



Amendment to the Finance Bill, 2023 as passed by the Lok Sabha on March 24, 2023

The Finance Bill, 2023 (the Bill) as presented before the Lok Sabha has been passed with amendments on March 24, 2023. Key highlights of the amendments vis-à-vis the Bill are summarized hereunder:

Proposals in the Original Bill	Amendments proposed	VKC Insight
Surcharge on Income Tax		
-	Provided further that where the total income of a person, being a specified fund referred to in clause (c) of the Explanation to clause (4D) of section 10 of the Income-tax Act, includes any income under clause (a) of sub-section (1) of section 115AD of the Income-tax Act, the advance tax computed on that part of income shall not be increased by any surcharge.	No surcharge and cess to be levied on income from securities held by specified fund referred to in Section 10(4D) This amendment has provided relief from surcharge and health and education cess to the specified funds (i.e. AOP or trust) whose income is taxable u/s 115AD(1)(a).
-	Provided also that in the case of a specified fund, referred to in clause (c) of the explanation to clause (4D) of section 10 of the Income-tax Act, whose income is chargeable to tax under subsection (1A) of section 115BAC and where such income includes any income under clause (a) of sub-section (1) of section 115AD of the Income Tax Act, the advance tax computed on that part of income shall not be increased by any surcharge.	For those who are exercising option u/s 115BAC (not having income u/s 115BAD), the maximum rate of surcharge i.e. 37% has now been restricted to 25% which has resulted in reduction of the maximum tax rate to 39%.
-	Provided further that nothing contained in this sub-section shall apply in respect of income-tax as specified in sub-section (9), calculated on income, referred to in clause (a) of sub-section (1) of section 115AD of the Income-tax Act, of specified fund referred to in clause (c) of the Explanation to clause (4D) of section 10 of the Income-tax Act.	-

Section 2: Net winnings from online games

-	<p>A new sub-clause (ca) in Clause 37A has been inserted:</p> <p>(ca) in clause (37A), in sub-clause (ii), after the figures and letter “194B”, the figures and letters 194BA” shall be inserted.</p>	<p>New Section 194BA has been introduced with effect from 01-07-2023, where the net winnings are wholly or partly in kind and the cash is not sufficient to meet the liability of tax deduction in respect of whole of net winnings, the person responsible for paying shall before releasing the winnings ensure that tax has been paid in respect of winnings.</p> <p>The Finance Bill has preponed the applicability of this new Section 194BA to 01-04-2023 from the earlier proposed date i.e. 01-07-2023.</p>
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Section 10

<p>Provided that the amount of distributed income referred to in sub-clause (ii) shall include only so much of the amount which is chargeable to tax in the hands of the offshore banking unit under section 115AD.</p>	<p>The following clauses shall be substituted with effect from the 1st day of April, 2024, namely:</p> <p>(4G) any income received by a non-resident from:</p> <p>(i) portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident; or</p> <p>(ii) such activity carried out by such person, as may be notified by the Central Government in the Official Gazette,</p>	<p>With effect from AY 2024-25, the Finance Bill has extended the scope of exempting the entire income accrued outside India which is received by a non-resident from the specified activity carried out by the specified person. Earlier this used to be restricted to incomes u/s 115AD.</p>
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	<p>in an account maintained with an Offshore Banking Unit in any International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India.</p> <p>Explanation-For the purposes of this clause, "portfolio manager" shall have the same meaning as assigned to it in clause (z) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021, made under the International Financial Services Centres Authority Act, 2019;</p> <p>(4H) any income of a non-resident or a Unit of an International Financial Services Centre as referred to in subsection (1A) of section 80LA engaged primarily in the business of leasing of an aircraft, by way of capital gains arising from the transfer of equity shares of domestic company, being a Unit of an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, engaged primarily in the business of lease of an aircraft which has commenced operations on or before the 31st</p>	<p>With effect from AY 2024-25, this newly inserted clause has provided exemption to non-resident or unit of an IFSC on the transfer of shares of a domestic company engaged in aircraft leasing business in IFSC.</p>
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	<p>day of March, 2026.</p> <p>Provided that the provisions of this clause shall apply for capital gains arising from the transfer of equity shares of such domestic company in a previous year relevant to an assessment year falling with the-</p> <p>(a) period of ten assessment years beginning with the assessment year relevant to the previous year in which the domestic company has commenced operations; or</p> <p>(b) period of ten assessment years beginning with the assessment year commencing on the 1st day of April, 2024, where the period referred to in clause (a) ends before the 1st day of April, 2034.</p> <p>Explanation-For the purposes of this clause, "aircraft" means an aircraft or a helicopter, or an engine of an aircraft or a helicopter, or any part thereof.</p>	
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Section 10: Insertion of new clause (ha) for clause (23FE)

