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PART V

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Bills introduced in the Parliament of India;
Bills published before introduction in the Parliament, and
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THE FINANCE ACT, 1972

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year 1972-73

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 1972.
- (2) Save as otherwise provided in this Act, sections 2 to 60 shall be deemed to have come into force on the 1st day of April, 1972.

Short
title
and com-
mence-
ment.

CHAPTER II

RATES OF INCOME-TAX

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1972, income-tax shall be charged at the rates specified in Part I of the First Schedule and shall be increased,—

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

(b) in the case to which Paragraph C of that Part applies, by a surcharge for purposes of the Union and a special surcharge for purposes of the Union; and

(c) in the cases to which Paragraphs E and F of that Part apply by a surcharge, calculated in each case in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1972, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable in the case of the Life Insurance Corporation of India, in accordance with Paragraph E of Part I of the First Schedule, to that part of its total income which consists of profits and gains from life insurance business; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(3) In cases to which Chapter XII or section 164 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) applies, 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. ^{43 of 1961.}

(4) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B 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.

(5) 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 deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) 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:

Provided that in respect of any income chargeable to tax under section 164 of the Income-tax Act at the rate of sixty-five per cent, "advance tax" shall be computed at that rate.

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

(a) "company in which the public are substantially interested" means a company which in such a company as is referred to in section 108 of the Income-tax Act;

(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, 1972 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 that Act;

(c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation.—For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income;

(d) “tax-free security” means any security of the Central Government issued or declared to be income-tax free, the income-tax whereon is payable by the State Government;

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

CHAPTER III

DIRECT TAXES

Income-tax

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

Amend-
ment of
section 2

(a) in clause (14), for sub-clause (ii), the following sub-clause shall be substituted with effect from the 1st day of April, 1973, namely:—

“(ii) personal effects, that is to say, movable property (including wearing apparel and furniture, but excluding jewellery) held for personal use by the assessee or any member of his family dependent on him.

Explanation.—For the purposes of this sub-clause, “jewellery” includes —

(a) 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 stone, and whether or sewn into any wearing apparel;

(b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article or work or sewn into any wearing apparel ;

(b) in clause (24),—

(i) after sub-clause (ii), the following sub-clause shall be inserted with effect from the 1st day of April, 1973, namely:-

(iia) voluntary contributions received by a trust created wholly or partly for charitable or religious purposes or by an institution established wholly or partly for such purposes, not being contributions made with a specific direction that they shall form part of the corpus of the trust or institution.

Explanation.—For the purposes of this sub-clause, “trust” includes any other legal obligation,;

(ii) after sub-clause (viii), the following sub-clause shall be inserted, namely :—

“(ix) any winnings from lotteries, crossword puzzles, races including horse races, card games and other games of any sort or from gambling or betting of any form or nature whatsoever,;”

(c) in clause (37A), in sub-clause (ii), for the figures and letter 194A”, the figures and letters “194A, 194B” shall be substituted.

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

ment of (a) for clause (3), the following clause shall be substituted, namely:—

section 10

“(3) any receipts which are of a casual and non-recurring nature not being winnings from lotteries, to the extent such receipts do not exceed one thousand rupees in the aggregate:

Provided that this clause shall not apply to—

(i) capital gains chargeable under the provisions of section 45, or

(ii) receipts arising from business or the exercise of a profession or occupation; or

(iii) receipts by way of addition to the remuneration of an employee;”;

(b) in clause (10), with effect from the 1st day of April, 1973,—

(i) for the words, “a local authority or a corporation established by a Central, State or Provincial Act,” the words “or a local authority” shall be substituted;

(ii) for the portion beginning with the words “or any other gratuity” and ending with the words “whichever is less;”, the following shall be substituted, namely :—

“any other gratuity received by an employee on his retirement or on his becoming incapacitated prior to such retirement or on termination of his employment, or any gratuity received by his widow, children or dependants on his death, to the extent it does not, in either case, exceed one-half month’s salary for each year of completed service, calculated on the basis of the average salary for the three years immediately preceding the year in which the gratuity is paid, subject to a maximum of twenty-four thousand rupees or fifteen month’s salary so calculated, whichever is less;”;

(c) in clause (25), after sub-clause (iii), the following sub-clause shall be inserted with effect from the 1st day of April, 1973, namely:—

“(iv) any income received by the trustees on behalf of an approved gratuity fund,”

5. In section 11 of the Income-tax Act, in clause (c) of sub-section (1), for the words “income from property held under trust,” the words “income derived from property held under trust” shall be substituted with effect from the 1st day of April, 1973.

