

LOK SABHA

List No. 3\*

FINANCE BILL, 2026

[As introduced in Lok Sabha]

Notice of Amendments

Sl. No.	Name of Member and text of Amendment	Clause No.
<b>SMT. NIRMALA SITHARAMAN:</b>		
21.	Page 1, omit lines 9 and 10.	1
22.	Page 21, line 5, for "section 170(5)", substitute "section 69 or section 170(5)".	3
23.	Page 43, after line 29, insert—	New Clause 6A
	'6A. In section 144B of the Income-tax Act, in sub-section (6), in clause (i), in sub-clause (b), for the words "by affixing digital signature", the words "by way of an electronic communication" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2022.'	Amendment of section 144B.
24.	Page 45, after line 19, insert—	New clauses 8A and 8B.
	'8A. In section 148 of the Income-tax Act, in sub-section (1), after the words "specified in the notice," the words "not being less than thirty days from the date of such notice but" shall be inserted and shall be deemed to have been inserted with effect from the 30 <sup>th</sup> day of March, 2026.	Amendment of section 148.
	8B. For section 150 of the Income-tax Act, the following section shall be substituted and shall be deemed to have been substituted with effect from the 1 <sup>st</sup> day of February, 2026, namely:—	Substitution of new section for section 150.
	"150. (1) Notwithstanding anything contained in section 149, the notice under section 148 may be issued at any time for the purpose of making an assessment or reassessment or recomputation, in consequence of, or to give effect to, any finding or direction contained in an order passed by — (a) any authority in any proceeding under this Act by way of appeal, reference or revision; or (b) a court in any proceeding under this Act or any other law. (2) The provisions of sub-section (1) shall not apply in any case where the assessment or reassessment or recomputation as is referred to in that sub-section relates to an assessment year in respect of which an assessment or reassessment or recomputation could not have been made, by reason of any other provision limiting the time within which	Provision for cases where assessment is in pursuance of an order on appeal, etc.

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

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	<p>any action for assessment or reassessment or recomputation may be taken, at the time when,—</p> <p>(a) the order which was the subject matter of the appeal, reference or revision, as the case may be, was made; or</p> <p>(b) the proceedings relating to assessment or reassessment or recomputation under this Act (other than those proceedings which have culminated in an order), which was the subject-matter before the Court, was initiated.</p> <p>(3) For the purposes of sub-section (1), notice under section 148 shall be issued within a period of three months from the end of the quarter in which the certified copy of the order of the authority or the Court, as the case may be, is received by the jurisdictional Principal Commissioner or Commissioner.”.</p>	
25.	Page 46, line 3, <i>omit</i> “1961.”.	11
26.	Page 46, <i>for</i> lines 6 to 8, <i>substitute</i> —	11
	<p>“Provided also that in respect of any assessment made under section 143 or reassessment made under section 147 on or after the 1<sup>st</sup> day of April, 2027, no interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 270A—”.</p>	
27.	Page 46, <i>after</i> line 12, <i>insert</i> —	New clause 11A.
	<p>“11A. In section 222 of the Income-tax Act, in sub-section (1), clause (c) shall be omitted and shall be deemed to have been omitted with effect from the 30<sup>th</sup> day of March, 2026.”.</p>	Amendment of section 222.
28.	Page 46, <i>after</i> line 22, <i>insert</i> —	New clause 12A.
	<p>‘12A. In section 245 of the Income-tax Act, in sub-section (1), after the words “under this Act”, the words and figures “or the Income-tax Act, 2025” shall be inserted and shall be deemed to have been inserted with effect from the 30<sup>th</sup> day of March, 2026.’.</p>	Amendment of section 245. 30 of 2025.
29.	Page 46, <i>after</i> line 26, <i>insert</i> —	New clause 13A.
	<p>‘13A. In section 254 of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 30<sup>th</sup> day of March, 2026, namely:—</p>	Amendment of section 254.
	<p>“(3A) For the purposes of sub-section (3), where any order is passed under this section on or after the 1<sup>st</sup> day of October, 2026,</p>	

