TAXATION AND INVESTMENT REGIME FOR PRADHAN MANTRI GARIB KALYAN YOJANA, 2016

THE TAXATION AND INVESTMENT REGIME FOR PRADHAN MANTRI GARIB KALYAN YOJANA RULES, 2016

Sec. 199B : In this Scheme, unless the context otherwise requires,—

(a) "Declarant" means a person making the declaration u/s. 199C (1);

(c) "Pradhan Mantri Garib Kalyan Deposit Scheme, 2016" (hereinafter referred as "the Deposit Scheme") means a scheme notified by the Central Government in consultation with the Reserve Bank of India in the Official Gazette; This Scheme came into force from 17th Dec, 2016 and shall be valid till 31st Mar, 2017.

Sec. 199C : Declaration of Undisclosed Income in the form of cash or deposit with specified entity

(1) Subject to the provisions of this Scheme, any person may make, on or after 17th Dec, 2016 but on or before 31st Mar, 2017, a declaration in respect of any income, in the form of cash or deposit in an account maintained by the person with a specified entity, chargeable to tax under the Income-tax Act for any assessment year commencing on or before the 1st day of April, 2017.

(2) No deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed against the income in respect of which a declaration under sub-section (1) is made.

Explanation :

"Specified entity" shall mean—

(i) the Reserve Bank of India;
(ii) any banking company or co-operative bank, to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act);
(iii) any Head Post Office or Sub-Post Office; and
(iv) any other entity as may be notified by the Central Government in the Official Gazette in this behalf.

Notwithstanding anything contained in the Income-tax Act or in any Finance Act,

Sec. 199D	Charge of tax and surcharge
(1) Tax	30% of the undisclosed income declared u/s 199C(1)
(2) Surcharge	33% of Tax
Surcharge : to be called Pradhan Mantri Garib Kalyan Cess is for the purposes of the Union to fulfil the commitment of the Government for the welfare of the economically weaker sections of the society.	

Sec. 199E	Penalty
Penalty	10% of the undisclosed income

Sec. 199F	Deposit of undisclosed income
(1) Deposit	The declarant shall deposit atleast 25% of the undisclosed income in the Pradhan Mantri Garib Kalyan Deposit Scheme, 2016.

(2) The deposit shall bear no interest and the amount deposited shall be allowed to be withdrawn after four years from the date of deposit and shall also fulfil such other conditions as may be specified in the Deposit Scheme.

Sec. 199G : Manner of declaration

Declaration u/s. 199C (1) shall be made by a person competent to verify the return of income u/s. 140 of the Income-tax Act, to the Principal Commissioner or the Commissioner notified in the Official Gazette for this purpose and shall be in Form 1 and verified in such manner, as may be prescribed.

Notified Authority	Form 1 filed
Jurisdictional PCIT/CIT	Manually or Using either DSC or EVC
CIT (CPC), Bengaluru	Using DSC only

If any person, having furnished a original declaration, discovers any omission or any wrong statement therein, he may furnish a revised declaration on or before 31st Mar, 2016.

The PCIT/CIT, as the case may be, shall issue a certificate in Form-2 (Acknowledgement) to the declarant within 30 days from the end of the month in which a valid declaration u/s. 199C (1) has been furnished.

The Principal Director-General of Income-tax (Systems) or Director-General of Income-tax (Systems) shall specify the procedures, formats and standards for ensuring secure capture and transmission of data and shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to furnishing the form.

Sec. 199H : Time for payment of tax, penalty, surcharge and deposit

Payment of tax, penalty, surcharge and deposit shall be made before filing of declaration u/s. 199C (1) and declaration shall be accompanied by proof of deposit and payment of tax, surcharge and penalty.

Sec. 199-I : Undisclosed income declared not to be included in total income

Undisclosed income declared u/s. 199C (1) shall not be included in the total income of the declarant for any assessment year under the Income-tax Act.

Sec. 199J : Undisclosed income declared not to affect finality of completed assessments

A declarant under this Scheme shall not be entitled, in respect of undisclosed income referred to in section 199C or any amount of tax and surcharge paid thereon, to re-open any assessment or reassessment made under the Income-tax Act or the Wealth-tax Act, 1957, or to claim any set-off or relief in any appeal, reference or other proceeding in relation to any such assessment or reassessment.

Sec. 199K : Tax and Surcharge paid u/s. 199D or penalty paid u/s. 199E shall not be refundable.