Amend-
ment of
section 11

6. For section 12 of the Income-tax Act, the following sections shall be substituted with effect from the 1st day of April, 1973, namely :—

Substitu-
tion of
new sec-
tion for
section
12 In-

“12. Any voluntary contributions received by a trust created wholly for charitable or religious purposes or by an institution established wholly for such purposes (not being contributions made with a specific direction that they shall form part of the corpus of the trust or institution) shall for the purposes of section 11 be deemed to be income derived from property held under trust wholly for charitable or religious purposes and the provisions of that section and section 13 shall apply accordingly.

come of
trust or
institu-
tions
from
contri-
butions.

12A. The provisions of section 11 and 12 shall not apply in relation to the income of any trust or institutions unless the following conditions are fulfilled, namely :—

Condi-
tions
as to
registra-
tion of
trusts,

(a) the person in receipt of the income has made an application for registration of the trust or institution in the prescribed form and in the prescribed manner to the Commissioner before the 1st day of July, 1973, or before the expiry of a period of one year from the date of the creation of the trust or the establishment of the institution whichever is later :

etc.

Provided that the Commissioner may, in his discretion, admit an application for the registration of any trust or institution after the expiry of the period aforesaid ;

(b) where the total income of the trust or institution as computed under this Act without giving effect to the provisions of section 11 and section 12 exceeds twenty-five thousand rupees in any previous year, the accounts of the trust or institution for that year have been audited by an accountant as defined in the *Explanation* below sub-section (2) of section 288 and the person in receipt of the income furnishes along with the return of income for the relevant assessment year the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed,”

Amend- 7. In section 13 of the Income-tax Act, with effect from
ment of section 13. the 1st day of April, 1973,--

(a) in sub-section (1),--

(i) in the opening portion, for the words and figures "Nothing contained in section 11," the words and figures "Nothing contained in section 11 or section 12" shall be substituted;

(ii) the following *Explanation* shall be inserted at the end, namely:--

Explanation.—For the purposes of sub-clause (ii) of clause (c), in determining whether any part of the income or any property of any trust or institution is during, in the previous year used or applied, directly or indirectly, for the benefit of any person referred to in sub-section (3), in so far as such use or application relates to any period before the 1st day of July, 1972, no regard shall be had to the amendments made to this section by section 7 (other than sub-clause (ii) of clause (a) thereof of the Finance Act, 1972”;

(b) in sub-section (2), for clause (g), the following clause shall be substituted, namely.—

“(g) if any income or property of the trust or institution is diverted during the previous year in favour of any person referred to in sub-section (3):

Provided that this clause shall not apply where the income, or the value of the property or, as the case may be, the aggregate of the income and the value of the property, so diverted does not exceed one thousand rupees,”

(c) in sub-section (3),—

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

“(cc) any trustee of the trust or manager (by whatever name called) of the institution;”;

(ii) in clause (d), for the words “or member,” the words “member, trustee or” manager” shall be substituted;

(iii) in clause (e), for the brackets and letter "(c)", the brackets and letters "(c), (cc)" shall be substituted ;

(d) in sub-section (4), for the word and figures "section 11," the words and figures section 11 or section 12" shall be substituted;

(e) for *Explanation 1*, the following *Explanation* shall be substituted, namely :—

Explanation 1.—For the purposes of sections 11, 12, 12A and this section, "trust" includes any other legal obligation and for the purposes of this section "relative," in relation to individual, means—

- (i) spouse of the individual;
- (ii) brother or sister of the individual;
- (iii) brother or sister of the spouse of the individual;
- (iv) any lineal ascendant or descendant of the individual;
- (v) any lineal ascendant or descendant of the spouse of the individual;
- (vi) spouse of a person referred to in sub-clause (ii), sub-clause (iii), sub-clause (iv) or sub-clause (v);
- (vii) any lineal descendant of a brother or sister of either the individual or of the spouse of the individual.