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	the Appellate Tribunal shall send a copy of the order to the jurisdictional Principal Commissioner or Commissioner electronically on the designated portal designed by the Director General or Principal Director General and the provisions relating to time limits under this Act for any appeal, reference or revision shall apply accordingly.”.	
30.	Page 54, <i>for</i> line 13, <i>substitute</i> “be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2019, namely:—”.	26
31.	Page 54, <i>after</i> line 20, <i>insert</i> —	New clauses 26A and 26B.
	‘26A. After section 292BB of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1 <sup>st</sup> day of April, 2021, namely:—	Insertion of new section 292BC.
	“292BC. Notwithstanding anything contained in this Act or in any judgment, order or decree of any Court, for the removal of doubts, it is hereby clarified that any approval given by an income-tax authority in relation to any assessment, reassessment or recomputation proceedings under this Act shall be deemed to be administrative and supervisory in nature and shall not be invalid or shall not be deemed to be invalid by reason of any insufficiency of the reasons recorded or by reason of any defect in the form or manner of its authentication or communication including whether digital signature have been appended to such approval or not, where such approval is granted electronically.”.	Circumstances in which approvals by income-tax authority not to be invalid.
	<p>26B. In the Second Schedule to the Income-tax Act, with effect from the 30<sup>th</sup> day of March, 2026,—</p> <p>(i) in rule 4, clause (c) shall be omitted and shall be deemed to have been omitted;</p> <p>(ii) in rule 19, for the words “or to arrest”, the word “of” shall be substituted and shall be deemed to have been substituted;</p> <p>(iii) Part V shall be omitted and shall be deemed to have been omitted;</p> <p>(iv) in rule 85, the brackets and words “(except arrest and detention)” shall be omitted and shall be deemed to have been omitted;</p> <p>(v) rule 90 shall be omitted and shall be deemed to have been omitted.’.</p>	Amendment of Second Schedule.
32.	Page 56, line 20, <i>for</i> “where the”, <i>substitute</i> “where a company purchases its own shares or other specified securities in accordance with the provisions of section 68 of the Companies Act, 2013 and the”.	34  18 of 2013.

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33.	Page 58, <i>after</i> line 11, <i>insert</i> —	New clause 37A.
	‘37A. In section 140 of the Income-tax Act, in sub-section (16), in clause (b), in sub-clause (ii), for the word “one”, the word “three” shall be substituted.’.	Amendment of section 140.
34.	Page 58, <i>for</i> lines 15 to 21, <i>substitute</i> —	38
	<p>“(2) Irrespective of anything contained in section 80LA of the Income-tax Act, 1961, the deduction shall be allowed,—</p> <p>(a) for an entity mentioned in sub-section (1)(a),—</p> <p>(i) for twenty consecutive tax years beginning from the relevant tax year; and</p> <p>(ii) in a case, where the tenth year, out of the period of ten consecutive years of deduction allowed under section 80LA(1) of the said Act has ended on the 31st March, 2025, for further ten consecutive years from the tax year beginning on the 1st April, 2026; and</p> <p>(b) in the case of an entity mentioned in sub-section (1)(b), for twenty consecutive tax years out of twenty-five years beginning from the relevant tax year, at the option of an assessee.”.</p>	43 of 1961.
		43 of 1961.
35.	Page 71, <i>after</i> line 19, <i>insert</i> —	New clauses 62A and 62B.
	<p>‘62A. In section 280 of the Income-tax Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely:—</p> <p>“(c) the period specified in the notice referred to in clause (a) shall not be less than thirty days from the date of such notice but shall not exceed three months from the end of the month in which such notice is issued.”.’.</p>	Amendment of section 280.
	62B. For section 283 of Income-tax Act, the following section shall be substituted, namely:—	Substitution of new section for section 283.
	<p>“283. (1) Irrespective of anything contained in section 282, the notice under section 280 may be issued at any time for the purpose of making an assessment or reassessment or recomputation in consequence of, or to give effect to,—</p> <p>(a) any finding or direction contained in an order passed by any authority, Tribunal or Court in any proceeding under this Act or any other law; or</p> <p>(b) the directions issued by the Approving Panel under section 274(6).</p>	Provision for cases where assessment is in pursuance of an order on appeal, etc.

