area Measurement Systems (WAMS)" is advanced measurement technology, information tools, and operational infrastructure that facilitate

the understanding and management of the increasingly complex behavior exhibited by large power systems to enhance the system operator's "situational awareness" for safe and reliable grid operation;

- (2) Words and expressions used and not defined in these Regulations shall have the same meanings as assigned to them in the Act, Rules and Regulations.

SMART GRID OBJECTIVES AND GUIDELINES

3. Objectives of Smart Grid :-

- (1) The objectives of these Regulations are to enable integration of various smart grid technologies and measures to bring about economy, efficiency improvement in generation, transmission and distribution licensee operations, manage the transmission and distribution networks effectively, enhance network security, integrate renewable and clean energy into the grid and micro grids.
- (2) The objectives also include enhancing network visibility and access, promoting optimal asset utilization, improving consumer service levels thereby allowing for participation in operations of transmission licensees, distribution licensees through greater technology adoption across the value chain in the electricity sector and particularly in the transmission and distribution segments.

(4) Guidelines on Smart Grid process :-

- (1) The Commission may from time to time issue guidelines for the generating company, transmission licensee, distribution licensee in execution of the activities including but not limited to,
- (a) Formulation of Smart Grid programmes;
 - (b) Implementation of Smart Grid programmes;
 - (c) Cost Effectiveness Assessment of Smart Grid programmes;
 - (d) Monitoring and Reporting of Smart Grid Plans and programmes;
 - (e) Essential requisites for Smart Grid programmes;
 - (f) Customer engagement and participation;
 - (g) Customer data protection;

- (h) Training and capacity building;
 - (i) Methodology for setting Smart Grid plans and funding levels;
 - (j) Database development framework and information system requirements;
- (2) Issuance of such guidelines shall not be a pre-requisite for preparation and submission of the Smart Grid plan by the generating company, transmission licensee, distribution licensee

SMART GRID CELL

(5) Constitution of Smart Grid Cell, its roles & responsibilities :-

- (1) Every transmission licensee and the distribution licensee shall, constitute Smart Grid Cell within three months of the publication of notification of these Regulations.
- (2) The Smart Grid Cell so constituted shall have the authority and necessary resources so as to execute the functions assigned to it under these Regulations
- (3) The Smart Grid Cell shall be responsible for:
 - (a) Baseline study and development of data
 - (b) Formulation of Smart Grid Plans, Programmes, Projects,
 - (c) Design and development of Smart Grid projects including cost benefit analysis, plans for implementation, monitoring & reporting and for measurement & verification
 - (d) Seeking necessary approvals to Smart Grid Plans, Programmes, Projects
 - (e) Implementation of Smart Grid programmes
 - (f) Any other additional function that may be assigned by the Commission from time to time

The transmission licensee, distribution licensee may combine activities related to energy efficiency, demand side management and Smart Grid implementation within the same cell.

SMART GRID PROCESS**(6) Baseline study and development of data :-**

- (1) Transmission licensee, distribution licensee shall undertake baseline study to identify the targets and final outcomes for Smart Grid project programmes. The transmission licensee, distribution licensee shall also build the necessary database.
- (2) Transmission licensee, distribution licensee shall undertake study to estimate potential for employment of specific efficiency technologies and applications, establish key performance indicators, and determine existing baseline technical conditions.
- (3) On the basis of the results of baseline study, the transmission licensee, distribution licensee shall develop smart grid programme for its area of supply.

(7) Formulation of Smart Grid Plan, Programmes, Projects

- (1) The transmission licensee, distribution licensee shall submit an integrated Multi-Year Smart Grid Plan for their respective Licence areas along-with Multi-Year Tariff Petition or ARR Petition, for the approval of Commission.
- (2) All Smart Grid projects shall be submitted to the Commission for prior approval of investments as per the provisions of the guidelines for capital expenditure issued by the Commission .
- (3) The proposal for Smart Grid Projects shall include
 - (a) Detailed Project Report
 - (b) Customer engagement and participation plan as applicable
 - (c) Training and capacity building plan and
 - (d) Any other information that may be stipulated by the Commission from time to time:

Provided that the detailed project report proposed for grid plan and programme would include inter alia description of the project, objective and rationale for the project, technical feasibility study, projected financial implications, target stakeholders, detailed cost benefit analysis detailing all costs qualitative and quantitative in nature, assessment of the project, in line with the cost effectiveness guidelines issued by the Commission, proposed mechanism for

recovery of costs, delivery strategy, implementation mechanism, implementation schedule, performance incentives if any, monitoring and evaluation plan, plan for increasing awareness among the stakeholders.