8. In section 45 of the Income-tax Act, for the words, figures and letter "sections 53, 54 and 54B," the words, figures and letters "sections 53, 54, 54B and 54C" shall be substituted with effect from the 1st day of April, 1973, Amendment of section 45,

9. In the Income-tax Act, after section 54B, the following section shall be inserted with Insertion of new sec-

effect from the 1st day of April, 1973, namely:—

tion 54C.

“54C. Where the capital gain arises from the transfer of a capital asset, being jewellery held for personal use by the assessee or any member of his family dependent on him, and the assessee has, within a period of six months after such transfer, acquired any other jewellery for personal use by the assessee or any member of his family dependent on him, the capital gain shall be dealt with in accordance with the following provisions of this section, that is to say,—

Capital
gain on
transfer
of
jewellery
held
for
personal
use not

(i) if the cost of the jewellery so acquired is not less than the full value of the consideration received or accruing in respect of the transferred jewellery, the whole of such capital gain shall not be charged under section 45; or

to be
charged
in cer-
tain
cases.

(ii) if the cost of the jewellery so acquired is less than the full value of the consideration received or accruing in respect of the transferred jewellery, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the jewellery so acquired bears to the full value of the consideration received or accruing in respect of the transferred jewellery shall not be charged under section 45.

Explanation.—For the purposes of this section, “jewellery” shall have the same meaning as is assigned to it in the *Explanation* to sub-clause (ii) of clause (14) of section 2.’

10. In section 56 of the Income-tax Act, in sub-section (2), after clause (ia), the following clause shall be inserted, namely:—

Amend-
ment of
section
56.

“(ib) income referred to in sub-clause (ix) of clause (24) of section 2;”.

Inser-
tion of
new
Section
74A.

11. In the Income-tax Act, after section 74, the following section shall be inserted, namely:—

Losses
from
certain
Speci-
fied
sources
falling
under
the
head "In-
come
from
other
sources."

'74A. (1) Where the net result of the computation made for any assessment year in respect of any source falling under the head "Income from other sources" and being a source specified in sub-section (2), is a loss, such loss shall not be set off except against income, if any, from the same source.

(2) The sources referred to in sub-section (1) are—

- (a) lotteries;
- (b) crossword puzzles;
- (c) races including horse races;
- (d) card games;
- (e) other games of any sort;
- (f) gambling or betting of any form or nature whatsoever not falling under any of the foregoing clauses.

Amend-
ment
of sec-
tion 75.

12. In section 75 of the Income-tax Act, in sub-section (1), for the figures and word "73 and 74," the figures, word and letter "73, 74 and 74A" shall be substituted.

Amend-
ment of
section
77.

13. In section 77 of the Income-tax Act, in clause (a) of sub-section (2), for the words, brackets and figures "or sub-section (1) of section 73," the words, brackets, figures, and letter, "sub-section (1) of section 73 or section 74A" shall be substituted.

Amen-
ment of
section
80A.

14. In section 80A of the Income-tax Act, in sub-section (3), for the word, figures and letter "section 80T," the words, figures and letters "section 80T or section 80TT," shall be substituted.

Amend-
ment of
section
80B.

15. In section 80B of the Income-tax Act, clause (7) shall be omitted with effect from 1st day of April, 1973.

Amend-
ment of
section
80C.

16. In section 80B of the Income-tax Act, with effect from the 1st day of April, 1973,—

(a) in sub-section (2),—

(i) in clause (a), in sub-clauses (iii) and (iv), the word "or" shall be inserted at the end and after sub-clause (iv) as so amended, the following sub-clause shall be inserted namely :—

"(v) as a contribution for participation in the Unit-linked Insurance Plan,) 1971 (hereafter in this section referred to as the Unit-linked Insurance Plan) made under section 19 (1) (cc) of the Unit Trust of India Act, 1963;"

52 of 1963.