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	<p>(2) The provisions of sub-section (1) shall not apply in any case, where the assessment or reassessment or recomputation as is referred to in that sub-section relates to a tax year in respect of which an assessment or reassessment or recomputation could not have been made under this Act due to it being time-barred, at the time when,—</p> <p>(a) the order, which was the subject matter before any authority, Tribunal or Court, was made; or</p> <p>(b) the proceedings relating to assessment or reassessment or recomputation under this Act (other than those proceedings which have culminated in an order), which was the subject matter before the Court, was initiated; or</p> <p>(c) the reference from the jurisdictional Principal Commissioner or Commissioner is made to the Approving Panel under section 274(4).</p> <p>(3) For the purposes of sub-section (1), notice under section 280 shall be issued within three months from the end of the quarter in which the certified copy of the order of the authority or the Court, as the case may be, is received by the jurisdictional Principal Commissioner or Commissioner.”.</p>	
36.	Page 71, line 23, <i>for “4”, substitute “5”.</i>	63
37.	Page 71, line 27, <i>for “4”, substitute “5”.</i>	63
38.	Page 73, <i>after line 27, insert—</i>	New clause 70A.
	<p>70A. In section 363 of Income-tax Act, for sub-section (10), the following sub-section shall be substituted, namely:—</p> <p>“(10) The Appellate Tribunal shall—</p> <p>(a) send a copy of any order passed under this section to the assessee; and</p> <p>(b) a copy of such order shall also be sent to the jurisdictional Principal Commissioner or Commissioner, electronically on the designated portal designed by the Director General or Principal Director General and the provisions relating to time limits under this Act for any appeal, reference, revision, or otherwise, shall apply accordingly.”.</p>	Amendment of section 363.
39.	Page 77, <i>after line 24, insert—</i>	New clause 79A.
	<p>79A. In section 413 of the Income-tax Act, in sub-section (1), for clauses (c) and (d), the following clause shall be substituted, namely:—</p>	Amendment of section 413.

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	“(c) appointing a receiver for the management of movable and immovable properties of the assessee.”.	
40.	Page 79, <i>after</i> line 18, <i>insert</i> —	New clause 83A.
	‘83A. In section 438 of the Income-tax Act, in sub-section (1), after the words “remaining payable under”, the words and figures “the Income-tax Act, 1961, or” shall be inserted.’.	Amendment of section 438. 43 of 1961.
41.	Page 82, <i>after</i> line 2, <i>insert</i> —	New clause 90A.
	‘90A. In section 467 of the Income-tax Act, in the marginal heading, for the word and figures “section 262”, the words and figures “sections 262 and 397” shall be substituted.’.	Amendment of section 467.
42.	Page 87, <i>for</i> lines 10 to 16, <i>substitute</i> —	106
	‘106. For section 522 of the Income-tax Act, the following section shall be substituted, namely:—	Substitution of new section for section 522.
	<p>“522. (1) No return of income, assessment, notice, summons or other proceedings relating thereto, furnished or made or issued or taken, or purported to have been furnished or made or issued or taken, in pursuance of any of the provisions of this Act, shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of income, assessment, notice, summons or other proceeding, if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purposes of this Act.</p> <p>(2) No assessment under any of the provisions of this Act shall be invalid on the ground of any mistake, defect or omission in respect of quoting of a computer generated Document Identification Number, if the assessment order is referenced by such number in any manner.</p> <p>(3) Irrespective of anything contained in this Act, any approval given by an income-tax authority in relation to any assessment, reassessment or recomputation proceedings shall be deemed to be administrative and supervisory in nature and, shall not be invalid by reason of any insufficiency of the reasons recorded or by reason of any defect in the form or manner of its authentication or communication including whether digital signature have been appended to such approval or not, where such approval has been granted electronically.”.</p>	Circumstances in which return of income, assessment, approvals, etc., not to be invalid.
43.	Page 87, <i>after</i> line 19, <i>insert</i> —	107

Sl. No.	Name of Member and text of Amendment				Clause No.
	<p>“(ia) for clause (g), the following clause shall be substituted, namely:—</p> <p>“(g) where in respect of any proceeding relating to any tax year beginning before the 1<sup>st</sup> April, 2026,—</p> <p>(i) a refund falls due on or after such date; or</p> <p>(ii) default is made on or after such date, in the payment of any sum due under such proceeding,</p> <p>the provisions of the repealed Income-tax Act, relating to the interest payable by the Central Government on refunds or the interest payable by the assessee for default, shall apply for the period on or after such date, subject to the effect that—</p> <p>(A) the rate of interest on refund or on the default, as the case may be, as provided in the repealed Income-tax Act has been substituted with the rate as provided in the corresponding provisions of this Act; and</p> <p>(B) such substitution shall apply from the date on which such rate has been modified under this Act;”.</p>				
44.	<p>Page 88, line 11, for “Act, in the Table, after serial”, substitute—</p> <p>“Act, in the Table,—</p> <p>(a) after serial”.</p>				108
45.	<p>Page 89, after line 20, insert—</p>				108
	38D.	Any income chargeable under the head “Capital gains” arising from the transfer of specified capital asset.	An individual or a Hindu undivided family.	<p>(a) Such eligible person was the owner of such specified capital asset as on the 2<sup>nd</sup> June, 2014;</p> <p>(b) such specified capital asset is transferred under the Land Pooling Scheme covered under the Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 made under the provisions of the Andhra Pradesh</p>	

