



# भारत का राजपत्र The Gazette of India

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 14th May, 2016/Vaisakha 24, 1938 (Saka)*

The following Act of Parliament received the assent of the President on the 14th May, 2016, and is hereby published for general information:—

**THE FINANCE ACT, 2016**

**No. 28 OF 2016**

[14th May, 2016.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2016-2017.

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

## CHAPTER I

### PRELIMINARY

- (1) This Act may be called the Finance Act, 2016.
- (2) Save as otherwise provided in this Act, sections 2 to 115 shall be deemed to have come into force on the 1st day of April, 2016.

Short title and commencement.

## CHAPTER II

### RATES OF INCOME-TAX

- (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2016, 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.



(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

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 to have been inserted with effect from the 26th September, 2010, namely:—

Amendment of section 2 of Act 42 of 2010.

42 of 1999.

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

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:—

Amendment of Act 17 of 2013.

'132A. 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.

Chapter VII not to apply in certain cases.

*Explanation.*—For the purposes of this section, "International Financial Services Centre" shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones, Act, 2005.'

28 of 2005.

### PART XV

#### AMENDMENT TO THE FINANCE ACT, 2015

238. In the Finance Act, 2015,—

Amendment of Act 20 of 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

239. The enactments specified in the Fifteenth Schedule are hereby repealed or amended to the extent mentioned in the fourth column thereof.

Repeal and amendment of certain enactments.

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

Savings.