(ii) in sub-clause (i) of clause (g), in item (3), the word "or" shall be inserted at the end and after item (3) as so amended, the following item shall be inserted, namely:—

"(4) as a contribution for participation by any one member of such association or body in the Unit-linked Insurance Plan,";

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) If the assessee participating in the Unit-linked Insurance Plan, or in the case of an assessee being an association of persons or a body of individuals referred to in clause (g) of sub-section (2), the member thereof participating in the Plan, terminates his participation in the Plan (by notice to that effect or where he ceases to participate by reason of failure to pay any contribution, by not reviving his participation) before contributions in respect of such participation have been paid for five years, then—

(a) no deduction shall be allowed to the assessee under this section in respect of the contribution, if any, paid in the previous year in which the participation is so terminated; and

(b) the deductions allowed in respect of the contributions paid in the previous years preceding the previous year referred to in clause (a) shall be deemed to be the chargeable tax accordingly.

Explanation.— For the purpose of this sub-section, the deduction allowed under this section in respect of the contribution paid in any previous year shall be the amount by which the deduction allowed under this section for that year exceeds the deduction which would have been allowed for that year if no such contribution had been paid during that year.”.

17. In section 80G of the Income-tax Act, *Explanation 2* below sub-section (5), with effect from the 1st day of April, 1973,—

Amendment of section 80G.

(a) in clause (i), for the word and figures “section 11,” the words, figures and letter “section 11, section 12 or section 12A” shall be substituted ;

(b) in clause (ii), for the word and figures “section 11,” the words and figures “section 11 or section 12” shall be substituted.

18. Section 80I of the Income-tax Act shall be omitted with effect from the 1st day of April, 1973.

Omission of section 80I.

19. In section 80J of the Income-tax Act, with effect from the 1st day of April, 1973,—

Amendment of section 80J.

(a) in sub-section (1), for the brackets, words figures and letters “(reduced by the aggregate of the deductions if any, admissible to the assessee section 80H and section 80I)”, the brackets, words, figures and letter “(reduced by the deduction, if any, admissible to the assessee under section 80H)” shall substituted ;

[b] in sub-section [3], the word, figures and letter, "section 801," shall be omitted.

Amendment of section 80L.

20. In section 80L of the Income-tax Act, in sub-section (1), with effect from the 1st April, 1973,—

[a] in clause (vii), the word "or" at the end shall be omitted;

(b) in clause (viii), for the words "member of the society," the words "member of the society; or" shall be substituted ;

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

(ix) dividends from any co-operative society,".

Omission of section 80Q
Insertion of new section 80TT.
Deduction in respect of winnings from lottery.

21. Section 80Q of the Income-tax Act shall be omitted with effect from the 1st day of April, 1973.

22. After section 80T of the Income-tax and before the heading "D.— Other deduction", the following section shall be inserted namely :—

"80TT. Where the gross total income of an assessee, not being a company, includes any income by way of winnings from any lottery (such income being hereafter in this section referred to as winnings), there shall be allowed, in computing the total income of the assessee, a deduction from the winnings of an amount equal to,—

(a) in a case where the gross total income does not exceed five thousand rupees or where the winnings do not exceed five thousand rupees, the whole of such winnings;

(b) in any other case, five thousand rupees as increased by a sum equal to fifty per cent of the amount by which the winnings exceed five thousand rupees.”.

Substi- 23. For section 90 of the Income-tax Act, the following
tution of section shall be substituted, namely:—

new

section
for

section 90

Agree- “90. The Central Government may enter into an agree-
ment with the Government of any country outside India—

foreign (a) for the granting of relief in respect of income on
countries which have been paid both income-tax under this Act and
income-tax in that country, or

(b) for the avoidance of double taxation of income
under this Act and under the corresponding law in force
in that country, or

(c) for exchange of information for the prevention of
evasion or avoidance of income-tax chargeable under this
Act or under the corresponding law in force in that coun-
try, or investigation of cases of such evasion or avoid-
ance, or

(d) for recovery of income-tax under this Act and
under the corresponding law in force in that country,
and may, by notification in the Official Gazette, make
such provisions as may be necessary for implementing
the agreement.”.

24. In section 125 of the Income-tax Act, in the
proviso to sub-section (1), after the figures “288,” the
figures and letter “228A,” shall be inserted. Amend-
ment of
section
125.