Sec. 199L : Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration u/s. 199C (1) shall be admissible in evidence against the declarant for the purpose of any proceeding under any Act other than the Acts mentioned in sec. 199-O.

Sec. 199M : Notwithstanding anything contained in this Scheme, where a declaration has been made by misrepresentation or suppression of facts or without making payment of tax, surcharge, penalty and deposit in the Deposit Scheme, such declaration shall be void and shall be deemed never to have been made under this Scheme.

Sec. 199N : The provisions of Chapter XV of the Income-tax Act relating to liability in special cases and of section 119, section 138 and section 189 of that Act shall, so far as may be, apply in relation to proceedings under this Scheme as they apply in relation to proceedings under the Income-tax Act.

Sec. 199-O : The provisions of this Scheme shall not apply—

(a) in relation to any person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974:

Provided that such order of detention, being an order to which the provisions of the said Act apply, has not been revoked or set aside by a court of competent jurisdiction;

(b) in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Unlawful Activities (Prevention) Act, 1967, the Prevention of Corruption Act, 1988, the Prohibition of Benami Property Transactions Act, 1988 and the Prevention of Money-Laundering Act, 2002;

(c) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992;

(d) in relation to any undisclosed foreign income and asset which is chargeable to tax under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Sec. 199P : Removal of doubts

It is hereby declared that save as otherwise expressly provided in sec. 199C (1), nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on any person other than the person making the declaration under this Scheme.

Sec. 199Q : Power to remove difficulties

(1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force.

(2) Every order made under this section shall be laid before each House of Parliament.

Sec. 199R : Power to make rules

(1) The Board may, subject to the control of the Central Government, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and manner of declaration and verification to be made under section 199G; and

(b) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

(3) Every rule made under this Scheme shall be laid, as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.'.

Form 1
[See rule 3 (1)]

FORM OF DECLARATION UNDER SECTION 199C OF THE FINANCE ACT, 2016, IN RESPECT OF THE TAXATION AND INVESTMENT REGIME FOR *PRADHAN MANTRI GARIB KALYAN YOJANA* RULES, 2016

To,

The Principal Commissioner/Commissioner

……………………………………

Madam/ Sir,

I hereby make a declaration under section 199C of the Finance Act, 2016. I give below the necessary particulars:−

1. Name of the declarant ……………………………………………………………………………………

2. Address: Office………………………………………………………………………………………....

……………………………………………………………… Telephone No ……………..……

Residence………………………………………………………………………………………………

………..

Mobile No. ………………….Telephone No………………… E-mail…………………………..

3. Permanent Account Number (PAN) (In case PAN is not held, please apply for PAN and quote the date of application and acknowledgment number) ………..………………………

4. Aadhaar Number issued by UIDAI (if available) ………..………………………

5. Status of the declarant

(a) Whether individual, HUF, firm, company etc. ……………………………….

(b) Whether Resident/Non-Resident/Not ordinarily resident ……………..…………………

6. Filing status

(a) Whether the declaration ☐ is original ☐ or revised

(b) If revised-

(i) Enter receipt No. and Date of filing original Form-1 (DD/MM/YYYY)

	/ /

(ii) Reasons for revised declaration (not exceeding 100 words)". …………………………………………..

7. (a) Total amount of undisclosed income declared ….…………………………..

(b) Out of (a) above:-

(i) Amount held in cash Rs…………………………….

(ii) Details of amount deposited in a bank account/post office account etc.

Sl. No.	Account number	Name of Bank/ Post office etc.	Branch name	IFSC code/any other identity code	Amount (in Rs.)
				Total	

8. Tax payable thereon [@ 30% of item 7(a)] Rs……………….…….

9. Surcharge payable thereon (@ 33% of item 8) Rs……………………..…..

10. Penalty payable thereon [@10% of item 7(a)] Rs..………………………

11. Total of tax, surcharge and penalty payable (8+9+10) Rs..………………………

12. Details of amount paid on or before the date of declaration Rs………………….………
(Attach proof of payment and provide details below)

Sl.	BSR Code of Bank	Date of Deposit *(DD/MM/YYYY)*	Serial Number of Challan	Amount (Rs)
(1)	(2)	(3)	(4)	(5)

13. Details of amount deposited in *Pradhan Mantri Garib Kalyan* Deposit Scheme, 2016 (Attach proof of deposit and provide details below)

