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असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

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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 29th March, 2018/Chaitra 8, 1940 (Saka)

The following Act of Parliament received the assent of the President on the 29th March, 2018, and is hereby published for general information:—

THE FINANCE ACT, 2018

No. 13 OF 2018

[28th March, 2018.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2018-2019.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 2018.

Short title
and
commencement.

(2) Save as otherwise provided in this Act, sections 2 to 55 shall come into force on the 1st day of April, 2018.

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, 2018, income-tax shall be charged at the rates specified

Income-tax.

(d) in section 19, in sub-section (3),—

(i) after the words “be taken to a”, the words “Special Court or” shall be inserted;

(ii) in the proviso, after the words “from the place of arrest to the”, the words “Special Court or” shall be inserted;

(e) in section 45, in sub-section (1), —

(i) for the words “punishable for a term of imprisonment of more than three years under Part A of the Schedule”, the words “under this Act” shall be substituted;

(ii) in the proviso, after the words “sick and infirm,”, the words “or is accused either on his own or along with other co-accused of money-laundering a sum of less than one crore rupees” shall be inserted;

(f) in section 50, in sub-section (5), in the proviso, in clause (b), for the word “Director”, the words “Joint Director” shall be substituted;

(g) section 66 shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

“(2) If the Director or other authority specified under sub-section (1) is of the opinion, on the basis of information or material in his possession, that the provisions of any other law for the time being in force are contravened, then the Director or such other authority shall share the information with the concerned agency for necessary action.”;

(h) in the Schedule, in Part A, after Paragraph 28, the following Paragraph shall be inserted, namely:—

“PARAGRAPH 29

OFFENCE UNDER THE COMPANIES ACT, 2013

(18 OF 2013)

Section	Description of offence
447	Punishment for fraud.”.

PART XV

AMENDMENTS TO THE FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2003

Commencement
of this Part.

209. 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 long title.

210. In the Fiscal Responsibility and Budget Management Act, 2003 (hereafter in this Part referred to as the principal Act), in the long title, the words “achieving sufficient revenue surplus and” shall be omitted. 39 of 2003.

Amendment
of section 2.

211. In section 2 of the principal Act,—

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

“(aa) “Central Government debt” at any date means—

(i) the total outstanding liabilities of the Central Government on the security of the Consolidated Fund of India, including external debt valued at current exchange rates;

(ii) the total outstanding liabilities in the public account of India;
and

(iii) such financial liabilities of any body corporate or other entity owned or controlled by the Central Government, which the Government is to repay or service from the annual financial statement, reduced by the cash balance available at the end of that date;”;

(ii) for clause (bb), the following clauses shall be substituted, namely:—

‘(bb) “general Government debt” means the sum total of the debt of the Central Government and the State Governments, excluding inter-Governmental liabilities;

(bc) “gross domestic product” means the sum of the gross value added by all resident production units plus that part of taxes, less subsidies, on products, which is not included in the valuation of output, during a financial year, reckoned at current market prices, as published by the Central Statistics Office from time to time;

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

‘(ca) “real gross domestic product” means gross domestic product, reckoned at constant prices, as published by the Central Statistics Office from time to time;

(cb) “real output growth” means growth in real gross domestic product;”;

(iv) clauses (e) and (f) shall be omitted.

212. In section 3 of the principal Act,—

Amendment
of section 3.

(a) in sub-section (3), item (i) shall be omitted;

(b) in sub-section (6), in clause (b), the words “revenue balance and” shall be omitted;

(c) in sub-section (6A), item (iii) shall be omitted.

213. For section 4 of the principal Act, the following section shall be substituted, namely:—

Amendment
of section 4.

“4.(1) The Central Government shall,—

Fiscal
management
principles.

(a) take appropriate measures to limit the fiscal deficit upto three per cent. of gross domestic product by the 31st March, 2021;

(b) endeavour to ensure that—

(i) the general Government debt does not exceed sixty per cent.;

(ii) the Central Government debt does not exceed forty per cent.,

of gross domestic product by the end of financial year 2024-2025;

(c) not give additional guarantees with respect to any loan on security of the Consolidated Fund of India in excess of one-half per cent. of gross domestic product, in any financial year;

(d) endeavour to ensure that the fiscal targets specified in clauses (a) and (b) are not exceeded after stipulated target dates.

(2) The Central Government shall prescribe the annual targets for reduction of fiscal deficit for the period beginning from the date of commencement of Part XV of Chapter VIII of the Finance Act, 2018 and ending on the 31st March, 2021:

Provided that exceeding annual fiscal deficit target due to ground or grounds of national security, act of war, national calamity, collapse of agriculture severely affecting farm output and incomes, structural reforms in the economy with unanticipated fiscal implications, decline in real output growth of a quarter by at least

three per cent. points below its average of the previous four quarters, may be allowed for the purposes of this section.

(3) Any deviation from fiscal deficit target under sub-section (2) shall not exceed one-half per cent. of the gross domestic product in a year.

(4) The Central Government shall, in case of increase in real output growth of a quarter by at least three per cent. points above its average of the previous four quarters, reduce the fiscal deficit by at least one-quarter per cent. of the gross domestic product in a year.

(5) Where the fiscal deficit is allowed to vary from the target prescribed under the proviso to sub-section (2) or deviation is initiated under sub-section (4), a statement explaining the reasons thereof and the path of return to annual prescribed targets under this section shall be laid, as soon as may be, before both the Houses of Parliament.”.

Amendment
of section 5.

214. In section 5 of the principal Act,—

(a) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Notwithstanding anything contained in sub-section (1), the Reserve Bank may subscribe to the primary issues of Central Government Securities due to ground or grounds specified in the proviso to sub-section (2) of section 4.”;

(b) in sub-section (4), after the words “secondary market”, the words “or converts Central Government Securities held by it with other Securities of the Central Government as mutually agreed between the Reserve Bank and the Central Government” shall be inserted.

Amendment
of section 7.

215. In section 7 of the principal Act,—

(a) in sub-section (1), for the words “every quarter”, the words “on half-yearly basis” shall be substituted;

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

“(1A) The Central Government shall prepare a monthly statement of its accounts.”;

(c) in sub-section (2), for the words “pre-specified levels mentioned in the Fiscal Policy Strategy Statement and the rules made under this Act”, the words “prescribed levels” shall be substituted.

Amendment
of section 8.

216. In section 8 of the principal Act, in sub-section (2),—

(i) clause (ca) shall be omitted;

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

“(da) the level of short fall in revenue or excess of expenditure under sub-section (2) of section 7;”.

PART XVI

AMENDMENT TO THE FINANCE (No.2) ACT, 2004

Amendment
of Act 23 of
2004.

217. In section 97 of the Finance (No.2) Act, 2004, for clause (5), with effect from the 1st day of April, 2018, the following clause shall be substituted, namely:—

“(5) “equity oriented fund” means a fund referred to in clause (a) of *Explanation* to section 112A of Income-tax Act, 1961.”.