-	<p>(ha) in clause (23FE), the word "interest", has been substituted with "interest, any sum referred to in clause (xii) of sub-section (2) of section 56" shall be with effect from the 1st day of April, 2024.</p>	-
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Section 10: Insertion of new clause (ia) for clause (26AAA) - Exemption to be available to a “Sikkimese woman marrying a non-sikkimese” and an “Individual domiciled in Sikkim”

-	<p>"(ia) for clause (26AAA), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1990, namely:</p> <p>(26AAA) in case of an individual, being a Sikkimese, any income which accrues or arises to him:</p> <p>(a) from any source in the State of Sikkim; or</p> <p>(b) by way of dividend or interest on securities</p> <p>Explanation: For the purposes of this clause "Sikkimese" shall mean-</p> <p>(i) an individual, whose name is recorded in the register maintained under the Sikkim Subjects Regulation, 1961 read with the Sikkim Subject Rules, 1961 (hereinafter referred to as the "Register of Sikkim Subjects"), immediately before the 26th day of April, 1975; or</p> <p>(ii) an individual, whose name is included in the Register of Sikkim Subjects by virtue of the Government of India Order No. 26030/36/90-ICI dated the 7th August, 1990 and Order of even number dated 8th April, 1991 or</p>	<p>The bill has amended section 10(26AAA), expanding the term “Sikkimese” which extends to all Sikkimese & women who marries non Sikkimese.</p>
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	<p>(iii) any other individual, whose name does not appear in the Register of Sikkim Subjects, but it is established beyond doubt that the name of such individual's father or husband or paternal grand-father or brother from the same father 'has been recorded in that register; or</p> <p>(iv) any other individual, whose name does not appear in the Register of Sikkim Subjects out it is established that such individual was domiciled in Sikkim on or before the 26th day of April, 1975; or</p> <p>(v) any other individual, who was not domiciled in Sikkim on or before the 26th day of April, 1975, but it is established beyond doubt that such individual's father or husband or paternal grand-father or brother from the same father was domiciled in Sikkim on or before the 26th day of April, 1975;</p> <p>(ib) after clause (34A), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:</p> <p>(34B) any income of a unit of any International Financial Services Centre, primarily engaged in the business of leasing of an aircraft, by way of dividends from a company being a unit of any</p>	
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	<p>International Financial Services Centre primarily engaged in the business of leasing of an aircraft.</p> <p>Explanation- For the purposes of this clause, "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.</p>	
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Section 10: Section 10(46)

(1) after clause (46), the following clause shall be inserted with effect from the 1st day of April, 2024, namely:	The word clause has been substituted with the word ' clauses '	-
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Section 10: Insertion of new sub-section (46B)

-	<p>(46B) any income accruing or arising to:</p> <p>(i) National Credit Guarantee Trustee Company Limited, being a company established and wholly financed by the Central Government for the purposes of operating credit guarantee funds established and wholly financed by the Central Government; or</p> <p>(ii) a credit guarantee fund established and wholly financed by the Central Government and managed by the National Credit Guarantee Trustee Company Limited; or</p>	-
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	(iii) Credit Guarantee fund Trust for Micro and Small Enterprises, being a trust created by the Government of India and the Small Industries Development Bank of India established under sub-section (1) of section 3 of the Small Industries Development Bank of India Act, 1989.	
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Section 11