(i) Amount deposited
[Minimum deposit amount is 25% of item 7(a)] Rs………………….………

(ii) Date of deposit ……………..……………

(iii) Acknowledgement/deposit reference number ……………..……………

(iv) Name and details of branch of the entity in which deposit is made ……………..…………… ……………..……………

VERIFICATION

I ……………………………………………….. son/daughter/wife of Shri…………………………………………….
(Full name in block letters) (Name of father/husband) hereby solemnly declare that-

(a) the information given in this declaration is correct and complete to the best of my knowledge and belief;

(b) the provisions of clause (a) of section 199-O of the Finance Act, 2016 in respect of Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 are not applicable to me;

(c) the provision clause (b) of section 199-O of the Finance Act, 2016 in respect of Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Unlawful Activities (Prevention) Act, 1967, the Prevention of Corruption Act, 1988, Prohibition of *Benami* Property Transactions Act, 1988 and the Prevention of Money Laundering Act, 2002 are not applicable to me;

(d) I am not notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992;

(e) the income declared is not chargeable to tax under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015;

I further declare that I am making this declaration in my capacity as……………………………………………….
and that I am competent to make this declaration and verify it.

……………………………………………………..
(Signature)

Place………………….
Date…………………..

Form 2
[See rule 3 (4)]

CERTIFICATE OF DECLARATION UNDER SECTION 199C OF THE FINANCE ACT, 2016, IN RESPECT OF THE TAXATION AND INVESTMENT REGIME FOR *PRADHAN MANTRI GARIB KALYAN YOJANA* RULES, 2016

Office of the Principal Commissioner/Commissioner of Income-tax,

………………………………

………………………………

This is to acknowledge that a declaration under section 199C of the Finance Act, 2016 has been accepted in respect of the following:

1) Name and address of the declarant: …….…………………………………………………..

…………………………………………………………..

…………………………………………………………..

2) Son/Daughter/Wife of …………………………………………………………...

3) PAN ………………………………………………………………….

4) Receipt No. and date of filing the Declaration: ……………………………………………………..

5) Details of declaration as per Form-1

(a) Total amount of undisclosed income declared Rs.…..………………………..

(b) Out of (a) above

(i) Amount held in cash Rs.…………………………….

(ii) Details of amount deposited in a bank account/post office account etc.

Sl. No.	Account number	Name of Bank/ Post office etc.	Branch name	IFSC code/ any other identity code	Amount (in Rs.)
				Total	

(c) Tax, surcharge and penalty paid on the undisclosed income declared Rs.…..………………………..

(d) Details of amount deposited in *Pradhan Mantri Garib Kalyan* Deposit Scheme, 2016

(i) Amount deposited Rs.…..………………………..

(ii) Date of deposit …..…………………………..

(iii) Acknowledgement/deposit reference number …..…………………………..

(iv) Name and details of branch of the entity in which deposit is made ……..…………….…………

Date: ……………………

…………………..
(Pr. CIT/CIT)

Pradhan Mantri Garib Kalyan Deposit Scheme, 2016

This scheme came into force from 17th Dec, 2016 and shall be valid till 31st Mar, 2017

Eligibility for Deposits.—

The deposit under this Scheme shall be made by any person who intends to declare undisclosed income u/s. 199C (1) of the Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016.

Form of the deposits.—

(1) The deposits shall be held at the credit of the declarant in Bonds Ledger Account maintained with Reserve Bank of India.

(2) A certificate of holding the deposit shall be issued to declarant in Form I.

(3)The Reserve Bank of India shall transfer the deposit received under this Scheme into the designated Reserve Fund in the Public account of the Government of India.

Subscription and Mode of investment in the Bonds Ledger Account.—

The <u>deposits shall be accepted at all the authorised banks</u> notified by Government of India.

The deposits shall be made <u>in multiples of Rs. 100/</u>-.

The deposit u/s. 199F (1) by a declarant <u>shall not be less than 25% of the undisclosed income</u> to be declared u/s. 199C (1).

The entire deposit to be made under this Scheme <u>shall be made, in a single payment, before filing declaration</u> u/s. 199C (1.

The deposit shall be made in the form of cash or draft or cheque or by electronic transfer and shall be drawn in favour of the authorised bank accepting such deposit.

Effective date of deposit.—

The effective date of opening of the Bonds Ledger Account shall be the <u>date of tender of cash or the date of realisation</u> of draft or cheque or transfer through electronic transfer.

