Finance Act, 2012, (Central)

Section 153 - Amendment of Act 23 of 2004

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).';

(ii) in clause (13), after sub-clause (a), the following sub-clause shall be inserted, namely:--

"(aa) sale of unlisted equity shares by any holder of such shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognised stock exchange; or" ';

(b) in section 98, in the Table,-

(i) against Sl. No. 1, under column (3) relating to rate, for the figures and words "0.125 per cent.", the figures and words "0.1 per cent." shall be substituted;

(ii) against SI. No. 2, under column (3) relating to rate, for the figures and words "0.125 per cent.", the figures and words "0.1 per cent." shall be substituted;

(iii) after Sl. No. 5, and the entries relating thereto, the following Sl. No. entries shall be inserted, namely:-

1

2

3

4

"6.

Sale of unlisted equity shares under an offer for sale referred to in sub-clause (aa) of clause (13) of section 97.

0.2 percent.

Seller";

(c) in section 100,-

(i) after sub-section (2), the following sub-section shall be inserted, namely:-

"(2A) The lead merchant banker appointed by the company in respect of an initial public offer shall collect the securities transaction tax from every person who enters into a taxable securities transaction referred to in sub-clause (aa) of clause (13) of section 97 at the rate specified in section 98.";

(ii) in sub-section (3),-

(A) after the words, brackets and figure "sub-section (2)", the words, brackets, figure and letter "or sub-section (2A)" shall be inserted;

(B) after the words "Mutual Fund", the words "or the lead merchant banker in the case of an initial public offer" shall be inserted;

(iii) in sub-section (4), after the words, "Mutual Fund", the words "or the lead merchant banker in the case of an initial public offer" shall be inserted;

(d) in section 101, after the words "in the case of every Mutual Fund", the words "or the lead merchant banker in the case of an initial public offer" shall be inserted.