<p>(C) in sub-section (7), with effect from the 1st day of April, 2024-</p> <p>a) for the words, brackets and figures “and clause (46)”, the words, brackets, figures and letter “, clause (46) and clause (46A)” shall be substituted;</p> <p>b) in the first proviso, for the words, brackets and figures “under clause (46)”, the words, brackets, figures and letter “under clause (46) or clause (46A)” shall be substituted;</p> <p>c) in the second proviso, for the words, brackets and figures “under clause (46)”, the words, brackets, figures and letter “under clause (46) or clause (46A)” shall be substituted.</p>	In all the three sub-clause, clause (46) has been substituted with Clause (23EC)	
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Section 47: Insertion of meaning to Original Funds

-	<p>Original fund means-</p> <p>(A) a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfils the following conditions, namely:</p> <p>(i) the fund is not a person resident in India;</p> <p>(ii) the fund is a resident of a country or a specified territory with which an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A has been entered into; or is established or incorporated or registered in a country or a specified territory as may be notified by the Central Government in this behalf;</p> <p>(iii) the fund and its activities are subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident; and</p> <p>(iv) fulfils such other conditions as may be prescribed;</p> <p>(B) an investment vehicle, in which Abu Dhabi Investment Authority is the direct or indirect sole shareholder or unit holder or beneficiary or interest holder and such</p>	<p>To promote the relocation of offshore funds ("original fund") to the IFSC in India, the Finance Act, 2021 had inserted Section 47(viia), 47(viia) and 10(23FF) to make relocation a tax-neutral transaction.</p> <p>The Finance Bill has now expanded the scope of the word "original fund" by inserting various other funds within its ambit.</p>
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	<p>investment vehicle is wholly owned and controlled, directly or indirectly, by the Abu Dhabi Investment Authority or the Government of Abu Dhabi; or</p> <p>(C) a fund notified by the Central Government in the Official Gazette in this behalf subject to such conditions as may be specified.</p>	
(i) in clause (b), for the figures “2023”, the figures “2025” shall be substituted;	<p>New clause mentioned above has been inserted and this clause has been substitutes as (ia) i.e.,</p> <p>(ia) in clause (b), for the figures “2023”, the figures “2025” shall be substituted;</p>	
-	<p>New clause (c) has been inserted:</p> <p>(c) after clause (xix), the following clause shall be inserted, namely:</p> <p>(xx) any transfer of a capital asset, being an interest in a joint venture, held by a public sector company, in exchange of shares of a company incorporated outside India by the Government of a foreign State, in accordance with the laws of that foreign State.</p> <p>Explanation-For the purposes of this clause, “Joint venture” shall mean a business entity, as may be notified by the Central Government in the Official Gazette.</p>	

Section 48: Word proviso has been omitted and Explanation for Cost of Acquisition to section 48 has been inserted

<p>In section 48 of the Income-tax Act, in clause (ii), the following proviso shall be inserted with effect from the 1st day of April, 2024, namely: “Provided that the cost of acquisition of the asset or the cost of improvement thereto shall not include the deductions claimed on the amount of interest under clause (b) of section 24 or under the provisions of Chapter VIA.</p>	<p>The word Proviso has been omitted</p>	<p>Double deduction claimed on interest on borrowed capital for acquiring, renewing or reconstructing a property A new proviso after Section 48(ii) has been inserted w.e.f. AY 2024-25 onwards to provide that the cost of acquisition or the cost of improvement shall not include the amount of interest claimed u/s 24 or chapter VIA.</p>
<p>-</p>	<p>Explanation 1: For the removal of doubt, it is hereby clarified that the cost of acquisition of a unit of a business trust shall be reduced and shall be deemed to have always been reduced by any sum received by a unit holder from the business trust with respect to such unit, which is not in the nature of income as referred to in clause (23FC) or clause (23FCA) of section 10 and which is not chargeable to tax under clause (xii) of sub-section (2) of section 56 and under sub-section (2) of section 115UA.</p> <p>Explanation 2: For the purposes of Explanation 1, it is clarified that where transaction of transfer of a unit is not considered as transfer under section 47 and cost of acquisition of such unit is determined under section 49, sum received with respect to such unit before such transaction as well as after such transaction shall</p>	<p>Tax avoidance through distribution by business trusts to its unit holders In order to tax evasion of any distribution made by the business trust, the bill has been amended to tax such sum received by the unit holder in his hands.</p> <p>For situations when the sum received represents redemption of unit, Finance Bill has inserted clause xii to Section 56(2) to provide that the income under the head Income will also include income as per section 10(23FC) & 10(23FCA) and 115UA(2).</p>