25. In section 132A section 201, sections 213 to 217,
section 220, section 243 and section 244 of the Income-
tax Act and in rule 60 of the Second Schedule to that
Act, for the words “nine per cent.”, wherever they occur,
the words “twelve per cent.” shall be substituted. Amend-
ment of
sections
132A,
201, 213
to 217,
220, 243
and 244
and
Second
Schedule.

26. In section 139 of the Income-tax Act,—

(a) in clause (a) of sub-section (1), for the words "six months", the words "four months" shall be substituted;

Amend-
ment of
section
139.

(b) for the proviso to sub-section (2), the following proviso shall be substituted, namely:—

"Provided that, on an application made in the prescribed manner, the Income-tax Officer may, in his discretion, extend the date for furnishing the return, and, notwithstanding that the date is so extended, interest shall be chargeable in accordance with the provisions of sub-section (8).";

(c) for sub-section (4A), the following sub-section shall be substituted with effect from the 1st day of April, 1973, namely:—

"(4A) Every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes or in part only for such purposes, or of income being voluntary contributions referred to in sub clause (ii) of clause (24) of section 2, shall, if the total income in respect of which he is assessable as a representative assessee (the total income for this purpose being computed under this Act without giving effect to the provisions of sections 11 and 12) exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1).";

(d) in sub-section (8) (a), —

(i) for the portion beginning with the words, brackets and figure "Where the return under sub-section (1)" and ending with the words "waive the interest payable by any person under this sub-section.", the following shall be substituted, namely:—

'Where the return under sub-section (1) or sub-section (2) or sub-section (4) for an assessment year is furnished after the specified date, or is not furnished, then [whether or not the Income-tax Officer has extended the date for furnishing the return under sub-section (1) or sub-section (2)], the assessee shall be liable to pay simple interest at twelve per cent. per annum, reckoned from the day immediately following the specified date to the date of the furnishing of the return or, where no return has been furnished, the date of completion of the assessment under section 144, on the amount of the tax payable on the total income as determined on regular assessment, as reduced by the advance tax, if any, paid, and any tax deducted at source.

Provided that the Income-tax Officer may, in such cases and under such circumstances as may be prescribed, reduce or waive the interest payable by any assessee under this sub-section.

Explanation.— 1. For the purpose of this sub-section, "specified date," in relation to a return for an assessment year, means,—

(a) in the case of every assessee whose total income, or the total income of any person in respect of which he is assessable under this Act, includes any income from business or profession, on the date of the expiry of four months from the end of the previous year which expired last before the commencement of the assessment year, or the 30th day of June of the assessment year, whichever is later;

(b) in the case of every other assessee, the 30th day of June of the assessment year.;

(ii) the existing *Explanation* shall be re-numbered as

Amend-
ment
of
section
164.

Explanation 2.

27. In section 164 of the Income-tax Act, with effect from the 1st day of April, 1973,—

(a) in sub-section [2], for the words and figures "tax shall be charged on so much of the relevant income as is not exempt under section 11," the words, brackets, figures and letter "or which is of the nature referred to in sub-clause (iia) of clause (24) of section 2, tax shall be charged on so much of the relevant income as is not exempt under section 11 or section 12," shall be substituted;

(b) in sub-section (3), for the words "In a case where the relevant income is derived from property held under trust in part only for charitable or religious purposes," the words, brackets, figures and letter "In a case where the relevant income is derived from property held under trust in part only for charitable or religious purposes or is not the nature referred to in sub-clause (iia) of clause (24) of section 2" shall be substituted.

28. After section 194A of the Income-tax Act, the following sections shall be inserted, namely:—

Insertion of new Sections 194B and 194C.

"194B. The person responsible for paying to any person any income by way of winnings from any lottery or crossword puzzle in an amount exceeding one thousand rupees shall, at the time of payment thereof, deduct income-tax thereon at the rates in force:

Win-
nings
from
lottery
or cross
word
puzzle.

Provided that no deduction shall be made under this section from any payment made before the 1st day of June, 1972.

194C. (1) Any person responsible for paying any sum to any resident (hereafter in this section referred to as the

Pay-
ments

contractor) for carrying out any work (including supply of labour for carrying out any work) in pursuance of a contract between the contractor and—

CONTRACTOR AND SUB-CONTRACTORS.

