



भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 25]

नई दिल्ली, सोमवार, मई 28, 2012/ ज्येष्ठ 7, 1934(शक)

No. 25]

NEW DELHI, MONDAY, MAY 28, 2012/JYAISTHA 7, 1934 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 28th May, 2012/Jyaistha 7, 1934 (Saka)

The following Act of Parliament received the assent of the President on the 28th May, 2012, and is hereby published for general information.

THE FINANCE ACT, 2012

No. 23 OF 2012

[28th May, 2012.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2012-2013.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 2012.

Short title and
commencement.

(2) Save as otherwise provided in this Act, sections 2 to 118 shall be deemed to have come into force on the 1st day of April, 2012.

CHAPTER II

RATES OF 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, 2012, 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.

Income-tax.

X

X

X

Amendment
of rule 6 of
CENVAT
Credit Rules,
2004.

144. (1) In the CENVAT Credit Rules, 2004, made by the Central Government in exercise of the powers conferred by section 37 of the Central Excise Act, 1944, sub-rule (64) of rule 6 as inserted by clause (ix) of rule 5 of the CENVAT Credit (Amendment) Rules, 2011, published in the Official Gazette *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 134(E), dated the 1st March, 2011 shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Eighth Schedule, on and from the date specified in column (3) of that Schedule, against the rule specified in column (1) of that Schedule. 1 of 1944.

(2) 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, on and from the 10th day of February, 2006, relating to the provisions as amended by sub-section (1), shall be deemed to be and deemed always to have been, for all purposes, as validly and effectively taken or done as if the amendments made by sub-section (1) had been in force at all material times.

(3) For the purpose of sub-section (1), the Central Government shall have and shall be deemed to have the power to make rules with retrospective effect as if the Central Government had the power to make rules under section 37 of the Central Excise Act, 1944, retrospectively, at all material times. 1 of 1944.

Validation of
exemption
given to club
or association
including
cooperative
societies in
relation to
project.

145. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 566 (E), dated the 25th July, 2011, issued in exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994, granting exemption from the whole of service tax leviable under section 66 thereof, on the club or association service referred to in sub-clause (zzze) of clause (105) of section 65 of the said Act, provided by a club or an association including registered cooperative societies, in relation to the project, shall be deemed to have, and deemed always to have, for all purposes, validly come into force on and from the 16th day of June, 2005, at all material times. 32 of 1994.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected as if the notification referred to in sub-section (1) had been in force at all material times.

(3) Notwithstanding anything contained in the Finance Act, 1994, an application for the claim of refund of service tax shall be made within six months from the date on which the Finance Bill, 2012 receives the assent of the President. 32 of 1994.

Explanation.—For the removal of doubts, it is hereby declared that,—

(i) project means common facility set-up for treatment and recycling of effluents and solid wastes, with financial assistance from the Central Government or a State Government;

(ii) the provisions of section 11B of the Central Excise Act, 1944, shall be applicable in case of refunds under this section. 1 of 1944.

CHAPTER VI

AMENDMENTS TO THE FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2003

Amendment
of section 2.

146. In section 2 of the Fiscal Responsibility and Budget Management Act, 2003 (hereinafter referred to as the Fiscal Responsibility Act),— 39 of 2003.

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

'(aa) "effective revenue deficit" means the difference between the revenue deficit and grants for creation of capital assets;'

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

"(bb) "grants for creation of capital assets" means the grants in aid given by the Central Government to the State Governments, constitutional authorities or bodies, autonomous bodies, local bodies and other scheme implementing agencies for creation of capital assets which are owned by the said entities;"

147. In section 3 of the Fiscal Responsibility Act,—

Amendment
of section 3.

(a) in sub-section (1),—

(i) in the opening portion, for the words "demands for grants", the words "demands for grants except the Medium-term Expenditure Framework Statement" shall be substituted;

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

"(d) the Medium-term Expenditure Framework Statement";

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

"(1A) The statements referred to in clauses (a) to (c) of sub-section (1) shall be followed up with the Medium-term Expenditure Framework Statement with detailed analysis of underlying assumptions.