	be reduced from the cost of acquisition under the said Explanation.	
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Section 49

In section 49 of the Income-tax Act, after sub-section (9), the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely: (10) Where the capital asset, being-	In section 49 of the Income-tax Act- (a) after sub-section (2AH), the following sub-section shall be inserted, namely: (2AJ) Where the capital asset, being shares as referred to in clause (xx) of section 47, became the property of the assessee, the cost of acquisition of such asset shall be deemed to be the cost of acquisition to it of the interest in the joint venture referred to in the said clause; (b) alter sub-section (9), the following sub-section shall be inserted with effect from the 1st day of April, 2024, namely: (10) Where the capital asset, being-	
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Section 50AA

50AA. Notwithstanding anything contained in clause (42A) of section 2 or section 48, where the capital asset is a Market Linked Debenture, the full value of consideration received or accruing as a result of the transfer or redemption or maturity of such debenture as reduced by—	50AA. Notwithstanding anything contained in clause (42A) of section 2 or section 48, where the capital asset is a unit of specified Mutual Fund acquired on or after the 1st day of April 2023 or a Market Linked Debenture , the full value of consideration received or accruing as a result of the transfer or redemption or maturity	
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(i) the cost of acquisition of the debenture; and	of such debenture or unit as reduced by— (i) the cost of acquisition of the debenture or unit ; and	
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Section 50AA: Explanation

For the purposes of this section “Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.’.	<p>A new clause ‘(ii)’ has been inserted in the explanation to section 50AA:</p> <p>For the purpose of this section-</p> <p>(i) “Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India</p> <p>(ii) “Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than thirty five percent of its total proceeds is invested in the equity shares of domestic companies:</p> <p>Provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.</p>	
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Section 56

<p>In section 56 of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2024, -</p> <p>(a) in clause (viib), the words “being a resident” shall be omitted;</p> <p>(b) after clause (xi), the following clauses shall be inserted, namely:</p> <p>‘(xii) any sum received by a unit holder from a business trust which—</p> <p>(a) is not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and</p> <p>(b) is not chargeable to tax under sub-section (2) of section 115UA:</p> <p>Provided that where the sum received by a unit holder from a business trust is for redemption of unit or units held by him, the sum so received shall be reduced by the cost of acquisition of the unit or units to the extent such cost does not exceed the sum received;</p>	<p>In section 56 of the Income-tax Act, in sub-section (2) -</p> <p>(a) in clause (viib), -</p> <p>(i) with effect from the 1st day of April, 2024, the words “being a resident” shall be omitted;</p> <p>(ii) in the Explanation, in clause (aa), after the words and figures “Securities and Exchange Board of India Act, 1992 or regulated under the”, the words, brackets and figures “International Financial Services Centre Authority (Fund Management) Regulations, 2022 made under the” shall be inserted; after clause (xi), with effect from the 1st day of April, 2024, the following clauses shall be inserted, namely: -</p> <p>‘(xii) any specified sum received by a unit holder from a business trust during the previous year, with respect to a unit held by him at any time during the previous year.</p> <p>Explanation- For the purposes of this clause, “specified sum” shall be computed in accordance with the following formula, namely:</p> <p>Specified sum= A-B-C (which shall be deemed to be zero if sum of B and C is greater than A), where-</p> <p>A= aggregate of sum distributed by the business</p>	
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	<p>trust with respect to such unit, during the previous year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is, -</p> <p>(a) not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and</p> <p>(b) not chargeable to tax under sub-section (2) of section 115UA;</p> <p>B=amount at which such unit was issued by the business trust; and</p> <p>C=amount charged to tax under this clause in any earlier previous year.</p>	
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Section 80LA: Insertion of new proviso