- (4) A list of indicative components of Smart Grid Projects is appended in the Schedule.

(8) Approval of Smart Grid Plan, Programme and Project Document :-

- (1) The Commission shall approve a Smart Grid Programme and Project if it is in line with the objectives set out in accordance with the provisions of the Regulations.
- (2) The Commission may take assistance and advice of such experts as it deems necessary for examining the proposal submitted by the transmission licensee, distribution licensee.
- (3) The Commission while according approval to the proposals, may identify costs, if any, relating to the programme, project, and decide the methodology, procedure, process for recovery of such costs.

Provided that the Commission may provide the incentive / disincentive mechanism for the transmission licensee, distribution licensee linked to the execution, implementation and performance during the life of the project. The Commission may also specify financial incentives/dis-incentives to participating consumers to encourage active and effective participation in the Smart Grid programs.

Provided further that the Commission may modify the proposal as deemed fit in order to ensure its consistency with overall objectives.

(9) Execution of Smart Grid programmes and projects :-

- (1) The transmission licensee, distribution licensee shall undertake execution of the project and programme in line with the approval given by the Commission and other directions issued from time to time.
- (2) The transmission licensee, distribution licensee shall normally adopt the system standards as per Regulations notified by the CEA. In such case where no standards or regulations are notified by the CEA the appropriate standards, regulations notified by the appropriate Commission shall be applicable. In respect of network, communication, products, interoperability and cyber security,

the standards as provided by BIS or such appropriate authority shall be adopted. Where these standards are not yet in place, relevant IEC/IEEE/ANSI Standards shall be followed in that order.

- (3) The Regulations relating to standards of performance as notified by the Commission shall apply. Assessment of performance of the Smart Grid projects shall be carried out for incentivizing/penalizing performance of transmission licensee, distribution licensee. The Commission may specify and require implementation of additional standards of performance to maximize the benefits and ensure compliance of the Smart Grid performance standards proposed.
- (4) Transmission licensee, distribution licensee and other agencies responsible for implementation of the Smart Grid programmes, projects shall ensure that protection of consumer data and consumer privacy is accorded the highest levels of priority.

(10) Mechanism for Cost Recovery :-

- (1) Transmission licensee and distribution licensee shall identify the net incremental costs, if any, associated with planning, design and implementation of programmes
- (2) Transmission licensee and distribution licensee may propose methodology for recovery of net incremental costs through tariff or any other mechanism
- (3) In order to qualify for cost recovery, each program must be
 - (a) approved prior to implementation and;
 - (b) implemented in accordance with the approved program plan

SMART GRID PROJECT EVALUATION

(11) Smart Grid Programme and Project Completion Report :-

- (1) The transmission licensee and distribution licensee will prepare and submit a detailed Programme and Project Completion Report and submit the same to the Commission within one month of completion of such programme.
- (2) The Report shall cover the programme, project expenses, physical achievements, constraints and difficulties faced, and deviations, if any.

- (3) Transmission licensee and distribution licensee shall place the completion report in public domain through its website.

(12) Monitoring, Evaluation, Measurement and Verification of execution and performance of the Smart Grid Programme and Project :-

- (1) The Smart Grid programme and project shall be monitored and evaluated based on appropriate methodology including Key Performance Indicators as decided by the Commission using suitable measurement and verification, the protocols identified for each of the individual programmes and projects by the Commission.
- (2) Transmission licensee and distribution licensee shall also submit an evaluation report to the Commission, which inter alia shall include outcomes, benefits, lessons learnt and way forward.

(13) Miscellaneous

- (1) The Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations. If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

The Commission may, from time to time, issue orders and directions in regard to the implementation of the regulations and procedures to be followed.

By order of the Commission,
SHAIENDRA SAXENA, Commission Secretary.

SCHEDULE**(See Regulation 7)****List of indicative component of Smart Grid projects**

- (a) Automated Metering Infrastructure (AMI)
- (b) Demand Response
- (c) Micro-Grids
- (d) Distribution SCADA/Distribution Management
- (e) Distributed Generation
- (f) Peak Load Management
- (g) Outage Management
- (h) Asset Management
- (i) Wide Area Measurement Systems
- (j) Energy Storage Projects
- (k) Grid Integration of Renewable
- (l) Electric Vehicle including Grid to Vehicle (G2V) and Vehicle to Grid (V2G) Interactions
- (m) Smart Grid Data collection and analysis
- (n) Tariff Mechanism including interruptible and dynamic tariffs, time of use, critical peak pricing, real time pricing etc.