**Finance Act 2016 (No. 28 of 2016)**

CHAPTER XII

**Miscellaneous**

PART I

**Amendments to the Reserve Bank of India Act, 1934**

**Commencement and Amenement of Act 2 of 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.

**Amendment of Preamble**

**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;".

**Amendment of section 2**

**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;'; |
| (*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;'. |

**Insertion of new Chapter III F**

**222**. After Chapter III E of the principal Act, the following Chapter shall be inserted, namely:—

"**CHAPTER III F**

**Monetary Policy**

45Z.*Provisions of this Chapter to override other provisions of Act.—* The provisions of this Chapter shall have effect, notwithstanding anything inconsistent therewith contained in any other provisions of this Act.

45ZA. *Inflation target*.—(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.

(2) The Central Government shall, upon such determination, notify the inflation target in the Official Gazette.

45ZB. *Consitution of Monetary Policy Committee*.—(1) The Central Government may, by notification in the Official Gazette, constitute a Committee to be called the Monetary Policy Committee of the Bank.

(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. *Eligibility and selection of Members appointed by Central Government*.—(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:

**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 (45 of 1860); |
| (*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. *Terms and conditions of appointment of Members of Monetary Policy Committee*.—(*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. *Removal of Members of Monetary Policy Committee*.—(*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. |

(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. *Vacancies, etc., not to invalidate proceedings of Monetary Policy Committee*.—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. *Secretary to Monetary Policy Committee*.—(*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. *Information for to Monetary Policy Committee Members.—*(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. *Meetings of Monetary Policy Committee.—*(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.

(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.

45ZJ. *Steps to be taken to implement decision of Monetary Policy Committee.—*(*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.

45ZK. *Publication of decisions.*—The Bank shall publish, after the conclusion of every meeting of the Monetary Policy Committee, the resolution adopted by the said Committee;

45ZL. *Publication of proceedings of meeting of Monetary Policy Committee.—*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. |

45ZM. *Monetary Policy Report*.—(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.

45ZN. *Failure to maintain inflation target*.—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. |
|  |  | *Explanatio*n.—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. *Power to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules for the purpose of 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—

|  |  |  |
| --- | --- | --- |
| (*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.". |

**Amendment of section 58**

**223**. In section 58 of the principal Act, in sub-section (2), after clause (*q*), the following clauses shall be inserted, namely:—

"(*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**

**Amendment of Act 74 of 1956**

**224**. In the Central Sales Tax Act, 1956, in section 3, after *Explanation 2,*the following *Explanation*shall be inserted, namely:—

"*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**

**Amendment of Schedule of Act 47 of 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.

PART IV

**Amendment to the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976**

**Amendment of Act 13 of 1976**

**226**. In the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 with effect from the 1st day of June, 2016,—

|  |  |  |
| --- | --- | --- |
| (*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 (13 of 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."; |
| (*c*) |  | in section 76, in sub-section (2), clause (*db*) shall be omitted. |

PART VI

**Amendments to the Foreign Exchange Management Act, 1999**

**Commencement of this Part**

**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.

**Amendment of Act 42 of 1999**

**229.**In the Foreign Exchange Management Act, 1999, after section 14, the following section shall be inserted, namely:—

"14A. *Power to recover arrears of penalty*.—(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.

(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 (43 of 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.".

PART VII

**Amendment to the Central Road Fund Act, 2000**

**Amendment of Act 54 of 2000**

**230**. In section 10 of the Central Road Fund Act, 2000, with effect from the 1st day of June, 2016,—

|  |  |  |
| --- | --- | --- |
| (*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**

**Amendment of Act 14 of 2001**

**231** **.** In the Finance Act, 2001, the Seventh Schedule shall be amended,—

|  |  |  |
| --- | --- | --- |
| (i) |  | in the manner specified in the Twelfth Schedule; |
| (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:— |
|  |  | "25. The Appellate Tribunal constituted under sub-section (1) of section 12 of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (13 of 1976) shall be the Appellate Tribunal for hearing appeals against the orders of the Adjudicating Authority and the other authorities under this Act."; |
| (*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. |

***CHAPTER XII***

**MISCELLANEOUS**

***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:— |
|  |  | '113A. *Chapter VII not to apply in certain cases.*—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 (43 of 1961); or |
| (*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 (*q*) 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**

**Amendment of section 2 of Act 42 of 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 of have been inserted with effect from the 26th September, 2010, namely:—

"**Provided**that where the nominal value of share capital is within the limits specified for foreign investment under the Foreign Exchange Management Act, 1999 (42 of 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**

**Amendment of Act 17 of 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:—

'132A. *Chapter VII not to apply in certain cases.*—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.

*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 (28 of 2005).'.

***PART XV***

**AMENDMENT TO THE FINANCE ACT, 2015**

**Amendment of Act 20 of 2015.**

**238.** In the Finance Act, 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**

**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.

**Savings**

**240.**(1) The repeal by this Act of the enactments specified in the Fifteenth Schedule or amendments therein shall not—

|  |  |  |
| --- | --- | --- |
| (*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 (10 of 1897), with regard to the effect of repeals.

**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,—

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| (*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.