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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, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 14th May, 1992/Vaisakha 24, 1914 (Saka)

The following Act of Parliament received the assent of the President on the 14th May 1992, and is hereby published for general information:—

THE FINANCE ACT, 1992

No. 18 of 1992

[*14th May*, 1992.]

An Act to give effect to the financial proposals of the Central Government for the financial year 1992-93.

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

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Finance Act, 1992.

(*2*) Save as otherwise provided in this Act, sections 2 to 108, 116 and 117, [except sections 61, 109 sub-section (*1*) of section 116 and sections 112 and 113] shall be deemed to have come into force on the 1st day of April, 1992.

CHAPTER II

RATES OF INCOME-TAX

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, 1992, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax as reduced by the rebate of income-tax calculated under section 88 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) shall be increased,— 43 of 1961.

(*a*) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and

(*b*) in the cases to which Paragraph E of that Part applies, by a surcharge,

calculated in each case in the manner provided therein.

(*2*) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding six hundred rupees, in addition to total income, and the total income exceeds,—

(*i*) in a case to which the said Sub-Paragraph I applies, twenty-two thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees,

then,—

(*a*) the net agricultural income shall be taken into account, in the manner provided in clause (*b*) [that is to say, as if the net agricultural income were comprised in the total income after,—

(*i*) in a case to which the said Sub-Paragraph I applies, the first twenty-two thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, the first twelve thousand rupees,

of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income; and

(*b*) the income-tax chargeable shall be calculated as follows:—

(*i*) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income;

(*ii*) the net agricultural income shall be increased,—

(*A*) in a case to which the said Sub-Paragraph I applies, by a sum of twenty-two thousand rupees; and

(*B*) in a case to which the said Sub-Paragraph II applies, by a sum of twelve thousand rupees,

and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income;

(*iii*) the amount of income-tax determined in accordance with sub-clause (*i*) shall be reduced by the amount of income-tax determined in accordance with sub-clause (*ii*) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that the amount of income-tax so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the Income-tax Act, shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(*3*) In cases to which the provisions of Chapter XII or Chapter XII-A or sub-section (*1A*) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (*1*) or the rates as specified in that Chapter or section, as the case may be:

Provided that in respect of any income chargeable to tax under section 115B or section 115BB of the Income-tax Act,—

(*a*) the income-tax computed under section 115B shall be increased by a surcharge calculated at the rate of fifteen per cent. of such income-tax; and

(*b*) the income-tax computed under section 115BB shall be increased,—

(*i*) in the case of a person other than a company, being a resident in India, by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax; and

(*ii*) in the case of a domestic company, by a surcharge calculated at the rate of fifteen per cent. of such income-tax.

(*4*) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule and shall be increased,—

(*a*) in the cases to which the provisions of sub-item (*a*) of item 1 of that Part apply, by a surcharge for purposes of the Union; and

(*b*) in the cases to which the provisions of sub-item (*a*) of item 2 of that Part apply, by a surcharge,

calculated in each case in the manner provided therein.

(*5*) In cases in which tax has to be deducted under sections 194C, 194EE, 194F, 194G and 194H of the Income-tax Act, the deduction shall be made at the rates specified in those sections and shall be increased

by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such deduction:

Provided that in the case of an assessee, being a domestic company, the provisions of this sub-section shall have effect, as if for the words "twelve per cent.", the words "fifteen per cent." had been substituted.

(6) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rate specified in that section and shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such collection:

Provided that in the case of a buyer, being a domestic company, the provisions of this sub-section shall have effect, as if for the words "twelve per cent.", the words "fifteen per cent." had been substituted.

(7) Subject to the provisions of sub-section (8), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act shall be increased,—

(*a*) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and

(*b*) in the cases to which Paragraph E of that Part applies, by a surcharge,

calculated in each case in the manner provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or sub-section (*1A*) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that the amount of income-tax computed in accordance with the provisions of section 112 shall be increased by a surcharges for purposes of the Union or surcharge as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule:

Provided also that in respect of any income chargeable to tax under section 115B of the Income-tax Act, the "advance tax" computed under the first proviso shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such "advance tax".

(8) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net

agricultural income exceeding six hundred rupees, in addition to total income and the total income exceeds,—

(*i*) in a case to which the said Sub-Paragraph I applies, twenty-eight thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, eighteen thousand rupees,

then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(*a*) the net agricultural income shall be taken into account, in the manner provided in clause (*b*) [that is to say, as if the net agricultural income were comprised in the total income after,—

(*i*) in a case to which the said Sub-Paragraph I applies, the first twenty-eight thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, the first eighteen thousand rupees,

of the total income but without being liable to tax], only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(*b*) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows:—

(*i*) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income;

(*ii*) the net agricultural income shall be increased,—

(*A*) in a case to which the said Sub-Paragraph I applies, by a sum of twenty-eight thousand rupees; and

(*B*) in a case to which the said Sub-Paragraph II applies, by a sum of eighteen thousand rupees,

and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Sub-Paragraph I or, as the case may be, the said Sub-Paragraph II as if the net agricultural income as so increased were the total income;

(*iii*) the amount of income-tax or "advance tax" determined in accordance with sub-clause (*i*) shall be reduced by the amount of income tax or, as the case may be, "advance tax" determined in accordance with sub-clause (*ii*) and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

Provided that the amount of income-tax or "advance tax" so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act, shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(9) For the purposes of this section and the First Schedule,—

(*a*) "company in which the public are substantially interested" means a company within the meaning of clause (*18*) of section 2 of the Income-tax Act, and includes a subsidiary of such company if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year;

(*b*) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1992, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of the Act;

(*c*) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(*d*) "net agricultural income", in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(*e*) "tax-free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(*f*) all other words and expressions used in this section or in the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of section 2.

3. In section 2 of the Income-tax Act,—

(*a*) in clause (*18*), after sub-clause (*ac*), the following sub-clause shall be inserted with effect from the 1st day of April, 1993, namely:—

"(*ad*) if it is a company, wherein shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than fifty

per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and were throughout the relevant previous year beneficially held by, one or more co-operative societies;";

(*b*) in clause (*24*), after sub-clause (*vd*), the following sub-clause shall be inserted with effect from the 1st day of April, 1993, namely:—

"(*ve*) any sum chargeable to income-tax under clause (*v*) of section 28;";

(*c*) in clause (*37A*), for sub-clause (*iii*), the following sub-clause shall be substituted with effect from the 1st day of June, 1992, namely:—

"(*iii*) for the purposes of deduction of tax under section 195, the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year or the rate or rates of income-tax specified in an agreement entered into by the Central Government under section 90, whichever is applicable by virtue of the provisions of section 90;";

(*d*) clause (*39*) shall be omitted with effect from the 1st day of April, 1993;

(*e*) clause (*48*) shall be omitted with effect from the 1st day of April, 1993.

4. In section 10 of the Income-tax Act,— Amendment of section 10.

(*a*) after clause (*2*), the following clause shall be inserted with effect from the 1st day of April, 1993, namely:—

"(*2A*) in the case of a person being a partner of a firm which is separately assessed as such, his share in the total income of the firm.

Explanation.—For the purposes of this clause, the share of a partner in the total income of a firm separately assessed as such shall, notwithstanding anything contained in any other law, be an amount which bears to the total income of the firm the same proportion as the amount of his share in the profits of the firm in accordance with the partnership deed bears to such profits;";

(*b*) in clause (*3*), in the proviso,—

(*i*) for the words "Provided that", the following shall be substituted, namely:—

'Provided that where such receipts relate to winnings from races including horse races, the provisions of this clause shall have effect as if for the words "five thousand rupees", the words "two thousand five hundred rupees" had been substituted:

Provided further that';

(*ii*) in clause (*iii*), the word "or", occurring at the end, shall be omitted;

(*iii*) clause (*iv*) shall be omitted;

(c) in clause (6), in sub-clause (*viia*), with effect from the 1st day of June, 1992,—

(*A*) for the portion beginning with the words "the following conditions are fulfilled, namely, that—" and ending with the words "six month of such commencement", the following shall be substituted, namely:—

"the individual was not resident in India in any of the four financial years immediately preceding the financial year in which he arrived in India,";

(*B*) the first proviso shall be omitted;

(*C*) in the second proviso,—

(*i*) the word "further" shall be omitted;

(*ii*) for the words, brackets and figure "condition specified in item (*1*) of", the words "condition relating to non-residence in India as specified in" shall be substituted;

(*d*) in clause (*6A*), for the words "and approved by the Central Government, the tax on such income is payable, under the terms of such agreement, by Government or the Indian concern to the Central Government, the tax so paid", the following shall be substituted with effect from the 1st day of June, 1992, namely:—

"and,—

(*a*) where the agreement relates to a matter included in the industrial policy, for the time being in force, of the Government of India, such agreement is in accordance with that policy; and

(*b*) in any other case, the agreement is approved by the Central Government,

the tax on such income is payable, under the terms of the agreement, by Government or the Indian concern to the Central Government, the tax so paid";

(*e*) after clause (*10B*), the following clause shall be inserted, namely:—

"(*10BB*) any payments made under the Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985 and any scheme framed thereunder except payment made to any assessee in connection with the Bhopal gas leak disaster to the extent such assessee has been allowed a deduction under this Act on account of any loss or damage caused to him by such disaster;"; 21 of 1985.

(*f*) for clause (*10C*), the following clause shall be substituted, with effect from the 1st day of April, 1993, namely:—

"(*10C*) any amount received by an employee of a public sector company or of any other company at the time of his voluntary retirement in accordance with any scheme or schemes of voluntary retirement:

Provided that the schemes of the said companies governing the payment of such amount are framed in accordance with such guidelines as may be prescribed for the public sector companies or for other companies and such guidelines may, *inter alia*, include criteria of economic viability and such schemes in relation to companies) other than public sector companies) are approved by the Chief Commissioner or, as the case may be, Director-General in this behalf;";

(*g*) in clause (*15*), in sub-clause (*iv*), in item (*d*), after the words and figures "National Housing Bank Act, 1987,", the words and figures "or the Small Industries Development Bank of India established under section 3 of the Small Industries Development Bank of India Act, 1989," shall be inserted;

53 of 1987.

39 of 1989.

(*h*) in clause (*21*), for clause (*b*) of the first proviso, the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1990, namely:—

"(*b*) does not invest or deposit its funds, other than—

(*i*) any assets held by the scientific research association where such assets form part of the corpus of the fund of the association as on the 1st day of June, 1973;

(*ii*) any assets (being debentures issued by, or on behalf of, any company or corporation), acquired by the scientific research association before the 1st day of March, 1983;

(*iii*) any accretion to the shares, forming part of the corpus of the fund mentioned in sub-clause (*i*), by way of bonus shares allotted to the scientific research association;

(*iv*) voluntary contributions received and maintained in the form of jewellery, furniture or any other article as the Board may, by notification in the Official Gazette, specify,

for any period during the previous year otherwise than in any one or more of the forms or modes specified in sub-section (*5*) of section 11:";

(*i*) in clause (*23*),—

(*1*) for clause (*b*) of the third proviso, the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1990, namely:—

"(*b*) does not invest or deposit its funds, other than—

(*i*) any assets held by the association or institution where such assets form part of the corpus of the fund of the association or institution as on the 1st day of June, 1973;

(*ii*) any assets (being debentures issued by, or on behalf of, any company or corporation), acquired by the association or institution before the 1st day of March, 1983;

(*iii*) any accretion to the shares, forming part of the corpus of the fund mentioned in sub-clause (*i*), by way of bonus shares allotted to the association or institution;

(*iv*) voluntary contributions received and maintained in the form of jewellery, furniture or any other article as the Board may, by notification in the Official Gazette, specify,

for any period during the previous year otherwise than in any one or more of the forms or modes specified in sub-section (5) of section 11; and";

(2) in the fourth proviso, for the figures "1992", the figures "1993" shall be substituted;

(*j*) in clause (23C),—

(*1*) for clause (*b*) of the third proviso, the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1990, namely:—

"(*b*) does not invest or deposit its funds, other than—

(*i*) any assets held by the fund, trust or institution where such assets form part of the corpus of the fund, trust or institution as on the 1st day of June, 1973;

(*ii*) any assets (being debentures issued by, or on behalf of, any company or corporation), acquired by the fund, trust or institution before the 1st day of March, 1983;

(*iii*) any accretion to the shares, forming part of the corpus mentioned in sub-clause (*i*), by way of bonus shares allotted to the fund, trust or institution;

(*iv*) voluntary contributions received and maintained in the form of jewellery, furniture or any other article as the Board may, by notification in the Official Gazette, specify,

for any period during the previous year otherwise than in any one or more of the forms or modes specified in sub-section (5) of section 11;";

(2) in the fourth proviso, for the figures "1992", the figures "1993" shall be substituted;

(*k*) in clause (23D), with effect from the 1st day of April, 1993,—

(*i*) after the words "public financial institution", the words "or authorised by the Securities and Exchange Board of India or the Reserve Bank of India" shall be inserted;

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

'(*c*) the expression "Securities and Exchange Board of India" shall have the meaning assigned to it in clause (*a*) of sub-section (*1*) of section 2 of the Securities and Exchange Board of India Act, 1992;'; 15 of 1992.

(*l*) after clause (*26B*), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989, namely:—

"(*27*) any income of a co-operative society formed for promoting the interests of the members of either the Scheduled Castes or Scheduled Tribes or both referred to in clause (*26B*):

Provided that the membership of the co-operative society consists of only other co-operative societies formed for similar purposes and the finances of the society are provided by the Government and such other societies;";

(*m*) after clause (*31*), the following clause shall be inserted with effect from the 1st day of April, 1993, namely:—

"(*32*) in the case of an assessee referred to in sub-section (*1A*) of section 64, any income includible in his total income under that sub-section, to the extent such income does not exceed one thousand five hundred rupees in respect of each minor child whose income is so includible.".

Amendment of section 13.

5. In section 13 of the Income-tax Act, in sub-section (*1*), in clause (*d*), in the proviso,—

(*i*) in clause (*i*), the words "and such assets were not purchased by the trust or institution or acquired by it by conversion of, or in exchange for, any other asset" shall be omitted and shall be deemed to have been omitted with effect from the 1st day of April, 1983;

(*ii*) after clause (*i*), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1983, namely:—

"(*ia*) any accretion to the shares, forming part of the corpus mentioned in clause (*i*), by way of bonus shares allotted to the trust or institution;";

(*iii*) in clause (*iia*), for the figures "1992", the figures "1993" shall be substituted.

Amendment of section 15.

6. In section 15 of the Income-tax Act, the *Explanation* shall be renumbered as *Explanation* 1, and after *Explanation* 1 as so renumbered, the following *Explanation* shall be inserted, with effect from the 1st day of April, 1993, namely:—

'*Explanation* 2.—Any salary, bonus, commission or remuneration, by whatever name called, due to, or received by, a partner of a firm from the firm shall not be regarded as "salary" for the purposes of this section.'.

Amendment of section 16.

7. In section 16 of the Income-tax Act, in clause (*i*), before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of April, 1993, namely:—

'Provided that in the case of an assessee, being a woman, whose total income before making any deduction under this clause does not exceed seventy-five thousand rupees, the provisions of this clause

shall have effect as if for the words "twelve thousand rupees", the words "fifteen thousand rupees" had been substituted.'.

Amendment of section 17.

8. In section 17 of the Income-tax Act, in clause (*2*), with effect from the 1st day of April, 1993,—

(*I*) in the proviso,—

(*a*) for clause (*ii*) the following clause shall be substituted, namely:—

"(*ii*) any sum paid by the employer—

(*a*) in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family in any hospital maintained by the Government or any local authority or any other hospital approved by the Government for the purposes of medical treatment of its employees;

(*b*) directly to a hospital, approved by the Chief Commissioner having regard to the prescribed guidelines for the purposes of medical treatment of the prescribed diseases or ailments, on account of such treatment of the employee or any member of his family;";

(*b*) in clause (*vi*), for the words "one lakh rupees", the words "two lakh rupees" shall be substituted;

(*2*) in the *Explanation*, in clause (*i*), after the words "or a clinic", the words "or a nursing home" shall be inserted.

Amendment of section 23.

9. In section 23 of the Income-tax Act, in sub-section (*1*), in clause (*d*) of the second proviso, after the figures, letters and words "31st day of March, 1982", the words, figures and letters "but before the 1st day of April, 1992" shall be inserted with effect from the 1st day of April, 1993.

Amendment of section 24.

10. In section 24 of the Income-tax Act, in sub-section (*1*), with effect from the 1st day of April, 1993,—

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

"(*i*) in respect of repairs of, and collection of rent from, the property, a sum equal to one-fifth of the annual value;";

(*b*) clause (*viii*) shall be omitted.

Amendment of section 28.

11. In section 28 of the Income-tax Act, after clause (*iv*), the following clause shall be inserted with effect from the 1st day of April, 1993, namely:—

"(*v*) any interest, salary, bonus, commission or remuneration, by whatever name called, due to or received by, a partner of a firm from such firm.".

Provided that where any interest, salary, bonus, commission or remuneration, by whatever name called, or any part thereof has not been allowed to be deducted under clause (*b*) of section 40, the income under this clause shall be adjusted to the extent of the amount not so allowed to be deducted.".

Amendment of section 33AC.

12. In section 33AC of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*), after the words "an assessee, being", the words "a Government company or" shall be inserted;

(*b*) in the *Explanation*, after clause (*a*), the following clause shall be inserted, namely:—

'(*aa*) "Government company" shall have the meaning assigned to it in section 617 of the Companies Act, 1956;'.

1 of 1956.

Insertion of new section 34A.