-	<p>In section 80 LA of the Income-tax Act, in sub-section (1), after clause (b), the following proviso shall be inserted,</p> <p>namely: -</p> <p>"Provided that for the assessment year commencing on or after the 1st day of April, 2023, the deduction under this clause shall be one hundred per cent. of such income."</p>	<p>Assessee's falling u/s 80LA(1) can now avail 100% deduction</p> <p>In order to benefit the eligible assessee's under section 80LA(1), the Finance Bill has now inserted a new proviso after clause (b) which has increased the limit of deduction from 50% to 100% for the subsequent 5 years.</p>
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Section 87A

<p>Provided that where the income-tax payable on the total income of the assessee is computed under sub-section (1A) of section 115BAC, this section shall have the effect as if, —</p> <p>(a) for the words “five hundred thousand rupees”, the words “seven hundred thousand rupees”;</p> <p>(b) for the words “twelve thousand and five hundred rupees”, the words “twenty-five thousand rupees” had been substituted.’.</p>	<p>Provided that where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115 BAC, and the total income-</p> <p>(a) does not exceed seven hundred thousand rupees, the assessee shall be entitled to a deduction, from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to one hundred percent of such income-tax or an amount of twenty-five thousand rupees, whichever is less;</p> <p>(b) exceeds seven hundred thousand rupees and the income tax payable on such total income exceeds the amount by which the total income is in excess of seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds seven hundred thousand rupees.</p>	
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Section 115A

-	<p>In section 115A of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2024, -</p> <p>(i) in clause (a), in sub-clause (A), the following proviso shall be inserted, namely: -- "Provided that the amount of income tax calculated on the amount of income by way of dividend received from a unit in an International Financial Services Centre, as referred to in sub-section (1 A) of section 80LA, shall be ten per cent.</p> <p>(ii) in clause (b), in sub- clauses (A) and (B), for the word "ten", the word "twenty" shall be substituted.</p>	
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Section 115UA: Omission of sub section (2) and (3) from 1st line

"(3A) The provisions of sub- sections (1), (2) and (3) shall not apply in respect of any sum referred to in clause (xii) of sub-section (2) of section 56, received by a unit holder from a business trust."	(3A) The provisions of sub- section (1) shall not apply in respect of any sum referred to in clause (xii) of sub-section (2) of section 56, received by a unit holder from a business trust.	
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Section 115VP: Insertion vide new clause 59A

-	<p>In section 115 VP of the Income-tax Act-</p> <p>(i) in sub-section (2), after the proviso, the following proviso shall be inserted, namely: - "Provided further that a Unit of an International Financial Services Centre</p>	<p>Option to Apply for a Tonnage Tax Scheme for Units of IFSC Availing Deduction under Section 80LA</p> <p>The recent amendment by the Finance Bill proposed to insert a new proviso to Section</p>
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	<p>which has availed of deduction under section 80LA may make an application within three months from the date on which such deduction ceases.";</p> <p>(ii) after sub-section (5), the following <i>Explanation</i> shall be inserted, namely: - 'Explanation. ---For the purposes of this section "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.</p>	115VP(2). As per such amendment, a unit of an IFSC, who had availed deduction u/s 80LA, can now make an application to choose a tonnage tax scheme within three months from the date on which the deduction u/s 80LA concludes.
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Section 193:

In section 193 of the Income-tax Act, in the proviso, clause (ix) shall be omitted.	<p>In section 193 of the Income-tax. Act, in the proviso, for clause (ix), the following clause shall be substituted, namely: - '(ix) any interest payable to a "business trust", as defined in clause (13 A) of section 2, in respect of any securities, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10.'</p>	
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Section 194B: Omission of “with effect from 1st day of July 2023” and Substitution of “July” with “April”