- (a) the Central Government or any State Government; or
- (b) any local authority; or
- (c) any corporation established by or under a Central, State or Provincial Act; or
- (d) any company.

shall, at the time of credit of such sum to the account of the contractor or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to two per cent. of such sum as income-tax on income-tax on income comprised therein.

(2) Any person (being a contractor and not being an individual or a Hindu undivided family) responsible for paying any sum to any resident (hereafter in this section referred to as the sub-contractor) in pursuance of a contract with the sub-contractor for carrying out, or for the supply of labour for carrying out, the whole or any part of the work undertaken by the contractor or of supplying whether wholly or partly any labour which the contractor has undertaken to supply shall, at the time of credit of such sum to the account of the sub-contractor or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent. of such sum as income-tax on income comprised therein.

(3) No deduction shall be made under sub-section (1) or sub-section (2) from—

(i) any sum credited or paid in pursuance of any contract the consideration for which does not exceed five thousand rupees; or

(ii) any sum credited or paid before the 1st day of June, 1972.

(4) Where the Income-tax Officer is satisfied that the total income of the contractor or the sub-contractor justifies the deduction of income-tax, Officer shall, on an application made by the contractor or the sub-contractor in this behalf, give to him such certificate as may be appropriate.

(5) Where any such certificate is given, the person responsible for paying the sum referred to in sub-section (1) or sub-section (2) shall, until such certificate is cancelled by the income-tax Officer, deduct income-tax at the rates specified in such certificate or deduct no tax, as the case may be."

Amendment of section 197.

29. In section 197 of the Income-tax Act, in clause (a) of sub-section (1), for figures, letter and word "194A and 194," the figures, letters and word "194A, 194B and 195", shall be substituted.

Amendment of sections 198, 199, 200, 202, and 203.

30. In section 198, section 199, section 200, 202 and section 203, of the Income-tax Act, for the words, figures and letter "section 194A and." the words, figures and letters "section 194A, section 194B, section 194C and" shall be substituted.

Amendment of Section 204.

31. In section 204 of the Income-tax Act, after the word, figures and letter "section 194A," the words, figures and letters "section 194B, section 194B, section 194C," shall be inserted.

Amendment of section 205.

32. In section 205 of the Income-tax Act, for the words, figures and letter "section 194A, and," the words, figures and letters section 194A, section 194B, section 194C and" shall be substituted.

Amendment of section 207.

33. In section 207 of the Income-tax Act, in sub-section (1), for the words 'in the case of income other than income chargeable under the head "Capital gains." the following shall be substituted, namely:— 'is the case of other than—

(a) income chargeable under the head "Capital gains"; and

(b) income referred to in sub-clause (ix) of clause (24) of section 2.

Amendment of section 208.

34. In section 208 of the Income-tax Act, in clause (a) of sub-section (1), for the words "exclusive of capital gains," the words, brackets and figures "exclusive of capital gains and income referred to in sub-clause (ix) of clause (24) of section 2," shall be substituted.

Amendment of section 209.

35. In section 209 of the Income-tax Act, in clause (a),-

(a) in sub-clause (ii), for the words "the amount of capital gains," the words, brackets and figures "the amount of capital gains and income referred to in sub-clause (ix) of clause (24) of section 2" shall be substituted;

(b) in sub-clause (iii), for the words, figures and letter "section 194A and", the words, figures and letters "section 194C and" shall be substituted.

36. In section 211 of the Income-tax Act, in the *Explanation* below sub-section (1), for the words "by the capital gains," the words, brackets and figures "by the amount of capital gains and income referred to in sub-clause (ix) of clause (24) of section 2" shall be substituted.

Amendment of section 211.

37. In section 212 of the Income-tax Act, in sub-section (1), for the brackets and words "(exclusive of capital gains, if any)", the brackets, words and figures "[exclusive of capital gains and income referred to in sub-clause (ix) of clause (24) of section 2, if any]", shall be substituted.

Amendment of section 212.

38. In section 215 of the Income-tax Act, in sub-section (5), for the word, figures and letter "section 194A", the words, figures and letters "section 194A, section 194C" shall be substituted.

Amendment of section 215.