13. After section 34 of the Income-tax Act, the following section shall be inserted, namely:—

Restriction on unabsorbed depreciation and unabsorbed investment allowance for limited period in case of certain domestic companies.

"34A. (*1*) In computing the profits and gains of a domestic company in relation to the previous year relevant to the assessment year commencing on the 1st day of April, 1992, where effect is to be given to the unabsorbed depreciation allowance or unabsorbed investment allowance or both in relation to any previous year relevant to the assessment year commencing on or before the 1st day of April, 1991, the deduction shall be restricted to two-third of such allowance or allowances and the balance,—

(*a*) where it relates to depreciation allowance, be added to the depreciation allowance for the previous year relevant to the assessment year commencing on the 1st day of April, 1993 and be deemed to be part of that allowance or if there is no such allowance for that previous year, be deemed to be the allowance for that previous year and so on for the succeeding previous years;

(*b*) where it relates to investment allowance, be carried forward to the assessment year commencing on the 1st day of April, 1993 and the balance of the investment allowance, if any, still outstanding shall be carried forward to the following assessment year and where the period of eight years has expired before the portion of such balance is adjusted, the said period shall be extended beyond eight years till such time the portion of the said balance is absorbed in the profits and gains of the business of the domestic company.

(*2*) For the assessment year commencing on the 1st day of April, 1992, the provisions of sub-section (*2*) of section 32 and sub-section (*3*) of section 32A shall apply to the extent such provisions are not inconsistent with the provisions of sub-section (*1*) of this section.

(*3*) Nothing contained in sub-section (*1*) shall apply where the amount of unabsorbed depreciation allowance or of the unabsorbed investment allowance, as the case may be, or the aggregate amount of such allowances in the case of a domestic company is less than one lakh rupees.

(*4*) Nothing contained in sections 234B and 234C shall apply to any shortfall in the payment of any tax due on the assessed tax or, as the case may be, returned income where such shortfall is on

account of restricting the amount of depreciation allowance or investment allowance under this section and the assessee has paid the amount of shortfall before furnishing the return of income under sub-section (*1*) of section 139.".

Amendment of section 36.

14. In section 36 of the Income-tax Act, in sub-section (*1*), in clause (*viii*), for the *Explanation*, the following *Explanation* shall be substituted and shall be deemed to have been substituted, with effect from the 1st day of April, 1987, namely:—

'*Explanation.*—In this case,—

(*a*) "financial corporation" shall include a public company and a Government company;

(*b*) "public company" shall have the meaning assigned to it in section 3 of the Companies Act, 1956; 1 of 1956.

(*c*) "Government company" shall have the meaning assigned to it in section 617 of the Companies Act, 1956.'. 1 of 1956.

Amendment of section 37.

15. In section 37 of the Income-tax Act, for sub-sections (*2*) and (*2A*), the following sub-section shall be substituted with effect from the 1st day of April, 1993, namely:—

'(*2*) Notwithstanding anything contained in sub-section (*1*), any expenditure in the nature of entertainment expenditure incurred by any assessee during any previous year commencing on the 1st day of April, 1992 shall be allowed as follows:—

(*a*) where the amount of such expenditure does not exceed ten thousand rupees, the whole of such amount;

(*b*) in any other case, ten thousand rupees as increased by a sum equal to fifty per cent. of such expenditure in excess of ten thousand rupees.

Explanation.—For the purposes of this sub-section, "entertainment expenditure" includes—

(*i*) the amount of any allowance in the nature of entertainment allowance paid by the assessee to any employee or other person;

(*ii*) the amount of any expenditure in the nature of entertainment expenditure [not being expenditure incurred out of an allowance of the nature referred to in clause (*i*)] incurred for the purposes of the business or profession of the assessee by any employee or other person;

(*iii*) expenditure on provision of hospitality of every kind by the assessee to any person, whether by way of provision of food or beverages or in any other manner whatsoever and whether or not such provision is made by reason of any express or

implied contract or custom or usage of trade, but does not include expenditure on food or beverages provided by the assessee to his employees in office, factory or other place of their work.'.

Amendment of section 40.

16. In section 40 of the Income-tax Act, for clause (*b*), the following clause shall be substituted with effect from the 1st day of April, 1993, namely:—

'(*b*) in the case of any firm assessable as such,—

(*i*) any payment of salary, bonus, commission or remuneration, by whatever name called (hereinafter referred to as remuneration) to any partner who is not a working partner; or

(*ii*) any payment of remuneration to any partner who is a working partner, or of interest to any partner, which, in either case, is not authorised by, or is not in accordance with, the terms of the partnership deed; or

(*iii*) any payment of remuneration to any partner who is a working partner, or of interest to any partner, which, in either case, is authorised by, and is in accordance with, the terms of the partnership deed, but which relates to any period (falling prior to the date of such partnership deed) for which such payment was not authorised by, or is not in accordance with, any earlier partnership deed, so, however, that the period of authorisation for such payment by any earlier partnership deed does not cover any period prior to the date of such earlier partnership deed; or

(*iv*) any payment of interest to any partner which is authorised by, and is in accordance with, the terms of the partnership deed and relates to any period falling after the date of such partnership deed in so far as such amount exceeds the amount calculated at the rate of eighteen per cent. simple interest per annum; or

(*v*) any payment of remuneration to any partner who is a working partner, which is authorised by, and is in accordance with, the terms of the partnership deed and relates to any period falling after the date of such partnership deed in so far as the amount of such payment to all the partners during the previous year exceeds the aggregate amount computed as hereunder:—

(*1*) in case of a firm carrying on a profession referred to in section 44AA or which is notified for the purpose of that section—

(*a*) on the first Rs. 1,00,000 of the book-profit or in case of a loss	Rs. 50,000 or at the rate of 90 per cent. of the book-profit, whichever is more;
(*b*) on the next Rs. 1,00,000 of the book-profit	at the rate of 60 per cent.;
(*c*) on the balance of the book-profit	at the rate of 40 per cent.;

(2) in the case of any other firm—

(*a*) on the first Rs. 75,000 of the book-profit, or in case of a loss	Rs. 50,000 or at the rate of 90 per cent, of the book -profit, whichever is more;
(*b*) on the next Rs. 75,000 of the book-profit	at the rate of 60 per cent.;
(*c*) on the balance of the book-profit	at the rate of 40 per centt.;

Provided that in relation to any payment under this clause to the partner during the previous year relevant to the assessment year commencing on the 1st day of April, 1993, the terms of the partnership deed may, at any time during the said previous year, provide for such payment.

Explanation 1.—Where an individual is a partner in a firm on behalf, or for the benefit, of any other person (such partner and the other person being hereinafter referred to as "partner in a representative capacity" and "person so represented", respectively),—

(*i*) interest paid by the firm to such individual otherwise than as partner in a representative capacity, shall not be taken into account for the purposes of this clause;

(*ii*) interest paid by the firm to such individual as partner in a representative capacity and interest paid by the firm to the person so represented shall be taken into account for the purposes of this clause.

Explanation 2.—Where an individual is a partner in a firm otherwise than as partner in a representative capacity, interest paid by the firm to such individual shall not be taken into account for the purposes of this clause, if such interest is received by him on behalf, or for the benefit, of any other person.

Explanation 3.—For the purposes of this clause, "book-profit" means the net profit, as shown in the profit and loss account for the relevant previous year, computed in the manner laid down in Chapter IV-D as increased by the aggregate amount of the remuneration paid or payable to all the partners of the firm if such amount has been deducted while computing the net profit.

Explanation 4.—For the purposes of this clause, "working partner" means an individual who is actively engaged in conducting the affairs of the business or profession of the firm of which he is a partner;'.

Amendment of section 40A.

17. In section 40A of the Income-tax Act, sub-section (*12*) shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 41.

18. In section 41 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, with effect from the 1st day of April, 1993, namely:—

'(*1*) Where an allowance or deduction has been made in the assessment for any year in respect of loss, expenditure or trading liability incurred by the assessee (hereinafter referred to as the first-mentioned person) and subsequently during any previous year,—

(*a*) the first-mentioned person has obtained, whether in cash or in any other manner whatsoever, any amount in respect of such loss or expenditure or some benefit in respect of such trading liability by way of remission or cessation thereof, the amount obtained by such person or the value of benefit accruing to him shall be deemed to be profits and gains of business or

profession and accordingly chargeable to income-tax as the income of that previous year, whether the business or profession in respect of which the allowance or deduction has been made is in existence in that year or not; or

(*b*) the successor in business has obtained, whether in cash or in any other manner whatsoever, any amount in respect of which loss or expenditure was incurred by the first-mentioned person or some benefit in respect of the trading liability referred to in clause (*a*) by way of remission or cessation thereof, the amount obtained by the successor in business or the value of benefit accruing to the successor in business shall be deemed to be profits and gains of the business or profession, and accordingly chargeable to income-tax as the income of that previous year.

Explanation.—For the purposes of this sub-section, "successor in business" means,—

(*i*) where there has been an amalgamation of a company with another company, the amalgamated company;

(*ii*) where the first-mentioned person is succeeded by any other person in that business or profession, the other person;

(*iii*) where a firm carrying on a business or profession is succeeded by another firm, the other firm.'.

Amendment of section 44AA.

19. In section 44AA of the Income-tax Act, in sub-section (*2*), with effect from the 1st day of April, 1993,—

(*a*) for the words "twenty-five thousand", at both the places where they occur, the words "forty thousand" shall be substituted;

(*b*) for the words "two hundred and fifty thousand", at both the places where they occur, the words "five hundred thousand" shall be substituted.

Amendment of section 44AB.

20. In section 44AB of the Income-tax Act, in the proviso, for the words "Provided that", the following shall be substituted and shall be deemed to have been substituted, with effect from the 1st day of April, 1985, namely:—

"Provided that this section shall not apply to the person, who derives income of the nature referred to in section 44AC or section 44B or section 44BB or section 44BBA or section 44BBB, on and from the 1st day of April, 1985 or, as the case may be, the date on which the relevant section came into force, whichever is later:

Provided further that".

Omission of section 44AC.

21. Section 44AC of the Income-tax Act shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 45.

22. In section 45 of the Income-tax Act, in sub-section (*1*), the figures "53," shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 47.

23. In section 47 of the Income-tax Act,—

(*a*) after clause (*vi*), the following clause shall be inserted, with effect from the 1st day of April, 1993, namely:—

"(*via*) any transfer, in a scheme of amalgamation, of a capital asset being a share or shares held in an Indian company, by the amalgamating foreign company to the amalgamated foreign company, if—

(*a*) at least twenty-five per cent. of the shareholders of the amalgamating foreign company continue to remain shareholders of the amalgamated foreign company, and

(*b*) such transfer does not attract tax on capital gains in the country, in which the amalgamating company is incorporated;";

(*b*) after clause (*vii*), the following clause shall be inserted, with effect from the 1st day of June, 1992, namely:—

"(*viia*) any transfer of a capital asset, being bonds or shares referred to in sub-section (*1*) of section 115AC, made outside India by a non-resident to another non-resident;";

(*c*) in clause (*x*), for the words "conversion of debentures", the words "conversion of bonds or debentures" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1962.

Substitution of new section for section 48.

24. For section 48 of the Income-tax Act, the following section shall be substituted, with effect from the 1st day of April, 1993, namely:—

Mode of computation.

'48. The income chargeable under the head "Capital gains" shall be computed, by deducting from the full value of the consideration received or accruing as a result of the transfer of the capital asset the following amounts, namely:—

(*i*) expenditure incurred wholly and exclusively in connection with such transfer;

(*ii*) the cost of acquisition of the asset and the cost of any improvement thereto:

Provided that in the case of an assessee, who is a non-resident, capital gains arising from the transfer of a capital asset being shares in, or debentures of, an Indian company shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares or debentures, and the capital gains so computed in such foreign currency shall be reconverted into Indian currency, so, however, that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing or

arising from every reinvestment thereafter in, and sale of, shares in, or debentures of, an Indian company:

Provided further that where long-term capital gain arises from the transfer of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company referred to in the first proviso, the provisions of clause (*ii*) shall have effect as if for the words "cost of acquisition" and "cost of any improvement", the words "indexed cost of acquisition" and "indexed cost of any improvement" had respectively been substituted.

Explanation.—For the purposes of this section,—

(*i*) "foreign currency" and "Indian currency" shall have the meanings respectively assigned to them in section 2 of the Foreign Exchange Regulation Act, 1973;

46 of 1973.

(*ii*) the conversion of Indian currency into foreign currency and the reconversion of foreign currency into Indian currency shall be at the rate of exchange prescribed in this behalf;

(*iii*) "indexed cost of acquisition" means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the year in which the asset is transferred bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the 1st day of April, 1981, whichever is later;

(*iv*) "indexed cost of any improvement" means an amount which bears to the cost of improvement the same proportion as Cost Inflation Index for the year in which the asset is transferred bears to the Cost Inflation Index for the year in which the improvement to the asset took place;

(*v*) "Cost Inflation Index" for any year means such Index as the Central Government may, having regard to seventy-five per cent. of average rise in the Consumer Price Index for urban non-manual employees for that year, by notification in the Official Gazette, specify in this behalf.'.

Amendment of section 49.

25. In section 49 of the Income-tax Act, in sub-section (*1*), in clause (*iii*), in sub-clause (*e*), after word, brackets and figures "clause (*vi*)", the words, brackets, figures and letter "or clause (*via*)" shall be inserted with effect from the 1st day of April, 1993.

Omission of section 53.

26. Section 53 of the Income-tax Act shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 54.

27. In section 54 of the Income-tax Act, in sub-section (2), the *Explanation* shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 54B.

28. In section 54B of the Income-tax Act, in sub-section (2), the *Explanation* shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 54D.

29. In section 54D of the Income-tax Act, in sub-section (2), the *Explanation* shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 54E.

30. In section 54E of the Income-tax Act,—

(*i*) in sub-section (*1*),—

(*a*) after the words "long-term capital asset", the words, figures and letters "before the 1st day of April, 1992" shall be inserted;

(*b*) in the second proviso, the words, figures and letters "or the 31st day of March, 1992, whichever is earlier" shall be inserted at the end;

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

"(*1C*) Notwithstanding anything contained in sub-section (*1*), where the capital gain arises from the transfer of the original asset, made after the 31st day of March, 1992, in respect of which the assessee had received any amount by way of advance on or before the 29th day of February, 1992 and had invested or deposited the whole or any part of such amount in the new asset on or before the later date, then, the provisions of clauses (*a*) and (*b*) of sub-section (*1*) shall apply in the case of such investment or deposit as they apply in the case of investment or deposit under that sub-section.".

Amendment of section 54F.

31. In section 54F of the Income-tax Act, in sub-section (4), the *Explanation* shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 54G.

32. In section 54G of the Income-tax Act, in sub-section (*2*), the *Explanation* shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 54H.

33. In section 54H of the Income-tax Act, the figures and letter "54E" shall be omitted.

Amendment of section 55.

34. In section 55 of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*), in clause (*b*), in sub-clause (*2*), in item (*i*),—

(*i*) for the figures "1974", the figures "1981" shall be substituted;

(*ii*) the words "and the fair market value of the asset on that day is taken as the cost of acquisition at the option of the assessee," shall be omitted;

(*b*) in sub-section (*2*), in clause (*b*), for the figures "1974", wherever they occur, the figures "1981" shall be substituted.

Amendment of section 64.

35. In section 64 of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*),—

(*i*) clause (*i*) shall be omitted;

(*ii*) clauses (*iii*) and (*v*) shall be omitted;

(*iii*) *in clause* (*iv*), the words, brackets and figure "in a case not falling under clause (*i*) of this sub-section," shall be omitted;

(*iv*) in clause (*vi*), the words "or son's minor child,", wherever they occur, shall be omitted;

(*v*) in clause (*vii*), the words "or minor child or both" shall be omitted;

(*vi*) in clause (*viii*), the words "or son's minor child or both" shall be omitted;

(*vii*) *for Explanations* 1 and 1A, the following *Explanation* shall be substituted, namely:—

"*Explanation* 1.—For the purposes of clause (*ii*), the individual in computing whose total income the income referred to in that clause is to be included, shall be the husband or wife whose total income (excluding the income referred to in that clause) is greater; and where any such income is once included in the total income of either spouse, any such income arising in any succeeding year shall not be included in the total income of the other spouse unless the Assessing Officer is satisfied, after giving that spouse an opportunity of being heard, that it is necessary so to do.";

(*viii*) *Explanation* 2A shall be omitted;

(*ix*) for *Explanation* 3, the following *Explanation* shall be substituted, namely:—

'*Explanation* 3.—For the purposes of clauses (*iv*) and (*vi*), where the assets transferred directly or indirectly by an individual to his spouse or son's wife (hereafter in this *Explanation* referred to as "the transferee") are invested by the transferee,—

(*i*) in any business, such investment being not in the nature of contribution of capital as a partner in a firm or, as the case may be, for being admitted to the benefits of partnership in a firm, that part of the income arising out of the business to the transferee in any previous year, which bears the same proportion to the income of the transferee from the business as the value of the assets aforesaid as on the first day of the previous year bears to the total investment in the business by the transferee as on the said day;

(*ii*) in the nature of contribution of capital as a partner in a firm, that part of the interest receivable by the transferee from the firm in any previous year.

which bears the same proportion to the interest receivable by the transferee from the firm as the value of investment aforesaid as on the first day of the previous year bears to the total investment by way of capital contribution as a partner in the firm as on the said day,

shall be included in the total income of the individual in that previous year.';

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

"(*1A*) In computing the total income of any individual, there shall be included all such income as arises or accrues to his minor child:

Provided that nothing contained in this sub-section shall apply in respect of such income as arises or accrues to the minor child on account of any—

(*a*) manual work done by him; or

(*b*) activity involving application of his skill, talent or specialised knowledge and experience.