(1B) The Central Government shall lay the Medium-term Expenditure Framework Statement referred to in clause (d) of sub-section (1) before both Houses of Parliament, immediately following the Session of Parliament in which the policy statements referred to in clauses (a) to (c) were laid under sub-section (1).";

(c) after sub-section (6), the following sub-section shall be inserted, namely:—

"(6A) (a) The Medium-term Expenditure Framework Statement shall set forth a three-year rolling target for prescribed expenditure indicators with specification of underlying assumptions and risk involved.

(b) In particular and without prejudice to the provisions contained in clause (a), the Medium-term Expenditure Framework Statement shall, *inter alia*, contain—

(i) the expenditure commitment of major policy changes involving new service, new instruments of service, new schemes and programmes;

(ii) the explicit contingent liabilities, which are in the form of stipulated annuity payments over a multi-year time-frame;

(iii) the detailed breakup of grants for creation of capital assets.";

(d) in sub-section (7), for the words "the Fiscal Policy Strategy Statement," the words "the Fiscal Policy Strategy Statement, the Medium-term Expenditure Framework Statement" shall be substituted.

148. In section 4 of the Fiscal Responsibility Act,—

Amendment
of section 4.

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

"(1) The Central Government shall take appropriate measures to reduce the fiscal deficit, revenue deficit and effective revenue deficit to eliminate the effective revenue deficit by the 31st March, 2015 and thereafter build up adequate effective revenue surplus and also to reach revenue deficit of not more than two per cent. of Gross Domestic Product by the 31st March, 2015 and thereafter as may be prescribed by rules made by the Central Government.";

(b) in sub-section (2),—

(i) in clause (a),—

(A) for the words "fiscal deficit and revenue deficit", the words "fiscal deficit, revenue deficit and effective revenue deficit" shall be substituted;

(B) for the words, figures and letters "the 31st March, 2009", the words, figures and letters "the 31st March, 2015" shall be substituted;

(ii) in the first proviso, after the words "the revenue deficit," the words "effective revenue deficit" shall be inserted.

Insertion of
new section
7A.

Laying of
review
reports.

Amendment
of section 8.

149. After section 7 of the Fiscal Responsibility Act, the following section shall be inserted, namely:—

"7A. The Central Government may entrust the Comptroller and Auditor-General of India to review periodically as required, the compliance of the provisions of this Act and such reviews shall be laid on the table of both Houses of Parliament."

150. In section 8 of the Fiscal Responsibility Act, in sub-section (2),—

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

"(ba) the expenditure indicators with specificatibns of underlying assumptions and risk involved under clause (a) of sub-section (6A) of section 3;"

(ii) in clause (c), for the words "Fiscal Policy Strategy Statement", the words "Fiscal Policy Strategy Statement, Medium-term Expenditure Framework Statement" shall be substituted;

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

"(ca) the per cent. of revenue deficit to be specified after the 31st March, 2015 under sub-section (1) of section 4;"

CHAPTER VII

MISCELLANEOUS

Amendment
of Schedule
to Act 47 of
1974.

151. 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 "Rupees four thousand five hundred per tonne" shall be substituted.

Amendment
of Seventh
Schedule to
Act 14 of
2001.

152. The Seventh Schedule to the Finance Act, 2001 (as substituted by the Twelfth Schedule to the Finance Act, 2005) shall be amended in the manner specified in the Ninth Schedule.

18 of 2005.

Amendment
of Act 23 of
2004.

153. In the Finance (No. 2) Act, 2004, with effect from the 1st day of July, 2012,—

(a) in section 97,—

(i) after clause (5), the following clauses shall be inserted, namely:—

(5A) "initial public offer" has the meaning assigned to it in clause (p) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 made under the Securities and Exchange Board of India Act, 1992;

15 of 1992.

(5B) "lead merchant banker" means a merchant banker appointed as lead merchant banker in accordance with sub-regulation (1) of regulation 5 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 made under the Securities and Exchange Board of India Act, 1992;"

15 of 1992.