Applications.—

An application for the deposit under this Scheme shall be made in Form II clearly indicating the amount, full name, Permanent Account Number (PAN), Bank Account details (for receiving redemption proceeds), and address of the declarant:

Provided that if the declarant does not hold a PAN, he shall apply for a PAN and provide the details of such PAN application along with acknowledgement number.

The application shall be accompanied by an amount which shall not be less than25% of the undisclosed income to be declared in the form of cash or draft or cheque or through electronic transfer.

Nomination.—

A sole holder or a sole surviving holder of a Bonds Ledger Account, being an individual, may nominate in Form III, one or more persons who shall be entitled to the Bonds Ledger Account and the payment thereon in the event of his death.

Where any amount is payable to two or more nominees and either or any of them dies before such payment becomes due, the title to the Bonds Ledger Account shall vest in the surviving nominee or nominees and the amount being due thereon shall be paid accordingly. In the event of the nominee or nominees predeceasing the holder, the holder may make a fresh nomination.

A nomination made by a holder of Bonds Ledger Account may be varied by a fresh nomination, or may be cancelled by giving notice in writing to the Authorised Bank in Form IV.

Every nomination and every cancellation or variation shall be registered at the Reserve Bank of India through the authorised bank and shall be effective from the date of such registration.

If the nominee is a minor, the holder of Bonds Ledger Account may appoint any person to receive the Bonds Ledger Account or the amount due in the event of his death.

Authorised banks.—

Application for the deposit in the form of Bonds Ledger Account shall be received by any banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies.

The authorised bank shall electronically furnish the details of deposit made in Form V to the Department of Revenue, Ministry of Finance, Government of India not later than next working day to enable the Department to verify the information of the deposit before accepting the declaration.

The authorised bank shall upload the details of deposit into Reserve Bank of India's core banking solution 'e-kuber'.

The Reserve Bank of India and authorised bank shall maintain the confidentiality of the data received in this regard.

Pradhan Mantri Garib Kalyan Deposit Scheme, 2016

Transferability of the Bonds Ledger Account shall be limited to nominee or to the legal heir of an individual holder, in the event of his death.

Deposit u/s. 199F (1) shall not bear any interst.

The Bonds Ledger Account shall not be tradable and shall be repayable on the expiration of four years from the date of deposit.

Redemption of Bonds Ledger Account before its maturity date shall not be allowed.

Summary of Various Forms under the Deposit Scheme:

Form	Purpose
I	Certificate of Holding the deposit
II	Application for the Deposit scheme
III	Nomination
IV	Cancellation of Nomination
V	Reporting Under the Deposit scheme by Authorised Banks to Department of Revenue

Form I

[See paragraph 3(2)]

GOVERNMENT OF INDIA

Certificate of Holding

***PRADHAN MANTRI GARIB KALYAN* DEPOSIT SCHEME, 2016**

Certified that (Name of Subscriber) (Investor ID) is the holder of Bond Ledger Account with Reserve bank of India as per details given below.

Certificate ID.	Amount	Deposit Date	Maturity date	Nominee

Repayment Account details:
Account no:
IFSC:
Account name:

This is issued subject to the terms and conditions laid down in the Govt of India Notification No ………………………………………. dated ………………………

Computer generated - does not require a signature.

FORM II

[See paragraph 6(1)]

APPLICATION FORM FOR *PRADHAN MANTRI GARIB KALYAN* DEPOSIT SCHEME, 2016

Application No.

Bank: ………………………………………………………………… **Branch:** ………………………………………………

Applicant(s) name(s) [in block letters]

Name	Date of Birth (DD/MM/YYYY)	Gender	PAN

Communication address of the applicant:

		City:	State:	Pin Code:
Telephones No.	Email:	Mobile No.		

Amount of Deposit: **₹**…………………(Rupees ………………………………………………………… only)

Mode of subscription:[ ] Cash [ ] Cheque or DD [ ] Electronic Transfer
Cheque/DD No……………………… dated ………/………/………….. drawn on (Bank/branch) ………………..
…………………………………………………………… for (Amount) ₹ ……..……………… (Rupees……….…..…..
…..……………………………………………………………………only)

Bank Details (for Redemption payment)**: Bank name**……………………………………………….……..
Branch…………………………………………………..