Explanation.—For the purposes of this sub-section, the income of the minor child shall be included,—

(*a*) where the marriage of his parents subsists, in the income of that parent whose total income (excluding the income includible under this sub-section) is greater; or

(*b*) where the marriage of his parents does not subsist, in the income of that parent who maintains the minor child in the previous year,

and where any such income is once included in the total income of either parent, any such income arising in any succeeding year shall not be included in the total income of the other parent, unless the Assessing Officer is satisfied, after giving that parent an opportunity of being heard, that it is necessary so to do.";

(*c*) in sub-section (*2*), the words "or minor child", wherever they occur, shall be omitted.

Omission of Section 67.

36. Section 67 of the Income-tax Act shall be omitted with effect from the 1st day of April, 1993.

Amendment of Section 71.

37. In section 71 of the Income-tax Act, after sub-section (*3*), the following sub-section shall be inserted, with effect from the 1st day of April, 1993, namely:—

'(*4*) Notwithstanding anything contained in sub-sections (*1*) and (*2*), where in respect of any assessment year the net result of the computation, in relation to any property [other than the property referred to in sub-clause (*i*) of clause (*a*) of sub-section (*2*) of section 23], under the head "Income from house property" is a loss and the assessee has income assessable under any other head of income,

the assessee shall not be entitled to have such loss set off against income under the other head.'.

Insertion of new section 71A.

38. After section 71 of the Income-tax Act, the following section shall be inserted, with effect from the 1st day of April, 1993, namely:—

Carry forward of losses under the head "Income from house property'

'71A. Where in respect of any assessment year, the net result of the computation under the head "Income from house property" is a loss, the loss in so far as it relates to interest on borrowed capital referred to in clause (*vi*) of sub-section (*1*) of section 24 shall be carried forward by the assessee to the following assessment year or years and set off against the income under that head.'.

Substitution of new section for sections 75, 76 and 77.

39. For sections 75, 76 and 77 of the Income-tax Act, the following section shall be substituted, with effect from the 1st day of April, 1993, namely:—

Losses of of firms.

"75. Where the assessee is a firm, any loss in relation to the assessment year commencing on or before the 1st day of April, 1992, which could not be set off against any other income of the firm and which had been apportioned to a partner of the firm but could not be set off by such partner prior to the assessment year commencing on the 1st day of April, 1993, then, such loss shall be allowed to be set off against the income of the firm subject to the condition that the partner continues in the said firm and to be carried forward for set off under sections 70, 71, 72, 73, 74 and 74A.".

Amendment of section 78.

40. In section 78 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, with effect from the 1st day of April, 1993, namely:—

"(*1*) Where a change has occurred in the constitution of a firm, nothing in this Chapter shall entitle the firm to have carried forward and set off so much of the loss proportionate to the share of a retired or deceased partner as exceeds his share of profits, if any, in the firm in respect of the previous year.".

Amendment of section 80A.

41. In section 80A of the Income-tax Act, for sub-section (*3*), the following sub-section shall be substituted, with effect from the 1st day of April, 1993, namely:—

"(*3*) Where, in computing the total income of an association of persons or a body of individuals, any deduction is admissible under section 80G or section 80GGA or section 80HH or section 80HHA or section 80HHB or section 80HHC or section 80HHD or section 80-I or section 80-IA or section 80J or section 80JJ, no deduction under the same section shall be made in computing the total income of a member of the association of persons or body of individuals in relation to the share of such member in the income of the association of persons or body of individuals.".

Amendment of section 80CCA.

42. In section 80CCA of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that no deduction under this sub-section shall be allowed in relation to any amount deposited or paid under clauses (*i*) and (*ii*) on or after the 1st day of April, 1992.";

(*b*) in sub-section (*2*), the following proviso shall be inserted at the end, namely:—

"Provided that nothing contained in this sub-section shall apply to any amount received by the assessee on account of the surrender of the policy in accordance with the terms of the annuity plan of the Life Insurance Corporation where the assessee elects to surrender before the 1st day of October, 1992, the said annuity plan in respect of which he had paid any amount under clause (*ii*) of sub-section (*1*) before the 1st day of April, 1992.".

Amendment of section 80CCB.

43. In section 80CCB of the Income-tax Act, in sub-section (*1*), the following proviso shall be inserted at the end, with effect from the 1st day of April, 1993, namely:—

"Provided that no deduction shall be allowed in relation to any amount invested under this sub-section on or after the 1st day of April, 1992.".

Amendment of section 80D.

44. In section 80D of the Income-tax Act, in sub-section (*1*), for the words "three thousand rupees", wherever they occur, the words "six thousand rupees" shall be substituted with effect from the 1st day of April, 1993.

Amendment of section 80DD.

45. In section 80DD of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*),—

(*i*) the brackets and figure "(*1*)" shall be omitted;

(*ii*) for the words "six thousand rupees", the words "twelve thousand rupees" shall be substituted;

(*b*) sub-section (*2*) shall be omitted.

Amendment of Section 80HHC.

46. In section 80HHC of the Income-tax Act,—

(*a*) in sub-section (*1*), in the proviso, for the words "total profits of the export business of the assessee the same proportion as the amount of export turnover specified in the said certificate bears to the total export turnover of the assessee", the words "total profits derived by the assessee from the export of trading goods, the same proportion as the amount of export turnover specified in the said certificate bears to the total export turnover of the assessee in respect of such trading goods" shall be substituted;

(*b*) in sub-section (*3*), for the words "manufactured by the assessee", wherever they occur, the words "manufactured or processed by the assessee" shall be substituted.

Amendment of section 80-IA.

47. In section 80-1A of the Income-tax Act, in sub-section (*12*), for clause (*f*), the following clause shall be substituted, with effect from the 1st day of April, 1993, namely:—

'(*f*) "small-scale industrial undertaking" means an industrial undertaking which is, as on the last day of the previous year, regarded as a small-scale industrial undertaking under section 11B of the Industries (Development and Regulation) Act, 1951.'.

65 of 1951.

Amendment of section 80L.

48. In section 80L of the Income-tax Act, the first and second provisos to sub-section (*1*) shall be omitted with effect from the 1st day of April, 1993.

Substitution of new section for section 86.

49. For section 86 of the Income-tax Act, the following section shall be substituted, with effect from the 1st day of April, 1993, namely:—

Share of member of an association of persons or body of individuals in the income of the association or body.

"86. Where the assessee is a member of an association of persons or body of individuals (other than a company or a co-operative society or a society registered under the Societies Registration Act, 1860 or under any law corresponding to that Act in force in any part of India), income-tax shall not be payable by the assessee in respect of his share in the income of the association or body computed in the manner provided in section 67A:

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Provided that,—

(*a*) where the association or body is chargeable to tax on its total income at the maximum marginal rate or any higher rate under any of the provisions of this Act, the share of a member computed as aforesaid shall not be included in his total income;

(*b*) in any other case, the share of a member computed as aforesaid shall form part of his total income:

Provided further that where no income-tax is chargeable on the total income of the association or body, the share of a member computed as aforesaid shall be chargeable to tax as part of his total income and nothing contained in this section shall apply to the case.".

Amendment of section 87.

50. In section 87 of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*), for the words, figures and letter "sections 88 and 88A", the words, figures and letters "sections 88, 88A and 88B" shall be substituted;

(*b*) in sub-section (*2*), after the words, figures and letter "sections 88A", the words, figures and letter "or section 88B" shall be inserted.

Amendment of section 88.

51. In section 88 of the Income-tax Act,—

(*i*) in sub-section (*1*), the following proviso shall be inserted, with effect from the 1st day of April, 1993, namely:—

'Provided that in the case of an individual, whose income derived from the exercise of his profession as an author, play-

wright, artist, musician, actor or sportsman (including an athlete), is twenty-five per cent. or more of his total income, the provisions of this sub-section shall have effect as if for the words "twenty per cent.", the words "twenty-five per cent." had been substituted.';

(*c*) in sub-section (*2*),—

(*a*) in clause (*ii*), for the words, brackets, figures and letters "not being an annuity plan referred to in clause (*ii*) of sub-section (*1*) of section 80CCA", the words, brackets, figures and letter "not being an annuity plan referred to in clause (*xiiia*)" shall be substituted with effect from the 1st day of April, 1993;

(*b*) in clause (*ix*), after the words "the Central Government", the words "or any such deposit scheme" shall be inserted with effect from the 1st day of April, 1993;

(*c*) after clause (*xiii*), the following clauses shall be inserted, with effect from the 1st day of April, 1993, namely:—

"(*xiiia*) to effect or to keep in force a contract for such annuity plan of the Life Insurance Corporation as the Central Government may, by notification in the Official Gazette, specify;

(*xiiib*) as subscription, not exceeding ten thousand rupees, to any units of any Mutual Fund notified under clause (*23D*) of section 10 or the Unit Trust of India established under the Unit Trust of India Act, 1963, under any plan formulated in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf; 52 of 1963.

(*xiiic*) as a contribution by an individual to any pension fund set up by any Mutual Fund notified under clause (*23D*) of section 10, as the Central Government may, by notification in the Official Gazette, specify in this behalf;";

(*d*) in clause (*xiv*), after the words "as subscription to any such deposit scheme of", the words, "or as a contribution to any such pension fund set up by," shall be inserted with effect from the 1st day of April, 1993;

(*e*) in clause (*xv*), in sub-clause (*c*), in item (*7*), after the words "a local authority", the words "or a co-operative society" shall be inserted;

(*iii*) in sub-section (*6*), with effect from the 1st day of April, 1993,—

(*a*) in clause (*i*), for the words and brackets '(being an author, playwright, artist, musician, actor or sportsman (including an athlete), fourteen thousand", the words and brackets "whose income, derived from the exercise of his profession as an author, playwright, artist, musician, actor or sportsman (including an athlete), is twenty-five per cent. or more of his total income, seventeen thousand five hundred" shall be substituted;

(*b*) in clause (*ii*), for the words "ten thousand", the words "twelve thousand" shall be substituted.

Insertion of new section 88B.

52. After section 88A of the Income-tax Act, the following section shall be inserted, with effect from the 1st day of April, 1993, namely:—

Rebate of income-tax in case of individuals of sixty-five years and above

'88B. An assessee, being an individual resident in India, who is of the age of sixty-five years or more at any time during the previous year and whose gross total income does not exceed fifty thousand rupees, shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to ten per cent. of such income-tax.

Explanation.—For the purposes of this section, "gross total income" means the total income computed in accordance with the provisions of this Act, before making any deduction under Chapter VI-A.'.

Insertion of new section 112.

53. After section 111 of the Income-tax Act, the following section shall be inserted, with effect from the 1st day of April, 1993, namely:—

Tax on long-term capital gains.

'112. (*1*) Where the total income of an assessee includes any income, arising from the transfer of a long-term capital asset, which is chargeable under the head "Capital gains", the tax payable by the assessee on the total income shall be the aggregate of,—

(*a*) in the case of an individual or a Hindu undivided family,—

(*i*) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been his total income; and

(*ii*) the amount of income-tax calculated on such long-term capital gains at the rate of twenty per cent.:

Provided that where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate of twenty per cent.;

(b) in the case of a company,—

(*i*) the amount of income-tax payable on the total income as reduced by the amount of such long-term capital gains, had the total income as so reduced been its total income; and

(*ii*) the amount of income-tax calculated on such long-term capital gains at the rate of forty per cent.:

Provided that in relation to long-term capital gains arising to a venture capital company from the transfer of equity shares of venture capital undertakings, the provisions of sub-clause (*ii*) shall have effect as if for the words "forty per cent.", the words "twenty per cent." had been substituted;

(*c*) in any other case,—

(*i*) the amount of income-tax payable on the total income as reduced by the amount of long-term capital gains, had the total income as so reduced been its total income; and

(*ii*) the amount of income-tax calculated on such long-term capital gains at the rate of thirty per cent.

Explanation.—For the purposes of this sub-section,—

(*a*) "venture capital company" means such company as is engaged in providing finance to venture capital undertakings mainly by way of acquiring equity shares of such undertakings or, if the circumstances so require, by way of advancing loans to such undertakings, and is approved by the Central Government in this behalf;

(*b*) "venture capital undertaking" means such company as the prescribed authority may, having regard to the following factors, approve for the purposes of this sub-section, namely:—

(*1*) the total investment in the company does not exceed ten crore rupees or such other higher amount as may be prescribed;

(*2*) the company does not have adequate financial resources to undertake projects for which it is otherwise professionally or technically equipped; and

(*3*) the company seeks to employ any technology which will result in significant improvement over the existing technology in India in any field and the investment in such technology involves high risk.

(*2*) Where the gross total income of an assessee includes any income arising from the transfer of a long-term capital asset, the gross total income shall be reduced by the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced were the gross total income of the assessee.

(*3*) Where the total income of an assessee includes any income arising from the transfer of a long-term capital asset, the total income shall be reduced by the amount of such income and the rebate under section 88 shall be allowed from the income-tax on the total income as so reduced.'.

Amendment of section 115A.

54. In section 115A of the Income-tax Act, with effect from the 1st day of June, 1992,—

(*a*) in sub-section (*1*), in clause (*b*), for the words "such agreement is approved by the Central Government", the words "the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy" shall be substituted:

(*b*) in sub-section (*1A*), for the words "and approved by the Central Government", the words "approved by the Central Government or where the agreement relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy" shall be substituted.

Amendment of section 115AB.

55. In section 115AB of the Income-tax Act, in sub-section (2), in clause (*a*), with effect from the 1st day of April, 1993,—

(*i*) the words, brackets and figures "or sub-section (2) of section 48" shall be omitted;

(*ii*) after the word, figures and letter "Chapter VI-A", the words, figures, brackets and letter "and nothing contained in the provisions of the second proviso to section 48 shall apply to income referred to in clause (*b*) of sub-section (*1*)" shall be inserted.

Insertion of new section 115AC.

56. After section 115AB of the Income-tax Act, the following section shall be inserted, with effect from the 1st day of April, 1993, namely:—

Tax on income from bonds or shares purchased in foreign currency or capital gains arising from their transfer.

"115AC. (*1*) Where the total income of an assessee, being a non-resident, includes—

(*a*) income by way of interest or dividends, on bonds or shares of an Indian company, issued in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf, and purchased by him in foreign currency; or

(*b*) income by way of long-term capital gains arising from the transfer of bonds or, as the case may be, shares referred to in clause (*a*),

the income-tax payable shall be the aggregate of—

(*i*) the amount of income-tax calculated on the income by way of interest or dividends, as the case may be, in respect of bonds or shares referred to in clause (*a*), if any, included in the total income, at the rate of ten per cent.;

(*ii*) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (*b*), if any, at the rate of ten per cent.; and

(*iii*) the amount of income-tax with which the non-resident would have been chargeable had his total income been reduced by the amount of income referred to in clause (*a*) and clause (*b*).

(*2*) Where the gross total income of the non-resident—

(*a*) consists only of income by way of interest or dividends in respect of bonds or, as the case may be, shares referred to in clause (*a*) of sub-section (*1*), no deduction shall be allowed to him under sections 28 to 44C or clause (*i*) or clause (*iii*) of section 57 or under Chapter VI-A;

(*b*) includes any income referred to in clause (*a*) or clause (*b*) of sub-section (*1*) the gross total income shall be reduced by

the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced, were the gross total income of the assessee.

(5) Nothing contained in the first and second provisions to section 48 shall apply for the computation of long-term capital gains arising out of the transfer of long-term capital asset, being bonds or shares referred to in clause (*b*) of sub-section (*1*).

(*4*) It shall not be necessary for a non-resident to furnish under sub-section (*1*) of section 139 a return of his income if—

(*a*) his total income in respect of which he is assessable under this Act during the previous year consisted only of income referred to in clause (*a*) of sub-section (*1*); and

(*b*) the tax deductible at source under the provisions of Chapter XVII-B has been deducted from such income."

Amendment of section 115D.

57. In section 115D of the Income-tax Act, in sub-section (2) in clause (*a*), for the words, brackets, figures and letter "under sub-section (2) of section 48 or under Chapter VI-A", the words, figures and letter 'under Chapter VI-A and nothing contained in the provisions of the second proviso to section 48 shall apply to income chargeable under the head "Capital gains"' shall be substituted with effect from the 1st day of April, 1993.

Insertion of new Chapter XII-C.

58. After Chapter XII-B of the Income-tax Act, the following Chapter shall be inserted, with effect from the 1st day of April, 1993, namely:—

CHAPTER XII-C

SPECIAL PROVISIONS RELATING TO RETAIL TRADE, ETC.

Special provision for computation of income in certain cases.

115K. (*1*) Notwithstanding anything contained in any other provision of this Act relating to the computation of income chargeable under the head "Profits and gains of business or profession", in the case of any person, to whom this section applies, carrying on—

(*a*) the business of retail trade in any goods or merchandise and who submits a statement in accordance with the provisions of sub-section (*4*), a sum equal to seven per cent. of the amount specified in sub-section (5) shall be deemed to be the profits and gains of such person from the business of retail trade;

(*b*) the business of running an eating place or engaged in any vocation and who submits a statement in accordance with the provisions of sub-section (*4*), a sum of thirty-five thousand rupees shall be deemed to be the profits and gains of such person from such business or vocation.