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		<p>Capital Region Development Authority Act, 2014 (Andhra Pradesh Act 11 of 2014) and the rules, regulations and Schemes made under the said Act; and</p> <p>(c) such eligible person was handed over possession of reconstituted plot or land on or before the 31<sup>st</sup> March, 2031.”;</p>	
<p>(b) after Note 11, the following Notes shall be inserted, namely:—</p> <p>‘Note 12: For the purposes of Sl. No. 38A,—</p> <p>(a) the provisions as mentioned against the said serial number shall apply on or after such date as may be notified by the Central Government in this behalf; and</p> <p>(b) pending such notification, the entire disability pension, that is, disability element and service element of a disabled officer of the Indian armed forces shall be exempt from income-tax.</p> <p>Note 13: For the purposes of Sl. No. 38D, “specified capital asset” means —</p> <p>(a) the land or building or both owned by the assessee as on the 2<sup>nd</sup> June, 2014 and which has been transferred under the Scheme; or</p> <p>(b) the land pooling ownership certificate issued under the Scheme to the assessee in respect of land or building or both referred to in clause (a); or</p> <p>(c) the reconstituted plot or land, as the case may be, received by the assessee in lieu of land or building or both referred to in clause (a) in accordance with the Scheme, if such plot or land, as the case may be, so received is transferred within two years from the end of the financial year in which the possession of such plot or land was handed over to him.’.</p>			

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46.	Page 92, <i>after</i> line 14, <i>insert</i> —	New clause 110A.			
	<p>'110A. In Schedule VII to the Income-tax Act, in the Table, after Sl.No.48 and the entries relating thereto, the following shall be inserted, namely:—</p> <table border="1" style="margin-left: 40px;"> <tr> <td style="width: 10%;">“49.</td> <td style="width: 20%;">New Development Bank.</td> <td style="width: 70%;">Such exemption shall be subject to furnishing of information in such form and manner, as may be prescribed.”.</td> </tr> </table>	“49.	New Development Bank.	Such exemption shall be subject to furnishing of information in such form and manner, as may be prescribed.”.	Amendment of Schedule VII.
“49.	New Development Bank.	Such exemption shall be subject to furnishing of information in such form and manner, as may be prescribed.”.			
47.	Page 102, line 22, <i>for</i> “1975”, <i>substitute</i> “1975 (hereinafter referred to as the Customs Tariff Act)”.	136			
48.	Page 102, line 24, <i>omit</i> “with effect from the 1 <sup>st</sup> day of April, 2026,”.	136			
49.	Page 105, <i>after</i> line 14, <i>insert</i> —	New clause 145.			
	‘145. In the Finance Act, 2025, in section 20, in clause (a), in sub-clause (ii), for the word “both”, the word “all” shall be substituted and shall be deemed to have been substituted with effect from the 1 <sup>st</sup> day of April, 2025.’.	Amendment of Act 7 of 2025.			
50.	Page 125, lines 38 and 39, <i>for</i> “the income by way of dividend or income”, <i>substitute</i> “dividend income or capital gains”.	The First Schedule.			
51.	Page 153, line 1, <i>for</i> “4104 21 90”, <i>substitute</i> “4106 21 90”.	The Fourth Schedule.			
52.	Page 153, line 6, <i>for</i> “4104 31 90”, <i>substitute</i> “4106 31 90”.	The Fourth Schedule.			
53.	Page 153, line 11, <i>for</i> “4104 91 90”, <i>substitute</i> “4106 91 90”.	The Fourth Schedule.			

NEW DELHI;

March 24, 2026

Chaitra 3, 1948 (Saka)

UTPAL KUMAR SINGH  
Secretary General