Account Number															
IFSC															

Particulars of Nominee

Sr. No.	Full name and address of nominee	Date of birth	Relationship with the holder of Bonds Ledger Account

Note: Additional information may be provided in the respective form available with the bank/branch.

I have read and understood the details of the scheme and the other information provided for declarants including rights and duties.

Signature/Thumb Impression (Applicant)

DATE: ____________

Place: ______________

Witnesses: (Only in case of thumb impression the same has to be attested by two witnesses)

Name of 1st Witness…………………………………… Name of 2nd Witness………………………………

Address…………………………………………………

Address……………………………………………….

Signature……………………………………………… Signature…………………………….……………

Acknowledgement Receipt for declarant

Application No.

Date ………/………/…………………

Received from Mr/Mrs/Ms ………………………………………………… Cash/ Demand Draft/Cheque No./Electronic Transfer/ ……………………………… dated ……/………/……….. drawn on (Bank and branch) ……………………………………………………………… for ₹ …………….. (Rupees…………… ………………………………………. only) for the acceptance of deposits under *Pradhan Mantri Garib Kalyan* Deposit Scheme, 2016 for a period of four years of the nominal value of ₹………………… (Rupees…………………………………………………….only).

Date, Bank stamp and signature of the authorised official of the bank.

Form III

[See paragraph 8(1)]

NOMINATION

I ……………………………………………………………… (Name and address), the holder of Bonds Ledger Account No ……………… for the deposit under *Pradhan Mantri Garib Kalyan* Deposit Scheme, 2016, hereby nominate the following person who shall on my death have the right to the Bonds Ledger Account (n u m b e r) and receive payment of the amount for the time being due on the Bonds Ledger Account specified below:

PARTICULARS OF THE NOMINEE:

Date of issue	Amount Rs.	Date of repayment	Full name with expanded initials and address of nominee	Date of birth in case of minor	Relation-ship with the holder of Bonds Ledger Account	Particulars of bank account

To be filled in case if nominee is minor: As ………………………………………. , the sole nominee above is a minor on this date, I appoint Shri/Smt./Kum……………………… …………………… to receive the amount for the time being due to the above Bonds Ledger Account in the event of my death during the minority of the said nominee ....

If the nomination is in substitution of the one already made: This nomination is in substitution of the nomination dated ………………… made by me/us and registered on your books at ……………………….. which shall stand cancelled on registration of this nomination.

(Signature of the Bonds Ledger Account Holder)

Place: ____________

Date: ____________

Signature with name and address of witnesses:

1………………………………………………………………………………………

2………………………………………………………………………………………

Acknowledgment

We acknowledge having registered the nomination in favour of ……………………… (Name of nominees) for the Bonds Ledger Account No. …………………… for the loan ……………………… and the nomination registration no. is ………………… Please quote the above nomination registration no. in all communication pertaining to change or cancellation of nomination.

Date: ………………….   Authorised Official ……………………..

Form IV

[See paragraph 8(3)]

CANCELLATION OF NOMINATION

I ……………………………………………………………………………… (name and address) do hereby cancel the nomination dated ………………………… made by me in respect of the following Bonds Ledger Account No……………………and registered by the Reserve Bank of India on ……………………(date) vide registration no. ……………….

Particulars of the Bonds Ledger Account

Date of Issue	Nomenclature of the deposit	Bonds Ledger Account	Amount (Rs.)

Place: ________ (Signature of the Bonds Ledger Account holder)

Date: ________

Signature with name and address of witnesses:

1……………………………………………………………………………………

2……………………………………………………………………………………

Acknowledgment

We acknowledge having cancelled the nomination in favour of ……………………… (Name of nominees) for the Bonds Ledger Account No. …………………… for the Deposit ……………………… noted *vide* our nomination registration no. …………….. dated …………………

Date: ………………….   Authorised Official ……………………..

Form V

[See paragraph 7(2)]

FORM FOR REPORTING UNDER *PRADHAN MANTRI GARIB KALYAN* DEPOSIT SCHEME, 2016.

1. Name of the reporting Bank ……………………………………………………………………

2. IFSC Code of Branch ……………………………………………………………………

3. Details of deposit made under *Pradhan Mantri Garib Kalyan* Deposit Scheme, 2016:

S.No.	Name and Address of the depositor	PAN/ PAN application reference number (in case applied for PAN)	Amount deposited (in Rs.)	Date of deposit	Acknowledgement or Deposit reference number