(*2*) The provisions of sub-section (*1*) shall apply to any person, being an individual or a Hindu undivided family, where—

(*a*) such person has not been assessed to income-tax for any assessment year commencing on or before the 1st day of April, 1992;

(*b*) in the case of person referred to in—

(*i*) clause (*a*) of sub-section (*1*), his turnover from the business of retail trade during the relevant previous year does not exceed five lakh rupees and his income from such business during that year does not exceed thirty-five thousand rupees;

(*ii*) clause (*b*) of sub-section (*1*), his income from the business of running the eating place or from the vocation during the relevant previous year does not exceed thirty-five thousand rupees; and

(*c*) such person does not have any income, in excess of five thousand rupees in the aggregate, chargeable to tax from any source falling under any head of income other than the income from the business of retail trade, or from the business of running the eating place or from the vocation during the relevant previous year.

(*3*) Any person to whom this section applies shall be liable to pay tax, at the rate specified in the Finance Act of the relevant year for computing advance tax, on the income deemed under sub-section (*1*) and the other income referred to in clause (*c*) of sub-section (*2*)

(*4*) Every statement referred to in sub-section (*1*) shall—

(*a*) be in the prescribed form, contain the name of such person, his address, nature of business or vocation and a declaration by him that,—

(*i*) where he is carrying on the business of retail trade, his turnover from such trade during the relevant previous year does not exceed five lakh rupees and his income from such trade during that year does not exceed thirty-five thousand rupees;

(*ii*) where he is carrying on the business of running the eating place or is engaged in the vocation, his income during the relevant previous year from such business or vocation does not exceed thirty-five thousand rupees,

and such statement shall also be verified in the prescribed manner;

(*b*) be submitted on or before the 31st day of March of the relevant previous year along with the proof of payment of the amount of tax referred to in sub-section (*3*).

(*5*) In the case of a person who has submitted a statement under clause (*a*) of sub-section (*1*), an annual turnover of five lakh rupees from the retail trade carried on by him during the relevant previous year shall be deemed to be the amount referred to in that sub-section.

(*6*) The provisions of this Chapter shall apply in relation to the assessment year commencing on the 1st day of April, 1993 and the 1st day of April, 1994.

Explanation.—For the purposes of this section, "vocation" includes tailoring, hair cutting, clothes' washing, typing, photo-

copying, repair work of any kind and other services of a similar nature.

Return of income not to be filed in certain cases.

115L. Subject to the provisions of section 115N, a person who has submitted a statement under sub-section (*1*) of section 115K shall not be required to furnish a return of income under sub-section (*1*) of section 139 and the other provisions of Chapter XIV will not apply in his case.

Special provision for disallowance of deductions and rebate of income-tax.

115M. No deduction under Chapter VI-A (except section 80L) or rebate of income-tax under Chapter VIII shall be allowed in the case of a person who has submitted a statement under sub-section (*1*) of section 115K.

Bar of proceedings in certain cases.

115N. No proceeding under any other Chapter of this Act shall be initiated against any person who has submitted a statement under sub-section (*1*) of section 115K in respect of his income from retail trade or eating place or vocation for the relevant assessment year unless the Deputy Commissioner, in consequence of evidence in his possession, has reason to believe that the statement furnished by any person under section 115K is untrue.'.

Amendment of section 139.

59. In section 139 of the Income-tax Act, in sub-section (*1A*) shall be omitted with effect from the 1st day of April, 1993.

Amendment of Section 143.

60. In section 143 of the Income-tax Act, in sub-section (*1A*), after the words "as a result of an order under", the words, brackets and figure "sub-section (*3*) of this section or" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989.

Amendment of section 154.

61. In section 154 of the Income-tax Act, in sub-section (*2*), in clause (*b*), the following proviso shall be inserted at the end, namely:—

"Provided that the Assessing Officer shall make an amendment for rectifying any mistake, which has been brought to his notice by the assessee in relation to an intimation referred to in clause (*b*) of sub-section (*1*), within a period of three months from the end of the month in which it is so brought to his notice and if no such amendment is made within the said period of three months, the assessee may appeal to the Deputy Commissioner (Appeals) or, as the case may be, Commissioner (Appeals) against such intimation and the provisions of section 246 and section 249 shall have effect as if the said intimation were an order for the purposes of those sections.".

Amendment of section 155.

62. In section 155 of the Income-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*), in the opening paragraph for the words "Where in respect of any completed assessment of a partner in a

firm", the words, figures and letters "Where, in respect of any completed assessment of a partner in a firm for the assessment year commencing on the 1st day of April, 1992, or any earlier assessment year," shall be substituted;

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

"(*1A*) Where in respect of any completed assessment of a firm it is found—

(*a*) on the assessment or reassessment of the firm, or

(*b*) on any reduction or enhancement made in the income of the firm under this section, section 154, section 250, section 254, section 260, section 262, section 263 or section 264, or

(*c*) on any order passed under sub-section (4) of section 245D on the application made by the firm,

that any remuneration to any partner is not deductible under clause (*b*) of section 40, the Assessing Officer may amend the order of assessment of the partner with a view to adjusting the income of the partner to the extent of the amount not so deductible; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the final order was passed in the case of the firm.".

Amendment of section 158.

63. In section 158 of the Income-tax Act, for the words "Whenever a registered firm is assessed", the words, figures and letters "Whenever, in respect of the assessment year commencing on the 1st day of April, 1992, or any earlier assessment year, a registered firm is assessed" shall be substituted with effect from the 1st day of April, 1993.

Substitution of sub-heading in Chapter XV.

64. In Chapter XV of the Income-tax Act, for the sub-heading "*DD.—Association of persons and body of individuals*", the following shall be substituted, with effect from the 1st day of April, 1993, namely:—

"*DD.—Firms, association of persons and body of individuals*

Charge of tax in the case of a firm.

167A. In the case of a firm which is assessable as a firm, tax shall be charged on its total income at the maximum marginal rate.".

Omission of sections 182 and 183.

65. Sections 182 and 183 of the Income-tax Act shall be omitted with effect from the 1st day of April, 1993.

Substitution of

66. For the sub-heading "*B.—Registration of firms*" occurring before section 184 and for sections 184, 185 and 186 of the Income-tax Act, the

new sections for Sections 184, 185 and 186.

following sections shall be substituted, with effect from the 1st day of April, 1993, namely:—

Assessment as a firm.

"184. (*1*) A firm shall be assessed as a firm for the purposes of this Act, if—

(*i*) the partnership is evidenced by an instrument; and

(*ii*) the individual shares of the partners are specified in that instrument.

(2) A certified copy of the instrument of partnership referred to in sub-section (*1*) shall accompany the return of income of the firm of the previous year relevant to the assessment year commencing on or after the 1st day of April, 1993 in respect of which assessment as a firm is first sought.

Explanation.—For the purposes of this sub-section, the copy of the instrument of partnership shall be certified in writing by all the partners (not being minors) or, where the return is made after the dissolution of the firm, by all persons (not being minors) who were partners in the firm immediately before its dissolution and by the legal representative of any such partner who is deceased.

(3) Where a firm is assessed as such for any assessment year, it shall be assessed in the same capacity for every subsequent year if there is no change in the constitution of the firm or the shares of the partners as evidenced by the instrument of partnership on the basis of which the assessment as a firm was first sought.

(4) Where any such change had taken place in the previous year, the firm shall furnish a certified copy of the revised instrument of partnership along with the return of income for the assessment year relevant to such previous year and all the provisions of this section shall apply accordingly.

(5) Notwithstanding anything contained in the foregoing provisions of this section, where, in respect of any assessment year, there is on the part of a firm any such failure as is mentioned in section 144, the firm shall not be assessed as such for the said assessment year and, thereupon, the firm shall be assessed in the same manner as an association of persons, and all the provisions of this Act shall apply accordingly.

Assessment when section 184 not complied with.

185. Where a firm does not comply with the provisions of section 184 for any assessment year, the firm shall be assessed for that assessment year in the same manner as an association of persons, and all the provisions of this Act shall apply accordingly.".

Amendment of section 187.

67. In section 187 of the Income-tax Act, in sub-section (*1*), the proviso shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 189.

68. In section 189 of the Income-tax Act, the *Explanation* below sub-section (*3*) shall be omitted with effect from the 1st day of April, 1993.

Insertion of new section 189A.

69. In Chapter XVI of the Income-tax Act, after section 189, the following section shall be inserted, with effect from the 1st day of April, 1993, namely:—

"189A. In relation to the assessment of any firm and its partners for the assessment year commencing on the 1st day of April, 1992, or any earlier assessment year, the provisions of this Chapter as they stood immediately before the 1st day of April, 1993, shall continue to apply.".

Provisions applicable to past assessments of firms.

Amendment of section 193.

70. In section 193 of the Income-tax Act, with effect from the 1st day of June, 1992,—

(*a*) the first proviso shall be omitted;

(*b*) in the second proviso, the word "further" shall be omitted;

(*c*) in *Explanation* 1, the figure "1" shall be omitted;

(*d*) *Explanation* 2 shall be omitted.

Amendment of section 194A.

71. In section 194A of the Income-tax Act, with effect from the 1st day of June, 1992,—

(*a*) in sub-section (*1*), the proviso shall be omitted;

(*b*) sub-section (*2*) shall be omitted;

(c) in sub-section (3), for clauses (vii) and (viia), the following clause shall be substituted, namely:—

"(*vii*) to such income credited or paid in respect of deposits with a banking company to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act), or with a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank);";

10 of 1949.

(*d*) the *Explanation* occurring at the end shall be omitted.

Amendment of section 194C.

72. In section 194C of the Income-tax Act, in sub-section (*1*), with effect from the 1st day of June, 1992,—

(*a*) in clause (*e*), for the word "society,", the words "society; or" shall be substituted;

(*b*) after clause (*e*), the following clauses shall be inserted, namely:—

"(*f*) any authority, constituted in India by or under any law, engaged either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both; or

(*g*) any society registered under the Societies Registration Act, 1860 or under any law corresponding to that Act in force in any part of India; or 21 of 1860.

(*h*) any trust; or

(*i*) any University established or incorporated by or under a Central, State or Provincial Act and an institution declared to be a University under section 3 of the University Grants Commission Act, 1956.". 3 of 1956.

Amendment of section 194G.

73. Section 194G of the Income-tax Act shall be renumbered as sub-section (*1*) thereof, and after sub-section (*1*) as so renumbered, the following sub-sections shall be inserted, with effect from the 1st day of June, 1992, namely:—

"(*2*) Where the Assessing Officer is satisfied that the total income of any person who is or has been stocking, distributing, purchasing or selling lottery tickets justifies the deduction of income-tax at any lower rate or no deduction of income-tax, as the case may be, the Assessing Officer shall, on an application made by such person in this behalf, give to him such certificate as may be appropriate.

(*3*) Where any such certificate is given, the person responsible for paying the income referred to in sub-section (*1*) shall, until such certificate is cancelled by the Assessing Officer, deduct income-tax at the rates specified in such certificate or deduct no tax, as the case may be.".

Amendment of section 194H.

74. In section 194H of the Income-tax Act, in sub-section (*1*), after the words, figures and letters "on or after the 1st day of October, 1991", the words, figures and letters "but before the 1st day of June, 1992" shall be inserted with effect from the 1st day of June, 1992.

Insertion of new section 196C.

75. After section 196B of the Income-tax Act, the following section shall be inserted, with effect from the 1st day of June, 1992, namely:—

Income from foreign currency bonds or shares of Indian company.

"196C. Where any income by way of interest or dividends is payable in respect of bonds or shares referred to in section 115AC to a non-resident, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.".

Amendment of section 197.

76. In section 197 of the Income-tax Act, in sub-section (*1*), for the section beginning with the words "where, in the case of any income of any person other than a company" and ending with the words "the Assessing Officer is satisfied", the following shall be substituted with effect from the 1st day of June, 1992, namely:—

"where, in the case of any income of any person, income-tax is required to be deducted at the time of credit or, as the case may be, at the time of payment at the rates in force under the provisions of sections 192, 193, 194A, 194D, and 195, the Assessing Officer is satisfied".

77. In section 197A of the Income-tax Act, with effect from the 1st day of June, 1992,— Amendment of section 197A.

(*a*) in sub-section (*1*), the words, figures and letter "or section 194A", at both the places where they occur, shall be omitted;

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

"(*1A*) Notwithstanding anything contained in section 194A, no deduction of tax shall be made under that section in the case of a person (not being a company or a firm), if such person furnishes to the person responsible for paying any income of the nature referred to in that section, a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil.";

(*c*) in sub-section (2), after the word, brackets and figure "sub-section (*1*)", at both the places where they occur, the words, brackets, figure and letter "or sub-section (*1A*)" shall be inserted.

78. In sections 198, 199, 200, 202, 203, 203A and 205 of the Income-tax Act, with effect from the 1st day of June, 1992, for the words, figures and letter "and section 196B", the words, figures and letters ", section 196B and section 196C" shall be substituted. Amendment of sections 198 to 200, 202 to 203A and 205.

79. In section 206C of the Income-tax Act, with effect from the 1st day of April, 1992,— Amendment of section 206C.

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

"(*1*) Every person, being a seller shall, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature specified in column (2) of the Table below, a sum equal to the percentage specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax.

TABLE

S.No.	Nature of goods	Percentage
(1)	(2)	(3)
(i)	Alcoholic liquor for human consumption (other than Indian-made foreign liquor)	Fifteen per cent.
(ii)	Timber obtained under a forest lease	Fifteen per cent.
(iii)	Timber obtained by any mode other than under a forest lease	Five per cent.
(iv)	Any other forest produce not being timber	Fifteen per cent.

Provided that where the Assessing Officer, on an application made by the buyer, gives a certificate in the prescribed form that to the best of his belief any of the goods referred to in the aforesaid Table are to be utilised for the purposes of manufacturing, processing or producing articles or things and not for trading purposes, the provisions of this sub-section shall not apply so long as the certificate is in force.";

(*b*) after sub-section (*8*), the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the purposes of this section,—

(*a*) "buyer" means a person who obtains in any sale, by way of auction, tender or any other mode, goods of the nature specified in the Table in sub-section (*1*) or the right to receive any such goods but does not include,—

(*i*) a public sector company,

(*ii*) a buyer in the further sale of such goods obtained in pursuance of such sale, or

(*iii*) a buyer where the goods are not obtained by him by way of auction and where the sale price of such goods to be sold by the buyer is fixed by or under any State Act;

(*b*) "seller" means the Central Government, a State Government or any local authority of corporation or authority established by or under a Central, State or Provincial Act, or any company or firm or co-operative society.'.

Amendment of section 211.

80. In section 211 of the Income-tax Act, in sub-section (*1*), in the Table,—

(*a*) for the word "twenty", the word "thirty" shall be substituted;

(*b*) for the word "fifty", the word "sixty" shall be substituted.

Amendment of section 234C.

81. In section 234C of the Income-tax Act, in sub-section (*1*),—

(*a*) for the word "twenty", wherever it occurs, the word "thirty" shall be substituted with effect from the 1st day of June, 1992;

(*b*) for the word "fifty" wherever it occurs the word "sixty" shall be substituted with effect from the 1st day of June, 1992;

(*c*) in the *Explanation*, after the word "paid", the words "or payable" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989.

Amendment of section 239.

82. In section 239 of the Income-tax Act, in sub-section (2), in clause (c), for the words "two years", the words "one year" shall be substituted with effect from the 1st day of April, 1993.

Amendment of section 246.

83. In section 246 of the Income-tax Act, in sub-section (*1*), with effect from the 1st day of April, 1993,—

(*a*) in clause (*g*), the following words, figures and letters shall be inserted at the end, namely:—

"in respect of any assessment for the assessment year commencing on or before the 1st day of April, 1992";

(*b*) in clause (*h*), the following words, figures and letters shall be inserted at the end, namely:—

"in respect of any assessment for the assessment year commencing on or before the 1st day of April, 1992".

Omission of section 247.

84. Section 247 of the Income-tax Act shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 253.

85. In section 253 of the Income-tax Act, in sub-section (*6*), for the words "a fee of two hundred rupees", the following shall be substituted, with effect from the 1st day of June, 1992, namely:—

"a fee of,—

(*a*) where the total income of the assessee as computed by the Assessing Officer in the case to which the appeal relates is one lakh rupees or less, two hundred and fifty rupees;

(*b*) where the total income of the assessee computed as aforesaid in the case to which the appeal relates is more than one lakh rupees, one thousand and five hundred rupees".

Substitution of new section for section 267.

86. For section 267 of the Income-tax Act, the following section shall be substituted, with effect from the 1st day of April, 1993, namely:—

Amendment of assessment on appeal.

"267. Where as a result of an appeal under section 246 or section 253, any change is made in the assessment of a body of individuals or an association of persons or a new assessment of a body of individuals or an association of persons is ordered to be made, the Deputy Commissioner (Appeals) or the Commissioner (Appeals) or the Appellate Tribunal, as the case may be, shall pass an order authorising the Assessing Officer either to amend the assessment made on any member of the body or association or make a fresh assessment on any member of the body or association.".

Amendment of Second Schedule.

87. In the Second Schedule to the Income-tax Act, after rule 68A, the following rule shall be inserted, with effect from the 1st day of June, 1992, namely:—

Time-limit for sale of attached immovable property.

"68B. (*1*) No sale of immovable property shall be made under this Part after the expiry of three years from the end of the financial year in which the order giving rise to a demand of any tax, interest, fine, penalty or any other sum, for the recovery of which the immovable property has been attached, has become conclusive under the provisions of section 245-I or, as the case may be, final in terms of the provisions of Chapter XX:

Provided that where the immovable property is required to be re-sold due to the amount of highest bid being less than the reserve price or under the circumstances mentioned in rule 57 or rule 58 or where the sale is set aside under rule 61, the aforesaid period of limitation for the sale of the immovable property shall stand extended by one year.