<p>194B</p> <p>(iii) after the proviso, the following shall be inserted with effect from the 1st day of July, 2023, namely: —</p>	<p>194B</p> <p>(iii) after the proviso, the following shall be inserted</p>	
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<p>'Provided further that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after the 1st day of July, 2023.</p> <p>After section 194B of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2023, namely: —</p>	<p>Provided further that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after the 1st day of April, 2023.</p> <p>After section 194B of the Income-tax Act, the following section shall be inserted</p>	
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Section 194BA: Omission of “with effect from 1st day of July, 2023”

<p>After section 194B of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2023, namely: —</p>	<p>After section 194B of the Income-tax Act, the following section shall be inserted</p>	
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Section 194LC

-	<p>In section 194LC of the Income-tax Act, with effect from the 1st day of July, 2023, -</p> <p>(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely: - " Provided further that in case of income by way of interest referred to in clause (ic) of sub-section (2), the income-tax shall be deducted at the rate of nine per cent. " ;</p> <p>(ii) in sub-section (2)-</p> <p>(I) in clause (ib), for the word "and", the word "or" shall be substituted;</p> <p>(II) after clause (ib), the following clause shall be inserted, namely:</p>	
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	“(ic) in respect of money borrowed by it from a source outside India by way of issuance of any long-term bond or rupee denominated bond on or after the 1st day of July, 2023, which is listed only on a recognized stock exchange located in an International Financial Services Centre; and”.	
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Section 206AB: Insertion of new sub section ‘(i)’

In section 206AB of the Income-tax Act, in sub-section (3), for the proviso, the following proviso shall be substituted, namely: —	In section 206AB of the Income-tax Act, - (i) in sub-section (1), after the figures and letter “194B”, the figures and letters “194BA”, shall be inserted; (ii) in sub-section (3), for the proviso, the following proviso shall be substituted, ‘.	
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Section 206C: Insertion of new sub section (i) and Conversio of previous sub section (i) to (ia)

In section 206C of the Income-tax Act, in sub-section (1G), with effect from the 1st day of July, 2023, — (i) in the long line, for the word, “five”, the word “twenty” shall be substituted;	In section 206C of the Income-tax Act, in sub-section (1G), with effect from the 1st day of July, 2023, — (i) in clause (a), the words "out of India" at both the places where they occur shall be omitted.' (ia) in the long line, for the word, “five”, the word “twenty” shall be substituted;	“Out of India” omitted to Allow for Expansion of Scope with respect to Remittance made under LRS, within India In order to expand the horizon of the provision, the Finance Bill has amended Section 206C(1G)(a) to overpass the words “out of India”. Now, remittance made under LRS, even within India shall also fall within such scope and the new rates of TCS shall apply.
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Section 206CC: Insertion of proviso

-	90A. In section 206CC of the Income-tax Act, in subsection (1), the following proviso shall be inserted with effect from the 1st day of July, 2023, namely: - "Provided that the rate of tax collection at source under this section shall not exceed twenty per cent."	TCS to Not Exceed the Rate of 20% Even If Collectee is a Non-Filer or Does Not Furnish PAN The Finance Bill (Lok Sabha) has inserted a proviso to Section 206CC(1) and 206CCA(1) to ensure that the rate of TCS u/s 206C shall not exceed 20% even though the collectee does not furnish his PAN or is a non-filer.
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Section 206CC: Insertion of new sub-section (i)

In section 206CCA of the Income-tax Act, in sub-section (3), for the proviso, the following proviso shall be substituted,	In section 206CCA of the Income-tax Act, - (i) in sub-section (1), the following proviso shall be inserted with effect from the 1st day of July, 2023, namely: - "Provided that the rate of tax collection at source under this section shall not exceed twenty percent. (ii) in sub-section (3), for the proviso, the following proviso shall be substituted,'.	
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