(2) In computing the period of limitation under sub-rule (1), the period—

(*i*) during which the levy of the aforesaid tax, interest, fine, penalty or any other sum is stayed by an order or injunction of any court; or

(*ii*) during which the proceedings of attachment or sale of the immovable property are stayed by an order or injunction of any court; or

(*iii*) commencing from the date of the presentation of any appeal against the order passed by the Tax Recovery Officer under this Schedule and ending on the day the appeal is decided,

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid period, the period of limitation for the sale of the immovable property is less than 180 days, such remaining period shall be extended to 180 days and the aforesaid period of limitation shall be deemed to be extended accordingly.

(3) Where any immovable property has been attached under this Part before the 1st day of June, 1992, and the order giving rise to a demand of any tax, interest fine, penalty or any other sum, for the recovery of which the immovable property has been attached, has also become conclusive or final before the said date, that date shall be deemed to be the date on which the said order has become conclusive or, as the case may be, final.

(4) Where the sale of immovable property is not made in accordance with the provisions of sub-rule (1), the attachment order in relation to the said property shall be deemed to have been vacated on the expiry of the time of limitation specified under this rule.".

Consequential amendments.

88. The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act,—

(*a*) in section 32, in sub-section (2), the brackets and words "(or, if the assessee is a registered firm or an unregistered firm assessed as a registered firm, in the assessment of its partners)" shall be omitted with effect from the 1st day of April, 1993;

(*b*) in section 139, in sub-section (1), in the *Explanation*, in clause (*b*), in sub-clause (*i*), the words "or in the case of a partner of a firm where the accounts of the firm are required to be so audited" shall be omitted with effect from the 1st day of April, 1993;

(*c*) in section 143, in sub-section (1), in clause (*c*), with effect from the 1st day of April, 1993,—

(*i*) the words "a partner of a firm" shall be omitted;

(*ii*) the word "firm", at both the places where it occurs, shall be omitted.

Wealth-tax

27 of 1957. **89.** In section 2 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), with effect from the 1st day of April, 1993,— Amendment of section 2.

(*a*) in clause (*e*), in sub-clause (*2*), in the opening portion, after the words "subsequent assessment year", the words, figures and letters "but before the 1st day of April, 1993" shall be inserted;

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

'(*ea*) "assets", in relation to the assessment year commencing on the 1st day of April, 1993, or any subsequent assessment year, means—

(*i*) any guest house and any residential house [including a farm house situated within twenty-five kilometres from the local limits of any municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board], but does not include—

(*1*) a house meant exclusively for residential purposes and which is allotted by a company to an employee or an officer or a director who is in whole-time employment, having a gross annual salary of less than two lakh rupees;

(*2*) any house for residential purposes which forms part of stock-in-trade;

(*ii*) motor cars (other than those used by the assessee in the business of running them on hire or as stock-in-trade);

(*iii*) jewellery, bullion, and furniture, utensils or any other article made wholly or partly of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals:

Provided that where any of the said assets is used by the assessee as stock-in-trade, such asset shall be deemed as excluded from the assets specified in this sub-clause;

(*iv*) yachts, boats and aircrafts (other than those used by the assessee for commercial purposes);

(*v*) urban land;

(*vi*) cash in hand, in excess of fifty thousand rupees, of individuals and Hindu undivided families and in the case of other persons any amount not recorded in the books of account.

Explanation.—For the purposes of this clause,—

(*a*) "jewellery" includes—

(*i*) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stones, and whether or not worked or sewn into any wearing apparel;

(*ii*) precious or semi-precious stones, whether or not set in any furniture, utensils or other article or worked or sewn into any wearing apparel;

(*b*) "urban land" means land situate—

(*i*) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the valuation date; or

(*ii*) in any area within such distance, not being more than eight kilometres from the local limits of any municipality or cantonment board referred to in sub-clause (*i*), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette;'.

but does not include land on which construction of a building is not permissible under any law for the time being in force in the area in which such land is situated or the land occupied by any building which has been constructed with the approval of the appropriate authority or any unused land held by the assessee for industrial purposes for a period of two years from the date of its acquisition by him;';

(c) in clause (*m*), for the portion beginning with the words "on the valuation date other than—" and ending with the words, brackets, figures and letter "under sub-section (*1A*) of section 5;", the words "on the valuation date which have been incurred in relation to the said assets; shall be substituted.

Amendment of section 3.

90. Section 3 of the Wealth-tax Act shall be renumbered as sub-section (*1*) thereof and, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*) as so renumbered, after the words and figures "first day of April, 1957", the words and figures "but before the first day of April, 1993" shall be inserted;

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

"(2) Subject to the other provisions contained in this Act, there shall be charged for every assessment year commencing on and from the 1st day of April, 1993, wealth-tax in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company, at the rate of one per cent. of the amount by which the net wealth exceeds fifteen lakh rupees.".

Amendment of section 4.

91. In section 4 of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*a*),—

(*1*) in sub-clause (*ii*), the words "to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration, shall be omitted;

(*2*) in sub-clause (*iii*), the words "or minor child (not being a married daughter) or both" shall be omitted;

(*3*) in sub-clause (*v*), the words "or the son's minor child," shall be omitted;

(*4*) in sub-clause (*vi*), the words "or the son's minor child" shall be omitted;

(*5*) after the existing proviso, the following provisos shall be inserted, namely:—

"Provided further that nothing contained in sub-clause (*ii*) shall apply in respect of such assets as have been acquired by the minor child out of his income referred to in the proviso to sub-section (*1A*) of section 64 of the Income-tax Act and which are held by him on the valuation date :

Provided also that where the assets held by a minor child are to be included in computing the net wealth of an individual, such assets shall be included,—

(*a*) where the marriage of his parents subsists, in the net wealth of that parent whose net wealth (excluding the assets of the minor child so includible under this sub-section) is greater; or

(*b*) where the marriage of his parents does not subsist, in the net wealth of that parent who maintains the minor child in the previous year as defined in section 3 of the Income-tax Act,

and where any such assets are once included in the net wealth of either parent, any such assets shall not be included in the net wealth of the other parent in any succeeding year unless the Assessing Officer is satisfied, after giving that parent an opportunity of being heard, that it is necessary so to do.";

(*ii*) in clause (*b*),—

(*1*) in the opening portion, for the words "interest in the firm", the words "interest in the assets of the firm" shall be substituted;

(*2*) for the proviso, the following proviso shall be substituted, namely:—

"Provided that where a minor is admitted to the benefits of partnership in a firm, the value of the interest of

such minor in the firm, determined in the manner specified above, shall be included in the net wealth of the parent of the minor, so far as may be, in accordance with the provisions of the third proviso to clause (*a*).";

(*b*) in sub-section (*1A*), in clause (*c*) and the proviso thereunder, the words "or minor child", wherever they occur, shall be omitted;

(*c*) sub-section (*3*) shall be omitted.

Amendment of section 5.

92. In section 5 of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*),—

(*i*) the brackets, figures, words and letter "**(1) Subject to the provisions of sub-section (1A),**", occurring in the opening portion, shall be omitted;

(*ii*) clauses (*xiv*) and (*xxxiii*) shall be renumbered as clauses (*iv*) and (*v*) and the existing clauses (*iv*) to (*xiii*), clauses (*xv*) to (*xxxii*) and clause (*xxxiv*) shall be omitted;

(*b*) sub-sections (*1A*) to (*4*) shall be omitted.

Amendment of section 7.

93. In section 7 of the Wealth-tax Act, in sub-section (*2*), the proviso shall be omitted with effect from the 1st day of April, 1993.

Amendment of section 21.

94. In section 21 of the Wealth-tax Act, after sub-section (*5*) and the *Explanation* thereunder, the following sub-section shall be inserted, with effect from the 1st day of April, 1993, namely:—

"(*6*) Nothing contained in this section shall apply to and in relation to any assessment for the assessment year commencing on the 1st day of April, 1993 or any subsequent assessment year.".

Amendment of section

95. In section 21A of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(*a*) for the words, brackets and figures "Notwithstanding anything contained in clause (*i*) of sub-section (*1*) of section 5, where any property is held", the words "Where any property is held" shall be substituted;

(*b*) the words, brackets and figures "but without excluding the value of any asset under sub-section (*1*) of section 5, and at the maximum marginal rate" shall be omitted;

(*c*) the second proviso shall be omitted;

(*d*) in the third proviso,—

(*i*) for the words "Provided also that", the words "Provided further that" shall be substituted;

(*ii*) in item (*2*), for the words and figures "Part I of Schedule I in the case of an individual", the words, brackets and figures "sub-section (*2*) of section 3" shall be substituted;

(*e*) in the *Explanation*, clause (*aa*) shall be omitted.

Amendment of section 21AA.

96. In section 21AA of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(*a*) in sub-section (*1*), the words ", and at the maximum marginal rate", occurring at the end, shall be omitted;

(*b*) the *Explanation* shall be omitted.

Amendment of section 35.

97. In section 35 of the Wealth-tax Act, in sub-section (2), after the words, brackets and letter "clause (*m*) of section 2", the words and figures ", as it existed immediately before its amendment by the Finance Act, 1992," shall be inserted with effect from the 1st day of April, 1993.

Insertion of new section 35HA.

98. After section 35H of the Wealth-tax Act, the following section shall be inserted, with effect from the 1st day of April, 1993, namely:—

Offences by companies.

'**35HA.** (*1*) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means a body corporate, and includes—

(*i*) a firm; and

(*ii*) an association of persons or a body of individuals whether incorporated or not; and

(*b*) "director", in relation to,—

(*i*) a firm, means a partner in a firm;

(*ii*) any association of persons or a body of individuals, means any member controlling the affairs thereof.'.

Amendment of Section 45.

99. In section 45 of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(*a*) clauses (*a*) to (*e*) shall be omitted;

(*b*) for clause (*h*), the following clause shall be substituted, namely:—

"(h) any social club;".

Amendment of Schedule I.

100. In Schedule I of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(*a*) for the brackets, words and figure "(*See* section 3)", the brackets, words and figures "[*See* section 3(*1*)]" shall be substituted;

(*b*) Part II shall be omitted;

(*c*) rules 1, 3, 4 and 5 shall be omitted.

Omission of Schedule II.

101. Schedule II of the Wealth-tax Act shall be omitted with effect from the 1st day of April, 1993.

Amendment of Schedule III.

102. In Schedule III of the Wealth-tax Act, Part C shall be omitted with effect from the 1st day of April, 1993.

Interest-tax

Amendment of section 2.

103. In section 2 of the Interest-tax Act, 1974, with effect from the 1st day of April, 1993,— 45 of 1974.

(*i*) in clause (*5A*), in sub-clause (*i*), the words "or a co-operative society engaged in carrying on the business of banking not being a co-operative society providing credit facilities to farmers or village artisans" shall be omitted;

(*ii*) in clause (*5B*),—

(*a*) in sub-clause (*v*), the word "or", occurring at the end, shall be omitted;

(*b*) after sub-clause (*v*), the following sub-clause shall be inserted, namely:—

"(*va*) a residuary non-banking company [other than a financial company referred to in sub-clause (*i*), (*ii*), (*iii*), (*iv*) or (*v*)], that is to say, a company which receives any deposit under any scheme or arrangement, by whatever name called, in one lumpsum or in instalments by way of contributions or subscriptions or by sale of units or certificates or other instruments or in any other manner; or".

Amendment of section 5.

104. In section 5 of the Interest-tax Act, 1974, after the words "advances made to other credit institutions", the words "or to any co-operative society engaged in carrying on the business of banking" shall be inserted with effect from the 1st day of October, 1991. 45 of 1974.

Expenditure-tax

Amendment of section 3.

105. In the Expenditure-tax Act, 1987 (hereinafter referred to as the Expenditure-tax Act), in section 3, with effect from the 1st day of June, 1992,— 35 of 1987.

(*a*) in clause (*1*), for the words "four hundred rupees", the words "one thousand two hundred rupees" shall be substituted;

(*b*) in clause (2), the words, figures and letters "before the 1st day of June, 1992" shall be inserted at the end.

Amendment of Section 4.

106. In the Expenditure-tax Act, in section 4, in clause (*b*), after the words, letters and figures "the 1st day of October, 1991", the words, figures and letters "but not after the 31st day of May, 1992" shall be inserted with effect from the 1st day of June, 1992.

Amendment of section 5.

107. In the Expenditure-tax Act, in section 5, in clause (*1*), in sub-clause (*i*), the words, figures and letters "before the 1st day of October, 1992" shall be inserted at the end with effect from the 1st day of June, 1992.

Amendment of section 7.

108. In the Expenditure-tax Act, in section 7, in sub-section (*2*), after the word and figure "section 3", the words, figures and letters "before the 1st day of Pune, 1992" shall be inserted with effect from the 1st day of June, 1992.

CHAPTER IV

INDIRECT TAXES

Customs

Amendment of Act 52 of 1962.

109. In the Customs Act, 1962 (hereinafter referred to as the Customs Act),—

(*1*) in section 2, for clause (*8*), the following clause shall be substituted, namely:—

'(*8*) "Collector of Customs", except for the purposes of Chapter XV, includes an Additional Collector of Customs;';

(*2*) in section 28,—

(*a*) in sub-section (*1*), in the proviso, the words 'for the words "proper officer", the words "Collector of Customs", and' shall be omitted;

(*b*) in sub-section (*2*), for the words "Assistant Collector of Customs, or the Collector of Customs, as the case may be", the words "proper officer" shall be substituted;

(*3*) in section 122, in clause (*b*), for the words "twenty-five thousand", the words "fifty thousand" shall be substituted.

Amendment of Act 51 of 1975.

110. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act),—

(*a*) after section 8, the folowing section shall be inserted, namely:—

Emergency power of Central Government to increase import duties

"8A. (*1*) Where in respect of any article included in the First Schedule, the Central Government is satisfied that the import duty leviable thereon under section 12 of the Customs Act, 1962 should be increased and that circumstances exist which render it necessary to take immediate action, it may, by notification in the Official Gazette, direct an amendment of that Schedule to be made so as to provide for an increase in the import duty leviable on such article to such extent as it thinks necessary:

52 of 1962.

Provided that the Central Government shall not issue any notification under this sub-section for substituting the rate of

import duty in respect of any article as specified by an earlier notification issued under this sub-section by that Government before such earlier notification has been approved with or without modifications under sub-section (*2*).

(*2*) The provisions of sub-sections (*3*) and (*4*) of section 7 shall apply to any notification issued under sub-section (*1*) as they apply in relation to any notification increasing duty issued under sub-section (*2*) of section 7.";

(b) the First and Second Schedules shall be amended in the manner specified in the Second Schedule.

Auxiliary duties of customs.

111. (*1*) In the case of goods mentioned in the First Schedule to the Customs Tariff Act, or in that Schedule, as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to fifty per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act.

(*2*) Sub-section (*1*) shall cease to have effect after the 31st day of March, 1993, and upon such cesser, section 6 of the General Clauses Act, 1897 shall apply as if the said sub-section had been repealed by a Central Act. 10 of 1897.

(*3*) The auxiliary duties of customs referred to in sub-section (*1*) shall be in addition to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

(*4*) The provisions of the Customs Act and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the auxiliary duties of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations, as the case may be.

Removal of doubts.

112. For the removal of doubts, it is hereby declared that notwithstanding the amendment made in clause (*8*) of section 2 of the Customs Act, 1962, by this Act, the provisions of Chapter XV shall continue to apply in so far as they relate to any decision or order passed by an Additional Collector of Customs immediately before the date on which the Finance Bill, 1992 receives the assent of the President. 52 of 1962.

Excise

Amendment of Act 1 of 1944.

113. In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act),—

(*1*) for section 6, the following section shall be substituted, namely:—

Registration of certain persons.

"6. Any prescribed person who is engaged in—

(*a*) the production or manufacture or any process of production or manufacture of any specified goods included in the Schedule to the Central Excise Tariff Act, 1985, or 5 of 1986.

(*b*) the wholesale purchase or sale (whether on his own account or as a broker or commission agent) or the storage of any specified goods included in the Schedule to the Central Excise Tariff Act, 1985, 5 of 1986.

shall get himself registered with the proper officer in such manner as may be prescribed.";

(2) section 7 shall be omitted;

(3) in section 9, in sub-section (1), for clause (a), the following clause shall be substituted, namely:—

"(a) contravenes any of the provisions of section 8 or of a rule made under clause (iii) or clause (xxvii) of sub-section (2) of section 37;";

(4) in section 11A,—

(a) in sub-section (1), in the proviso, the words 'for the words "the Central Excise Officer", the words "Collector of Central Excise", and' shall be omitted;

(b) in sub-section (2), for the words "Assistant Collector of Central Excise or, as the case may be, the Collector of Central Excise", the words "Central Excise Officer" shall be substituted;

(5) in section 37,—

(i) in sub-section (2),—

(a) in clause (iv), for the word "licensed", the word "registered" shall be substituted;

(b) in clause (ix), for the words "manufactured under licence", the words "manufactured after registration" shall be substituted;

(c) in clause (xii), for the word "licences", the words "registration certificates" shall be substituted;

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

"(xxvii) specify the persons who shall get themselves registered under section 6 and the manner of their registration.";

(ii) in sub-section (4), in clause (c), for the word "licence", the words "registration as" shall be substituted.

Amendment of Act 5 of 1986.

114. The Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act) shall be amended in the manner specified in the Third Schedule.

Special duties of excise.

115. (1) In the case of goods chargeable with a duty of excise under the Central Excises Act, as amended from time to time, read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable (not being a notification providing for any exemption for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under the said Act, or the additional duty under section 3 of the Customs Tariff Act, already paid on the raw material or component parts used in the production or manufacture of such goods), there shall be levied and collected a special duty of excise equal to fifteen per cent. of the amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1993, and upon such cesser, section 6 of the General Clauses Act, 1897 shall apply as if the said sub-section had been repealed by a Central Act. 10 of 1897.

(3) The special duties of excise referred to in sub-section (1) shall be in addition to any duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the special duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

CHAPTER V

MISCELLANEOUS

116. Section 13 of the Finance Act, 1960 shall be omitted with effect from the 1st day of April, 1993. Omission of section 13 of Act 13 of 1960.

117. Section 40 of the Finance Act, 1983 shall be omitted with effect from the 1st day of April, 1993. Omission of section 40 of Act 11 of 1983.

THE FIRST SCHEDULE

(*See* section 2)

PART I

INCOME-TAX

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1)	where the total income does not exceed Rs. 22,000	*Nil;*
(2)	where the total income exceeds Rs. 22,000 but does not exceed Rs. 30,000	20 per cent. of the amount by which the total income exceeds Rs. 22,000;
(3)	where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 1,600 *plus* 30 per cent of the amount by which the total income exceeds Rs. 30,000;
(4)	where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 7,600 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5)	where the total income exceeds Rs. 1,00,000	Rs. 27,600 *plus* 50 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall,—

(*i*) in the case of every individual, Hindu undivided family or association of persons or body of individuals referred to in section 88 having a total income exceeding seventy-five thousand rupees, be reduced by the amount of rebate of income-tax calculated under that section, and the income tax as so reduced;

(*ii*) in the case of every person, other than those mentioned in item (*i*), having a total income exceeding seventy-five thousand rupees,

be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1992 exceeds Rs. 22,000,—

Rates of income-tax

(1)	where the total income does not exceed Rs. 12,000	Nil,
(2)	where the total income exceeds Rs. 12,000 but does not exceed Rs. 20,000	25 per cent of the amount by which the total income exceeds Rs. 12,000;
(3)	where the total income exceeds Rs. 20,000 but does not exceed Rs. 40,000	Rs. 2,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000 :
(4)	where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000	Rs. 8,000 *plus* 40 per cent of the amount by which the total income exceeds Rs. 40,000 ;
(5)	where the total income exceeds Rs. 60,000 but does notc exceed Rs. 1,00,000	Rs. 16,000 *plus* 50 per cent. of the amount by which the total income exceed Rs. 60,000;
(6)	where the total income exceeds Rs. 1,00,000	Rs. 36,000 *plus* 55 per cent. of the amount by which the total income exceeds Rs. 1,00,000;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be reduced by the amount of rebate of income-tax calculated under section 88 and the income-tax as so reduced be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax :

Provided that no such surcharge shall be payable by a non-resident.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1)	where the total income does not exceed Rs.10,000	10 per cent. of the total income;

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 35 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 15,000	*Nil;*
(2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000	6 per cent. of the amount by which the total income exceeds Rs. 15,000;
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,100 *plus* 12 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 8,100 *plus* 18 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

(1) where the total income does not exceed Rs. 15,000	*Nil;*
(2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000	5 per cent. of the amount by which the total income exceeds Rs. 15,000;
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 1,750 *plus* 10 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 6,750 *plus* 15 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Explanation.—For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (*b*) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I.	In the case of a domestic company,—	
(1)	where the company is a company in which the public are substantially interested—	45 per cent. of the total income;
(2)	where the company is not a company in which the public are substantially interested—	50 per cent. of the total income.
II.	In the case of a company other than a domestic company,—	
	(*i*) on so much of the total income as consists of—	
	(*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or	
	(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,	
	and where such agreement has, in either case, been approved by the Central Government	50 per cent.;
	(*ii*) on the balance, if any, of the total income	65 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the provisions of item I of this Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge calculated at the rate of fifteen per cent. of such income-tax.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates:—

	Rate of income-tax
1. In the case of a person other than a company—	
(*a*) where the person is resident in India—	
(*i*) on income by way of interest other than "Interest on securities"	10 per cent.;
(*ii*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*iii*) on income by way of winnings from horse races	40 per cent.;
(*iv*) on income by way of insurance commission	10 per cent.;
(*v*) on income by way of interest payable on—	10 per cent.;
(*A*) any security, other than a tax-free security, of the Central or a State Government;	
(*B*) any debentures or other securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(*C*) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and any rules made thereunder;	
(*vi*) on any other income (excluding interest payable on a tax-free security)	20 per cent.;
(*b*) where the person is not resident in India—	
(*i*) in the case of a non-resident Indian—	
(*A*) on investment income and long-term capital gains	20 per cent.;
(*B*) on income by way of interest payable on a tax-free security	15 per cent.;
(*C*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*D*) on income by way of winnings from horse races	40 per cent.;
(*E*) on the whole of other income	income-tax at 30 per cent. of the amount of income or income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of

	Rate of income-tax
	Part III of this Schedule, if such income had been the total income, whichever is higher;
(*ii*) in the case of any other person—	
(*A*) on income by way of interest payable on a tax-free security	15 per cent.;
(*B*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*C*) on income by way of winnings from horse races	40 per cent.;
(*D*) on the whole of the other income	income-tax at 30 per cent. of the amount of income or income-tax in respect of the income at the rates prescribed in Sub-Paragraph 1 of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher.
2. In the case of a company—	
(*a*) where the company is a domestic company—	
(*i*) on income by way of interest other than "Interest on securities"	20 per cent.;
(*ii*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*iii*) on income by way of winnings from horse races	40 per cent.;
(*iv*) on any other income (excluding interest payable on tax-free security)	21·5 per cent.;
(*b*) where the company is not a domestic company—	
(*i*) on income by way of dividends payable by any domestic company	25 per cent.;
(*ii*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*iii*) on income by way of winnings from horse races	40 per cent.;
(*iv*) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency	25 per cent.;
(*v*) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with	30 per cent.;

the Government or the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the proviso to sub-section (*IA*) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (*IA*) of section 115A of the Income-tax Act, to a person resident in India

(*vi*) on income by way of royalty [not being royalty of the nature referred to in sub-item (*b*)(*v*)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(*A*) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976 — 50 per cent.;

(*B*) where the agreement is made after the 31st day of March, 1976 — 30 per cent.;

(*vii*) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(*A*) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 — 50 per cent.;

(*B*) where the agreement is made after the 31st day of March, 1976 — 30 per cent.;

(*viii*) on income by way of interest payable on a tax-free security — 44 per cent.;

(*ix*) on any other income — 65 per cent.

Explanation.—For the purposes of this Part, "investment income", "long-term capital gains" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(*a*) sub-item (*a*) of item 1 of this Part shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax, and

(*b*) sub-item (*a*) of item 2 of this Part shall be increased by a surcharge, calculated at the rate of fifteen per cent. of such income-tax.

PART III

RATES FOR CALCULATING OR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"

In cases in which income-tax has to be calculated under the first proviso to sub-section (*5*) of section 132 of the Income-tax Act or charged under sub-section (*4*) of section 172 or sub-section (*2*) of section 174 or section 175 or sub-section (*2*) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or sub-section (*1A*) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge on such "advance tax" in respect of any income chargeable to tax under section 115B], shall be calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 28,000	*Nil*;
(2) where the total income exceeds Rs. 28,000 but does not exceed Rs. 50,000	20 per cent. of the amount by which the total income exceeds Rs. 28,000;
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 4,400 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 19,400 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph or section 112 shall,—

(*i*) in the case of every individual, Hindu undivided family or association of persons or body of individuals referred to in sections 88 and 88B having a total income exceeding one hundred thousand rupees, be reduced by the amount of rebate of income-tax calculated under those sections, and the income-tax as so reduced,

(*ii*) in the case of every person, other than those mentioned in item (*i*), having a total income exceeding one hundred thousand rupees,

be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1993 exceeds Rs. 28,000.—

Rates of income-tax

(1) where the total income does not exceed Rs. 18,000	*Nil*;
(2) where the total income exceeds Rs. 18,000 but does not exceed Rs. 1,00,000	30 per cent. of the amount by which the total income exceeds Rs. 18,000;
(3) where the total income exceeds Rs. 1,00,000	Rs. 24,600 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph or section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be reduced by the amount of rebate of income-tax calculated under section 88 and the income-tax as so reduced be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	10 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 35 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph or section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	40 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified or in section 112 shall, in the case of every firm having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified or in section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested	45 per cent. of the total income;
(2) where the company is not a company in which the public are substantially interested	50 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(*i*) on so much of the total income as consists of—

(*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or

(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government — 50 per cent.;

(*ii*) on the balance, if any, of the total income — 65 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the provisions of this Paragraph or section 112 shall, in the case of every domestic company having a total income exceeding seventy-five thousand rupees, be increased by a surcharge, calculated at the rate of fifteen per cent. of such income-tax.

PART IV

[*See* section 2(9) (*d*)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (*a*) of clause (*1A*) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (*3*) and (*4*) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (*b*) or sub-clause (*c*) of clause (*1A*) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (*3*) and (*4*) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (*c*) of clause (*1A*) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (*b*) of section 183 of the Income-tax Act, which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (*b*) of the said section 183 and

which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down in sub-section (*1*), sub-section (*2*) and sub-section (*3*) of section 67 of the Income-tax Act and the share so computed shall be regarded as the agricultural income or loss of the assessee:

Provided that nothing contained in this rule shall apply for computing the agricultural income of the assessee in relation to the assessment year commencing on or after the 1st day of April, 1993.

Rule 6.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 7.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a partner of an unregistered firm which has not been assessed as a registered firm under clause (*b*) of section 183 of the Income-tax Act or is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income:

Provided further that nothing contained in this rule shall apply for the computation of the agricultural income of an assessee who is a partner of any firm in relation to the assessment year commencing on or after the 1st day of April, 1993.

Rule 8.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 9.—(*1*) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1992, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1984 or the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April,

1989 or the 1st day of April, 1990 or the 1st day of April, 1991, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 or the 1st day of April, 1991,

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, and

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991.

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1992.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1993 or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992, is a loss, then, for the purposes of sub-section (*8*) of section 2 of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991 or the 1st day of April, 1992,

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1992, and

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1992,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1993.

(3) Where a change has occurred in the constitution of a firm, nothing in sub-rule (*1*) or sub-rule (*2*) shall entitle the firm to set off so much of the loss proportionate to the share of a retired or deceased partner computed in the manner laid down in sub-section (*1*), sub-section (*2*) and sub-section (*3*) of section 67 of the Income-tax Act as exceeds his share of profits, if any, of the previous year in the firm, or entitle any partner to the benefit of any portion of the said loss (computed in the manner aforesaid) which is not apportionable to him:

Provided that nothing contained in this sub-rule shall apply for computing the agricultural income in relation to the assessment year commencing on or after the 1st day of April, 1993.

(4) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (*1*) or sub-rule (*2*) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (*1*) or, as the case may be, sub-rule (*2*).

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23 of 1986
11 of 1987
26 of 1988
13 of 1989
12 of 1990
49 of 1991

(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in Part IV of the First Schedule to the Finance Act, 1984, or of the First Schedule to the Finance Act, 1985, or of the First Schedule to the Finance Act, 1986, or of the First Schedule to the Finance Act, 1987, or of the First Schedule to the Finance Act, 1988, or of the First Schedule to the Finance Act, 1989, or of the First Schedule to the Finance Act, 1990, or of the First Schedule to the Finance (No. 2) Act, 1991, shall be set off under sub-rule (*1*) or, as the case may be, sub-rule (*2*).

Rule 10.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 11.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 12.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

[*See* section 110(*b*)]

PART I

In the First Schedule to the Customs Tariff Act,—

(*1*) in Chapter 1, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*2*) in Chapter 2, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*3*) in Chapter 4, in sub-heading Nos. 0407.00, 0408.11, 0408.19, 0408.91, 0408.99, 0409.00 and 0410.00 for the entry in column (4), the entry "65%" shall be substituted;

(*4*) in Chapter 5, in sub-heading No. 0507.10, for the entries in column (4) and column (5), the entries "65%" and "55%" shall respectively be substituted;

(*5*) in Chapter 7, for the entries in column (4) and column (5) occurring against all the sub-heading Nos., the entries "65%" and "55%" shall respectively be substituted;

(*6*) in Chapter 8,—

(*i*) for the entries in column (4) and column (5) occurring against all the sub-heading Nos. (except sub-heading Nos. 0802.11, 0802.12, 0802.90, 0804.10, 0806.10 and 0806.20), the entries "65%" and "55%" shall respectively be substituted;

(*ii*) in sub-heading Nos. 0802.11, 0802.12 and 0806.20, for the entries in column (4) and column (5) occurring against each of them, the entries "65% *plus* Rs. 50 per Kg." and "55% *plus* Rs. 50 per Kg." shall respectively be substituted;

(*iii*) in sub-heading No. 0802.90, for the entries in colum (4) and column (5), the entries "65% *plus* Rs. 20 per Kg." and "55% *plus* Rs. 20 per Kg." shall respectively be substituted;

(*iv*) in sub-heading No. 0804.10, for the entries in column (4) and column (5), the entries "65% *plus* Rs. 25 per Kg." and "55% *plus* Rs. 25 per Kg." shall respectively be substituted;

(*v*) in sub-heading No. 0806.10, for the entries in column (4) and column (5), the entries "110%" and "100%" shall respectively be substituted;

(7) in Chapter 9,—

(*i*) in sub-heading Nos. 0901.11, 0901.12, 0901.21, 0901.22, 0901.30 and 0901.40, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "65% less 13 paise per Kg." shall respectively be substituted;

(*ii*) in sub-heading Nos. 0902.10, 0902.20, 0902.30, 0902.40 and 0903.00, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "65% less 26 paise per Kg." shall respectively be substituted;

(*iii*) in sub-heading Nos. 0904.11 and 0904.12, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "57.5%" shall respectively be substituted;

(*iv*) in sub-heading Nos. 0904.20 and 0905.00, for the entry in column (4), the entry "65%" shall be substituted;

(*v*) in sub-heading Nos. 0906.10, 0906.20, for the entries in column (4) and column (5) occurring against each of them, the entries "65% *plus* Rs. 50 per Kg." and "57.5% *plus* Rs. 50 per Kg." shall respectively be substituted;

(*vi*) in sub-heading No. 0907.00, for the entries in column (4) and column (5), the entries "65% plus Rs. 75 per Kg." and "57.5% *plus* Rs. 75 per Kg." shall respectively be substituted;

(*vii*) in sub-heading No. 0908.10, for the entries in column (4) and column (5), the entries "65%" and "57.5%" shall respectively be substituted;

(*viii*) in sub-heading No. 0908.20, for the entry in column (4), the entry "65%" shall be substituted;

(*ix*) in sub-heading No. 0908.30, for the entries in column (4), and column (5), the entries "65%" and "57.5%" shall respectively be substituted;

(x) in sub-heading Nos. 0909.10, 0909.20, 0909.30, 0909.40 0909.50 0910.10, 0910.20, 0910.30, 0910.40, 0910.50, 0910.91 and 0910.99, for the entry in column (4), the entry "6511" shall be substituted ;

(8) in Chapter 11, in sub-heading Nos, 1101.00, 1103.11, 1103.12, 1103.13, 1103.14 1103.19, 1103.21, 1103.29, 1104.11, 1104.12, 1104.19 1104.21, 1104.22, 1104.23, 1104.29, 1104.30, 1107.10, and 1107.20 for the entry in column (4), the entry "65%" shall be substituted;

(9) in Chapter 12,—

(*i*) in sub-heading No. 1207.10, for the entries in column (4) and column (5), the entries "65%" and "55%" shall respectively be substituted;

(*ii*) in sub-heading Nos. 1210.10, 1210.20, 1211.10, 1211.20, 1211.90, 1212.10, 1212.20, 1212.30, 1212.91, 1212.92 and 1212.99, for the entry in column (4), the entry "65%" shall be substituted;

(*ro*) in Chapter 15,—

(*i*) in sub-heading Nos. 1501.00, 1502.00, 1503.00, 1504.10, 1504.20, 1504.30, 1505.10, 1505.90 and 1506.00, for the entry in column (4), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 1507.10, 1507.90, 1508.10, 1508.90, 1509.10, 1509.90, 1510.00, 1511.10, 1511.90, 1512.11, 1512.19, 1512.21, 1512.29, 1513.11, 1513.19, 1513.21, 1513.29, 1514.10, 1514.90, 1515.11, 1515.19, 1515.21, 1515.29, 1515.30, 1515.40, 1515.50, 1515.60 and 1515.90, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "55%" shall respectively be substituted;

(*iii*) in sub-heading Nos. 1516.10, 1516.20, 1517.10, 1517.90, 1518.00, 1519.11, 1519.12, 1519.13, 1519.19, 1519.20, 1520.10, 1520.90, 1521.10, 1521.90 and 1522.00, for the entry in column (4), the entry "65%" shall be substituted;

(*11*) in Chapter 16, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*12*) in Chapter 17, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 1701.11, 1701.12 and 1701.99), the entry "65%" shall be substituted;

(*13*) in Chapter 18, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*14*) in Chapter 19, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*15*) in Chapter 20, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*16*) in Chapter 21, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*17*) in Chapter 22, in sub-heading Nos. 2201.10, 2201.90, 2202.10 and 2202.90, for the entry in column (4), the entry "65%" shall be substituted;

(*18*) in Chapter 24, in sub-heading Nos. 2402.10, 2402.20, 2402.90, 2403.10, 2403.91 and 2403.99, for the entry in column (4), the entry "65%" shall be substituted;

(*19*) in Chapter 25,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2504.10, 2504.90 and 2527.00), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 2504.10 and 2504.90, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "55%" shall respectively be substituted;

(*20*) in Chapter 26, in sub-heading Nos. 2618·00, 2619·00, 2620·11, 2620·19, 2620·20, 2620·30, 2620·40, 2620·50, 2620·90 and 2621·00, for the entry in column (4), the entry "65%" shall be substituted;

(*21*) in Chapter 27, in sub-heading Nos. 2712.20 and 2712.90, for the entry in column (4), the entry "65%" shall be substituted;

(*22*) in Chapter 28, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*23*) in Chapter 29,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2917.37, 2933.71, 2936.10, 2936.21, 2936.22, 2936.23, 2936.24, 2936.25, 2936.26, 2936.27, 2936.28, 2936.29, 2936.90, 2937.10, 2937.21, 2937.22, 2937.29, 2937.91, 2937.92, 2937.99, 2939.40, 2939.50, 2941.10, 2941.20, 2941.30, 2941.40, 2941.50 and 2941.90), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 2917.37, 2933.71, 2937.10, 2937.21, 2937.22, 2937.29, 2937.91, 2937.92, 2937.99, 2939.40 and 2939.50, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "55%" shall respectively be substituted;

(*iii*) in sub-heading Nos. 2936.10, 2936.21, 2936.22, 2936.23, 2936.24, 2936.25, 2936.26, 2936.27, 2936.28, 2936.29, 2936.90, 2941.10, 2941.20, 2941.30, 2941.40, 2941.50 and 2941.90, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "59%" shall respectively be substituted;

(*24*) in Chapter 30,—

(*i*) in sub-heading Nos. 3001.10, 3001.20, 3001.90, 3002.10, 3002.20, 3002.31, 3002.39, 3002.90, 3003.10, 3003.20, 3003.31, 3003.39, 3003.40, 3003.90, 3004.10, 3004.20, 3004.31, 3004.32, 3004.39, 3004.40, 3004.50 and 3004.90, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "55%" shall respectively be substituted;

(*ii*) in sub-heading Nos. 3005.10, 3005.90, 3006.10, 3006.20, 3006.30, 3006.40, 3006.50 and 3006.60, for the entry in column (4), the entry "65%" shall be substituted;

(*25*) in Chapter 32,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 3201.90), the entry "65%" shall be substituted;

(*ii*) in sub-heading No. 3201.90, for the entries in column (4) and column (5), the entries "65%" and "55%" shall respectively be substituted;

(*26*) in Chapter 33, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*27*) in Chapter 34,—

(*i*) in sub-heading Nos. 3401.11, 3401.19, 3401.20, 3402.20, 3402.90, 3403.11, 3403.19, 3403.91, 3403.99, 3404.10, 3404.20, 3404.90, 3405.10, 3405.20, 3405.30, 3405.40, 3405.90, 3406.00 and 3407.00, for the entry in column (4), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 3402.11, 3402.12, 3402.13 and 3402.19, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "55%" shall respectively be substituted;

(*28*) in Chapter 35, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*29*) in Chapter 36, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*30*) in Chapter 37, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3701.10, 3702.10, 3706.10 and 3706.90), the entry "65%" shall be substituted;

(*31*) in Chapter 38,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3801.10, 3802.10, 3812.10, 3815.11 and 3815.12), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 3801.10, 3802.10, 3812.10, 3815.11 and 3815.12, for the entries in column (4) and column (5) occurring against each of them, the entries "65%" and "55%" shall respectively be substituted;

(*32*) in Chapter 39, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*33*) in Chapter 40, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 4001.21, 4001.22, 4003.00, 4004.00, 4010.10, 4010.91 and 4010.99), the entry "65%" shall be substituted;

(*34*) in Chapter 42, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*35*) in Chapter 43, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*36*) in Chapter 44, in sub-heading Nos. 4411.11, 4411.19, 4411.21, 4411.29, 4411.31, 4411.39, 4411.91 and 4411.99, for the entry in column (4), the entry "65%" shall be substituted;

(*37*) in Chapter 47, in sub-heading Nos. 4707.10, 4707.20, 4707.30and 4707.90, for the entry in column (4), the entry "65%" shall be substituted;

(*38*) in Chapter 48, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*39*) in Chapter 49, in sub-heading Nos. 4907.00, 4908.10, 4908.90, 4909.00, 4910.00, 4911.10, 4911.91 and 4911.99, for the entry in column (4), the entry "65%" shall be substituted;

(*40*) in Chapter 50, in sub-heading Nos. 5006.00, 5007.10, 5007.20 and 5007.90, for the entry in column (4), the entry "65%" shall be substituted;

(*41*) in Chapter 51, in sub-heading Nos. 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5105.21, 5105.29, 5111.11, 5111.19, 5111.20, 5111.30, 5111.90, 5112.11, 5112.19, 5112.20, 5112,30, 5112.90 and 5113.00, for the entry in column (4), the entry "65%" shall be substituted;

(*42*) in Chapter 52, in sub-heading Nos. 5208.11, 5208.12, 5208.13, 5208.19, 5208.21, 5208.22, 5208.23, 5208.29, 5208.31, 5208.32, 5208.33, 5208.39, 5208.41, 5208.42, 5208.43, 5208.49, 5208.51, 5208.52, 5208.53, 5208.59, 5209.11, 5209.12, 5209.19, 5209.21, 5209.22, 5209.29, 5209.31, 5209.32, 5209.39, 5209.41, 5209.42, 5209.43, 5209.49, 5209.51, 5209.52, 5209.59, 5210.11, 5210.12, 5210.19, 5210.21, 5210.22, 5210.29, 5210.31, 5210.32, 5210.39, 5210.41, 5210.42, 5210.49, 5210.51, 5210.52, 5210.59, 5211.11, 5211.12, 5211.19, 5211.21, 5211.22, 5211.29, 5211.31, 5211.32, 5211.39, 5211.41, 5211.42, 5211.43, 5211.49, 5211.51, 5211.52, 5211.59, 5212.11, 5212.12, 5212.13, 5212.14, 5212.15, 5212.21, 5212.22, 5212.23, 5212.24 and 5212.25, for the entry in column (4), the entry "65%" shall be substituted;

(*43*) in Chapter 53, in sub-heading Nos. 5309.11, 5309.19, 5309.21, 5309.29, 5310.10, 5310.90, and 5311.00, for the entry in column (4), the entry "65%" shall be substituted;

(*44*) in Chapter 54, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*45*) in Chapter 55, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*46*) in Chapter 56, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*47*) in Chapter 57, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(48) in Chapter 58, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(49) in Chapter 59, in sub-heading Nos. 5901.10, 5901.90, 5902.10, 5902.20, 5902.90, 5903.10, 5903.20, 5903.90, 5904.10, 5904.91, 5904.92, 5905.00, 5906.10, 5906.91, 5906.99, 5907.00, 5908.00, and 5909.00, for the entry in column (4), the entry "65%" shall be substituted;

(50) in Chapter 60, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(51) in Chapter 61, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(52) in Chapter 62, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(53) in Chapter 63, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(54) in Chapter 64, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(55) in Chapter 65, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(56) in Chapter 66, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(57) in Chapter 67, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(58) in Chapter 68, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 6804.10, 6804.21, 6804.22 and 6804.23), the entry "65%" shall be substituted;

(59) in Chapter 69, in sub-heading Nos. 6904.10, 6904.90, 6905.10, 6905.90, 6906.00, 6907.10, 6907.90, 6908.10, 6908.90, 6909.11, 6909.19, 6909.90, 6910.10, 6910.90, 6911.10, 6911.90, 6912.00, 6913.10, 6913.90, 6914.10 and 6914.90, for the entry in column (4), the entry "65%" shall be substituted;

(60) in Chapter 70, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 7010.10, 7015.10, 7017.10, 7017.90, 7019.10, 7019.20, 7019.31, 7019.32, 7019.39 and 7019.90, the entry "65%" shall be substituted;

(61) in Chapter 71, in sub-heading Nos. 7106.10, 7106.91, 7106.92, 7107.00, 7108.11, 7108.12, 7108.13, 7108.20, 7109.00, 7111.00, 7112.10, 7112.20, 7112.90, 7113.11, 7113.19, 7113.20, 7114.11, 7114.19, 7114.20, 7115.10 7115.90, 7116.10, 7116.20, 7117.11, 7117.19, 7117.90, 7118.10 and 7118.90, for the entry in column (4), the entry "65%" shall be substituted;

(62) in Chapter 72,—

(i) in sub-heading Nos. 7203.10, 7203.90, 7204.10, 7204.21, 7204.29, 7204.30, 7204.41, 7204.49, 7204.50, 7205.10, 7205.21, 7205.29, 7206.10, 7206.90, 7207.11, 7207.12, 7207.19, 7207.20, 7208.11, 7208.12, 7208.13, 7208.14, 7208.21, 7208.22, 7208.23, 7208.24, 7208.31, 7208.32, 7208.33, 7208.34, 7208.35, 7208.41, 7208.42, 7208.43, 7208.44, 7208.45, 7208.90, 7209.11, 7209.12, 7209.13, 7209.14, 7209.21, 7209.22, 7209.23, 7209.24, 7209.31, 7209.32, 7209.33, 7209.34, 7209.41, 7209.42, 7209.43, 7209.44, 7209.90, 7210.11, 7210.12, 7210.20, 7210.31, 7210.39, 7210.41, 7210.49, 7210.50, 7210.60, 7210.70, 7210.90, 7211.11, 7211.12 7211.19, 7211.21,

7211.22, 7211.29, 7211.30, 7211.41, 7211.49, 7211.90, 7212.10, 7212.21, 7212.29, 7212.30, 7212.40, 7212.50, 7212.60, 7213.10, 7213.20, 7213.31, 7213.39, 7213.41, 7213.49, 7213.50, 7214.10, 7214.20, 7214.30, 7214.40, 7214.50, 7214.60, 7215.10, 7215.20, 7215.30, 7215.40, 7215.90, 7216.10, 7216.21, 7216.22, 7216.31, 7216.32, 7216.33, 7216.40, 7216.50, 7216.60, 7216.90, 7217.11, 7217.12, 7217.13, 7217.19, 7217.21, 7217.22, 7217.23, 7217.29, 7217.31, 7217.32, 7217.33, 7217.39, 7218.10 and 7218.90, for the entry in column (4), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 7219.11, 7219.12, 7219.13, 7219.14, 7219.21, 7219.22, 7219.23, 7219.24, 7219.31, 7219.32, 7219.33, 7219.34, 7219.35, 7219.90, 7220.11, 7220.12, 7220.20 and 7220.90, for the entry in column (4), the entry "100%" shall be substituted;

(*iii*) in sub-heading Nos. 7221.00, 7222.10, 7222.20, 7222.30, 7222.40, 7223.00, 7224.10, 7224.90, 7225.10, 7225.20, 7225.30, 7225.40, 7225.50, 7225.90, 7226.10, 7226.20, 7226.91, 7226.92, 7226.99, 7227.10, 7227.20, 7227.90, 7228.10, 7228.20, 7228.30, 7228.40, 7228.50, 7228.60, 7228.70, 7228.80, 7229.10, 7229.20 and 7229.90 for the entry in column (4), the entry "65%" shall be substituted;

(*63*) in Chapter 73, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 7311.00 and 7316.00), the entry "65%" shall be substituted;

(*64*) in Chapter 74, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*65*) in Chapter 75, in sub-heading No. 7505.22, for the entry in column (4), the entry "65%" shall be substituted;

(*66*) in Chapter 76, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 7601.10, 7601.20 and 7602.00), the entry "65%" shall be substituted;

(*67*) in Chapter 78, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*68*) in Chapter 79, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*69*) in Chapter 82, in sub-heading Nos. 8201.50, 8210.00, 8211.10, 8211.91, 8211.92 8211.93, 8211.94, 8212.10, 8212.20, 8212.90, 8213.00, 8214.10, 8214.20, 8214.90, 8215.10, 8215.20, 8215.91 and 8215.99, for the entry in column (4), the entry "65%" shall be substituted;

(*70*) in Chapter 83, for the entry in column (4) occurring against all the sub-heading Nos., (except sub-heading Nos. 8311.10, 8311.20, 8311.30 and 8311.90), the entry "65%" shall be substituted;

(*71*) in Chapter 84,—

(*i*) in sub-heading Nos. 8403.10, 8403.90, 8404.10, 8404.90, 8407.10, 8407.21, 8407.29, 8407.31, 8407.32, 8407.33, 8407.34, 8407.90, 8408.10, 8408.20, 8408.90, 8409.10, 8409.91, 8409.99, 8412.80, 8413.11, 8413.19, 8413.20, 8413.30, 8413.91, 8414.30, 8414.51, 8414.59, 8414.60, 8414.80, 8414.90, 8415.10, 8415.81, 8415.82, 8415.83, 8415.90, 8418.10, 8418.21, 8418.22, 8418.29, 8418.30, 8418.40, 8418.50 8418.61, 8418.69 8418.91, 8418.99, 8419.11, 8419.19, 8419.50, 8419.60, 8419.81, 8419.89, 8421.23, 8421.29, 8421.31, 8421.39, 8421.99, 8422.11, 8422.19, 8422.20, 8422.30, 8422.40, 8423.10, 8423.20, 8423.30, 8423.81, 8423.82, 8423.89 8424.10, 8424.20, 8426.12, 8426.41, 8427.90, 8431.20, 8432.80, 8435.10, 8438.10, 8438.20, 8438.40, 8438.50, 8438.60, 8438.80, 8441.10, 8441.90, 8447.11, 8447.12, 8447.20, 8447.90, 8448.19, 8450.11, 8450.12, 8450.19, 8450.20, 8451.10, 8451.21, 8451.29, 8451.30, 8451.40, 8451.80, 8452.10 and 8452.90, for the entry in column (4), the entry "65%" shall be substituted;

(*ii*) in sub-heading Nos. 8456.10, 8456.20, 8456.30, 8456.90, 8457.10, 8457.20 8457.30, 8458.11, 8458.19, 8458.91, 8458.99, 8459.10, 8459.21, 8459.29, 8459.31, 8459.39, 8459.40, 8459.51, 8459.59, 8459.61, 8459.69, 8459.70, 8460.11, 8460.19, 8460.21, 8460.29, 8460.31, 8460.39, 8460.40, 8460.90, 8461.10, 8461.20, 8461.30, 8461.40, 8461.50, 8461.90, 8462.10, 8462.21, 8462.29, 8462.31, 8462.39, 8462.41, 8462.49, 8462.91, 8462.99, 8463.10, 8463.20, 8463.30, 8463.90, 8464.10, 8464.20, 8464.90 8465.10, 8465.91, 8465.92, 8465.93, 8465.94, 8465.95 8465.96 and 8465.99, for the entry in column (4) the entry "110%" shall be substituted;

(*iii*) in sub-heading Nos. 8468.10, 8468.20, 8468.80, 8469.10, 8469.21, 8469.29, 8469.31, 8469.39, 8470.10, 8470.21, 8470.29, 8470.30, 8470.40, 8470.50, 8470.90, 8471.10, 8471.20, 8471.91, 8471.92, 8471.93, 8471.99, 8472.10, 8472.20, 8472.30, 8472.90, 8473.10, 8473.21, 8473.29, 8473.30, 8473.40, 8476.11, 8476.19, 8479.81, 8479.82, 8479.89, 8483.20 8483 30, and 8483.90, for the entry in column, (4), the entry "65%" shall be substituted;

(*iv*) in sub-heading Nos. 8482.10, 8482.20, 8482.30, 8482.40, 8482.50 and 8482.80, for the entry in column (4), the entry "110% *plus* Rs. 300 per bearing" shall be substituted;

(*v*) in sub-heading Nos. 8482. 91 and 8482.99, for the entry in column (4), the entry "110% *plus* Rs. 300 per piece" shall be substituted;

(*72*) in Chapter 85, in sub-heading Nos. 8501.10, 8501.20, 8501.31, 8501.32, 8501.40, 8501.51, 8501.52, 8503.00, 8504.10, 8504.21 8504.31, 8504.32, 8504.50, 8504.90, 8505.11, 8505.19, 8506.11, 8506.12, 8506.13, 8506.19, 8506.20, 8506.90, 8507.10, 8507.20, 8507.30, 8507.40, 8507.80, 8507.90, 8508.10, 8508.20, 8508.80, 8509.10, 8509.20, 8509.30, 8509.40, 8509.80, 8510.10, 8510.20, 8511.10, 8511.20, 8511.30, 8511.40, 8511.50, 8511.80, 8511.90, 8512.10, 8512.20, 8512.30, 8512.40, 8512.90, 8513.10, 8513.90, 8515.11, 8515.19, 8516.10, 8516.21, 8516.29, 8516.31, 8516.32, 8516.33, 8516.40, 8516.50, 8516.60, 8516.71, 8516.72, 8516.79, 8516.80, 8517.10, 8517.20, 8517.30, 8517.40, 8517.81, 8517.82, 8517.90, 8518.10, 8518.21, 8518.22, 8518.29, 8518.30, 8518.40, 8518.50, 8518.90, 8519.10, 8519.21, 8519.29, 8519.31, 8519.39, 8519.40, 8519.91, 8519.99, 8520.10, 8520.20, 8520.31, 8520.39, 8520.90, 8521.10, 8521.90, 8522.10, 8522.90, 8523.11, 8523.12, 8523.13, 8523.20, 8523.90, 8524.10, 8524.21, 8524.22, 8524.23, 8524.90, 8525.10, 8525.20, 8525.30, 8526.10, 8526.91, 8526.92, 8527.11, 8527.19, 8527.21, 8527.29, 8527.31, 8527.32, 8527.39, 8527.90, 8528.10, 8528.20, 8529.10, 8529.90, 8530.10, 8530.80, 8530.90, 8531.10, 8531.20, 8531.80, 8531·90, 8532.10, 8532.21, 8532.22, 8532.23, 8532.24, 8532.25, 8532.29, 8532.30, 8532.90, 8533.10, 8533.21, 8533.29, 8533.31, 8533.39, 8533.40, 8533.90, 8534.00, 8536.10 , 8536.20, 8536.30, 8536.41, 8536.49, 8536.50, 8536.61, 8536.69, 8536.90 8537.10, 8538.10, 8538.90, 8539.10, 8539.21, 8539.22, 8539.29, 8539.31, 8539.39, 8539.40, 8539.90, 8540.11, 8540.12, 8540.20, 8540.30, 8540.41, 8540.42, 8540.49, 8540.81, 8540.89, 8540.91, 8540.99, 8541.10, 8541.21, 8541.29, 8541.30, 8541.40, 8541.50, 8541.60, 8541.90, 8542.11, 8542.19, 8542.20, 8542.80, 8542.90, 8543.10, 8543.20, 8543.30, 8543.80, 8543.90, 8544.11, 8544.19, 8544.20, 8544 30, 8544.41, 8544.49, 8544.51, 8544.59, 8544.60, 8544.70, 8545 19, 8545.20, 8545.90, 8546.10, 8546.20, 8546.90, 8547.10, 8547.20, 8547.90 and 8548.00, for the entry in column (4), the entry "65%" shall be substituted;

(*73*) in Chapter 87 in sub-heading Nos. 8703.10, 8703.21, 8703.22, 8703.23, 8703.24, 8703.31, 8703.32, 8703.33, 8703.90, 8706.00, 8707.10, 8707.90, 8708.10, 8708 21, 8708.29, 8708.31, 8708.39, 8708.40, 8708.50, 8708.60, 8708.70, 8708.80, 8708.91, 8708.92, 8708.93, 8708.94, 8708.99, 8711.10, 8711.20, 8711.30, 8711.40, 8711.50, 8711.90, 8712.00, 8714.11, 8714.19, 8714.91, 8714.92, 8714.93, 8714.94, 8714.95, 8714.96, 8714.99, 8715.00, 8716.10, 8716.20, 8716.31, 8716.39, 8716.40, 8716.80 and 8716.90, for the entry in column (4), the entry "65%" shall be subsituted;

(*74*) in Chapter 90, in sub-heading Nos. 9001.10, 9002.11, 9003.11, 9003.19, 9003.90, 9004.10, 9004.90, 9006.10, 9006.20, 9006.30, 9006.40, 9006.51, 9006.52, 9006.53, 9006.59, 9006.61, 9006.62, 9006.69, 9006.91, 9006.99, 9007.21, 9007.29, 9007.92, 9008.10, 9008.20, 9008.30, 9008.40, 9008.90, 9009.11, 9009.12, 9009.21, 9009.22, 9009.30, 9009.90, 9010.10, 9010.20, 9010.30, 9010.90, 9013.10, 9013.20, 9013.80, 9013.90, 9014.90, 9015.90, 9017.90, 9018.49, 9024.90, 9025.90, 9026.90, 9027.40, 9027.90, 9028.90, 9029.90, 9030.90, 9031.90, 9032.90 and 9033.00, for the entry in column (4), the entry "65%" shall be substituted;

(*75*) in Chapter 91, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*76*) in Chapter 92, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*77*) in Chapter 93, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*78*) in Chapter 94, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*79*) in Chapter 95, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*80*) in Chapter 96, for the entry in column (4) occurring against all the sub-heading Nos., the entry "65%" shall be substituted;

(*81*) in Chapter 97, in sub-heading Nos. 9701.10, 9701.90, 9702.00, 9703.00 and 9706.00, for the entry in column (4), the entry "65%" shall be substituted;

(*82*) in Chapter 98, in sub-heading Nos. 9802.00, 9804.90 and 9805.90, for the entry in column (4), the entry "65%" shall be substituted.

PART II

Heading No.	Description of articles	Rate of duty
(1)	(2)	(3)

In the Second Schedule to the Customs Tariff Act,—

(*i*) for heading No. 11 and the entries relating thereto, the following heading No. and entries shall be substituted, namely:—

"11.	Iron ore, all sorts	10% *plus* Rs. 50 per tonne";

(*ii*) after heading No. 25 and the entries relating thereto, the following heading No. and entries shall be inserted, namely:—

"26.	Granite (including black granite), porphyry and basalt, all sorts	15%".

THE THIRD SCHEDULE

(*See* section 114)

PART I

In the Schedule to the Central Excise Tariff Act,—

(*1*) in Chapter 18, in sub-heading Nos. 1801.00, 1802.00, 1803.00 and 1804.00, for the entry in column (4), the entry "25%" shall be substituted:

(2) in Chapter 21, in sub-heading Nos. 2107.91 and 2107.99, for the entry in column (4), the entry "50%" shall be substituted;

(3) in Chapter 22, in sub-heading Nos. 2201.11, 2201.12, 2202.11, 2202.12, 2202.13 and 2202.14, in column (3), the word "glass" shall be omitted;

(4) in Chapter 24, in sub-heading Nos. 2403.11, 2403.12, 2403.21 and 2403.22, in column (4) occurring against all the sub-headings, for the word and figures "Rs. 500", the word and figures "Rs. 600" shall be substituted;

(5) in Chapter 25, in heading No. 25.01, for the entry in column (3), the following entry shall be substituted, namely:—

"SALT (INCLUDING TABLE SALT AND DENATURED SALT) AND PURE SODIUM CHLORIDE, WHETHER OR NOT IN AQUEOUS SOLUTION OR CONTAINING ADDED ANTI-CAKING OR FREE FLOWING AGENTS";

(6) in Chapter 26, in heading No. 26.20, in column (3), for the words "METALLIC COMPOUNDS", the words "METAL COMPOUNDS" shall be substituted;

(7) in Chapter 27, in sub-heading Nos. 2710.60, 2710.70, 2710.80 and 2710.95, for the entry in column (4), the entry "Rs. 4,000 per tonne" shall be substituted;

(8) in Chapter 28,—

(a) in NOTE 2, in clause (e), for the words "metallic derivatives", the words "metal derivatives" shall be substituted;

(b) in NOTE 4, for the words "a metallic acid", the words "a metal acid" shall be substituted;

(c) in NOTE 5, for the word "metallic", the word "metal" shall be substituted;

(d) in NOTE 6, in clause (d), for the figures and words "0.002 micro-curie per gram", the figures and letters "74Bq/g (0.002 u ci/g);" shall be substituted;

(e) in heading No. 28.18, for the entry in column (3), the following entry shall be substituted, namely:—

"ARTIFICIAL CORUNDUM, WHETHER OR NOT CHEMICALLY DEFINED; ALUMINIUM OXIDE; ALUMINIUM HYDROXIDE";

(f) in heading No. 28.50, for the entry in column (3), the following entry shall be substituted, namely:—

"HYDRIDES, NITRIDES, AZIDES, SILICIDES AND BORIDES, WHETHER OR NOT CHEMICALLY DEFINED, OTHER THAN COMPOUNDS WHICH ARE ALSO CARBIDES OF HEADING NO. 28.49";

(*9*) in Chapter 29, in NOTE 7, for the words "and imides of polybasic acids", the words "or imides of polybasic acids" shall be substituted;

(*10*) in Chapter 32 in NOTE 2, for the words "colouring matters" the words "colouring matter" shall be substituted;

(*11*) in Chapter 34,—

(*a*) in NOTE 5, in clause (*ii*), for the word "coloured", the words "refined or coloured" shall be substituted;

(*b*) in sub-heading No. 3402.90, for the entry in column (4), the entry "30% *plus* Rs. 2,000 per tonne" shall be substituted;

(*c*) in sub-heading No. 3403.00, for the entry in column (4), the entry "15% *plus* Rs. 3,500 per tonne" shall be substituted;

(*12*) in Chapter 39, in NOTE 10, for the words "when so cut,", the words "when so cut" shall be substituted;

(*13*) in Chapter 40,—

(*a*) in sub-heading No. 4011.50, for the entry in column (4), the entry "Rs. 2,800 per tyre" shall be substituted;

(*b*) in sub-heading No. 4012.19, for the entry in column (4), the entry "Rs. 24 per flap" shall be substituted;

(*14*) in Chapter 44,—

(*a*) in NOTE 5, for the words "glued together", the words "glued or otherwise joined together" shall be substituted;

(*b*) in sub-heading Nos. 4408.10, 4408.20, 4408.30 and 4408.90, for the entry in column (4), the entry "30% *plus* Rs. 10 per mm thickness per square metre" shall be substituted;

(*15*) in Section XI, in NOTE 5, in clause (*c*), for the words "fabrics, the", the words "fabrics the" shall be substituted;

(*16*) in Chapter 52, in sub-heading No. 5203.00, for the entry in column (4), the entry "Rs. 15 per kilogram" shall be substituted;

(*17*) in Chapter 56,—

(*a*) in NOTE 3, in clause (*c*), for the word "strips", the word "strip" shall be substituted;

(*b*) in heading No. 56.07, in column (3), for the word "ROPE", the word "ROPES" shall be substituted;

(*18*) in Chapter 58, in NOTE 3, for the word "purpose", the word "purposes" shall be substituted;

(*19*) in Chapter 59, in NOTE 7, in clause (*a*), in sub-clause (*iv*), for the word "fabric", the word "fabrics" shall be substituted;

(*20*) in Chapter 71,—

(*a*) in NOTE 1,—

(*i*) in clause (*c*), for the words "Articles of", the words "Goods of" shall be substituted;

(*ii*) for clause (*m*), the following clause shall be substituted, namely:—

"(*m*) Articles classified in Chapter 96 by virtue of NOTE 4 to that Chapter.";

(*b*) in NOTE 8, for the words "and hairpins", the words "or hairpins" shall be substituted;

(*21*) in Chapter 72,—

(*a*) in NOTE 1, in clause (*k*), in the last paragraph, for the words "of any size", the words "of any size," shall be substituted;

(*b*) for the entry in column (4), occurring against all the sub-heading Nos., the entry "15% *plus* Rs. 3,000 per tonne" shall be substituted;

(*22*) in Chapter 73,—

(*a*) in sub-heading Nos. 7301.10, 7301.20, 7302.10, 7302.20, 7303.00, 7304.10, 7304.90, 7305.10, 7305.90, 7306.10 and 7306.90, for the entry in column (4), the entry "15% *plus* Rs. 30,000 per tonne," shall be substituted ;

(*b*) in sub-heading No. 7308.40, for the entry in column (3), the following entry shall be substituted, namely:—

"-Equipment for scaffolding, shuttering, propping or pit-propping";

(*c*) in sub-heading Nos. 7325.10, 7325.20, 7325.30, 7325.90 and 7327.00, for the entry in column (4), the entry "15% *plus* Rs. 3,000 per tonne" shall be substituted;

(*23*) in Chapter 74,—

(*a*) in NOTE 1, in clause (*g*), for the words "of any size", the words "of any size," shall be substituted;

(*b*) in sub-heading Nos. 7401·10, 7401.20, 7402·00, 7403·11, 7403·12, 7403·13, 7403·19, 7403·21, 7403·22, 7403·23, 7403·29, 7404·00 and 7405·00, for the entry in column (4), the entry "15% *plus* Rs. 10,000 per tonne" shall be substituted;

(*c*) in sub-heading Nos. 7407.11 and 7407.12, for the entry in column (4), the entry "20%" shall be substituted;

(*d*) in sub-heading Nos. 7407·29, 7408.11, 7408·21, 7409.10, 7409.20, 7409.30, 7409·40, 7409.90, 7410.11, 7410.12, 7410.21, and 7410·22, for the entry in column (4), the entry "15%" *plus* Rs. 10,000 per tonne, shall be substituted ;

(*24*) in Chapter 75, in the NOTE, in clause (*d*), for the words "of any size", the words "of any size," shall be substituted;

(25) in Chapter 76, in the NOTE, in clause (d), for the words "of any size", the words "of any size," shall be substituted;

(26) in Chapter 78,—

(a) in the NOTE, in clause (d), for the words "of any size", the words "of any size" shall be substituted;

(b) in sub-heading Nos. 7801.10, 7801.90, 7802.00, 7803.10, 7803.29, 7803.30 and 7804.10, for the entry in column (4), the entry "15% *plus* Rs. 5,000 per tone" shall be substituted;

(27) in Chapter 79,—

(a) in the NOTE, in clause (d), for the words "of any size", the words "of any size," shall be substituted;

(b) in sub-heading Nos. 7901·10, 7901.20, 7902·00, 7904·10, 7904·29 7904·30, 7905·10 and 7905·90, for the entry in column(4), the entry "15%" *plus* Rs. 8,000 per tonne shall be substituted;

(28) in Chapter 80, in the NOTE, in clause (d), for the words "of any size", the words "of any size," shall be substituted.

(29) in Chapter 84,—

(a) in heading No. 84.26, in column (3), for the word "DERRICKS", the words "SHIPS' DERRICKS" shall be substituted;

(b) in heading No. 84.70, for the entry in column (3), the following entry shall be substituted, namely:—

"CALCULATING MACHINES; ACCOUNTING MACHINES, POSTAGE FRANKING MACHINES, TICKET-ISSUING MACHINES AND SIMILAR MACHINES, INCORPORATING A CALCULATING DEVICE; CASH REGISTERS";

(c) in sub-heading No. 8479.00, for the entry in column (4), the entry "20%" shall be substituted;

(30) in Chapter 85,—

(a) in NOTE 5, in clause (b), in sub-clause (*iii*), for the words "and passive", the words "and passive," shall be substituted;

(b) in heading No. 85.21, for the entry in column (3), the following entry shall be substituted, namely:—

"VIDEO RECORDING OR REPRODUCING APPARATUS, WHETHER OR NOT INCORPORATING A VIDEO TUNER";

(c) in heading No. 85.28, for the entry in column (3), the following entry shall be substituted, namely:—

"TELEVISION RECEIVERS (INCLUDING VIDEO MONITORS AND VIDEO PROJECTORS), WHETHER OR NOT INCORPORATING RADIO BROADCAST RECEIVERS OR SOUND OR VIDEO RECORDING OR REPRODUCING APPARATUS";

(*31*) in Chapter 87,—

(*a*) NOTE 3 shall be omitted;

(*b*) the existing NOTES 4, 5 and 6 shall be renumbered as NOTES 3, 4 and 5 respectively;

(*c*) in heading No. 87.02, for the entry in column (3), the following entry shall be substituted, namely:—

"MOTOR VEHICLES FOR THE TRANSPORT OF TEN OR MORE PERSONS, INCLUDING THE DRIVER";

(*32*) in Chapter 89, in heading No. 89.07, in column (3), for the words "LANDING STAGES", the word "LANDING-STAGES" shall be substituted;

(*33*) in Chapter 90,—

(*a*) in NOTE 1, clauses (*b*) to (*k*) shall be renumbered as clauses (*c*) to (*l*) respectively and before clause (*c*) as so renumbered, the following clause shall be inserted, namely:—

"(*b*) supporting belts or other support articles of textile material, whose intended effect on the organ to be supported or held derives solely from their elasticity (for example, maternity belts, thoracic support bandages, abdominal support bandages, supports for joints or muscles) (Section XI);";

(*b*) in heading No. 90.11, in column (3), for the words "MICROPHOTOGRAPHY, MICROCINEMATOGRAPHY", the words "PHOTOMICROGRAPHY, CINEPHOTOMICROGRAPHY" shall be substituted;

(*c*) in heading No. 90.29, in column (3), for the figures "90.15", the figures and word "90.14 OR 90.15" shall be substituted;

(*34*) in Chapter 92, in NOTE 1,—

(*i*) for clauses (*c*) and (*d*), the following clauses shall be substituted, namely:—

"(*c*) Toy instruments or apparatus (heading No. 95.03); or

(*d*) Brushes for cleaning musical instruments (heading No. 96.03).";

(*ii*) clause (*e*) shall be omitted;

(*35*) in Chapter 95,—

(*a*) in NOTE 1, in clause (*h*), for the words "Walking sticks", the word "Walking-sticks" shall be substituted;

(*b*) in heading No. 95.06, for the entry in column (3), the following entry shall be substituted, namely:—

"ARTICLES AND EQUIPMENT FOR GENERAL PHYSICAL EXERCISE, GYMNASTICS, ATHLETICS, OTHER SPORTS (INCLUDING TABLE-TENNIS) OR OUT-DOOR GAMES, NOT SPECIFIED OR INCLUDED ELSEWHERE IN THIS CHAPTER";

(*36*) in Chapter 96, in sub-heading No. 9617.00, for the entry in column (4), the entry "30%" shall be substituted.

PART II

Heading No.	Sub-heading No.	Description of goods	Rate of duty
(1)	(2)	(3)	(4)
In the Schedule to the Central Excise Tariff Act, in Chapter 25, for sub-heading No. 2502.20 and the entries relating thereto, the following sub-heading Nos. and entries shall be substituted, namely:—			
		"- Portland cement:	
	2502.21	-- White cement, whether or not artificially coloured and whether or not with rapid hardening properties	40% *plus* Rs. 250 per tonne
	2502.29	-- Other	40% *plus* Rs. 250 per tonne".

K. L. MOHANPURIA,
Secy. to the Govt. of India.

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