39. After section 228 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 228A.

‘228A, (1) Where an agreement is entered into by the Central Government with the Government of any Country outside India for recovery of income-tax under this Act and the corresponding law in force in that country and the Government of that country or any authority under that Government which is specified in this behalf in such agreement sends to the Board a certificate for the recovery of any tax due under such corresponding law person having any property in India, the Board may forward such certificate to any Tax Recovery Officer within whose jurisdiction such property is situated and thereupon such Tax Recovery Officer shall—

Recovery of tax in pursuance of agreements with foreign countries.

(a) proceed to recover the amount specified in the certificate in the manner in which he would proceed to recover the amount specified in a certificate received from an Income-tax Officer; and

(b) remit any sum so recovered by him to the Board after deducting his expenses in connection with the recovery proceedings.

(2) Notwithstanding the issue of a certificate under section 222 to the Tax Recovery Officer, where and assessee is in default or is deemed to be in default in making a payment of tax, the Income-tax Officer may, if the assessee has property in a country outside India (being a country with which the Central Government has entered into an agreement for the recovery of income-tax under this Act and the corresponding law in force in that country), forward the Board a certificate specifying the amount of arrears due from the assessee and the Board may take such action thereon as it may deem appropriate having regard to the terms of the agreement with such country.”.

40. In section 252 of the Income-tax Act, after sub-section (3), the following sub-sections shall be inserted, namely:—

Amendment of section 252.

“(4) The Central Government may appoint one or more members of the Appellate Tribunal to be the Vice-President or, as the case may be, Vice-Presidents thereof.

(5) A Vice-President shall exercise such of the powers and perform such of the functions of the President as may be delegated to him by the President by a general or special order in writing.”.

Amend-
ment of
section
295.

41. In section 295 of the Income-tax Act, in sub-section (2), after clause (m), the following clause shall be inserted, namely :—

“(mm) the circumstances in which, the conditions subject to which and the manner in which, the Appellate Assistant Commissioner may permit an appellant to produce evidence which he did not produce or which he was not allowed to produce before the Income-tax Officer,”.

Amend-
ment of
Fourth

42. In the Fourth Schedule to the Income-tax Act, in Part C, for the brackets, words and figures “[See sections 2 (5), 17 (1) (iii), 36 (1) (v)]”, the brackets, words and figures “[See sections 2 (5), 10 (25) (iv), 17 (1) (iii), 36 (1) (v)]” shall be substituted with effect from the 1st day of April, 1973.

Omis-
sion of
Sixth
Schedule.

43. The Sixth Schedule to the Income-tax Act shall be omitted with effect from the 1st day of April, 1973.

Amend-
ment of
section 2.

44. In section 2 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act,—

(a) after clause (h), the following clause shall be, and shall be deemed always to have been, inserted, namely:—

“(ha “co-operative society” means a co-operative society registered under the Co-operative Societies Act, 1912 or under any other law for the time being in force in any State for the registration of co-operative societies,”

(b) existing clause (ha) shall be deemed to have been re-lettered as clause (hb) with effect from the 1st day of April, 1965.

45. In section 5 of the Wealth-tax Act,—

Amend-
ment of
section 5.

(a) in sub-section (1),--

(i) after clause (xviiia), the following clauses shall be and shall be deemed always to have been, inserted, namely :—

“(xviiib) any property held by the trustees on behalf of any provident fund to which the Provident Funds Act, 1925 applies or which is a recognised provident fund within the meaning of clause (38) of section 2 of the Income-tax Act ;

“(xviiic) any property held by the trustees on behalf of any gratuity fund which is an approved gratuity fund within the meaning of clause (5) of section 2 of the Income-tax Act ;

“(xviid) any property held by the trustees on behalf of any superannuation fund which is an approved superannuation fund within the meaning of clause (6) of section 2 of the Income-tax Act;”;

“(ii) after clause (xxx), the following clauses shall be inserted with effect from the 1st day of April, 1973, namely :—

“(xxxi) the value, as determined in the prescribed manner, of assets (not being any land or building or any rights in any land or building or any asset referred to in any other clause of this sub-section) forming part of an industrial undertaking belonging to the assessee.

Explanation.—For the purposes of this clause and clause (xxxii) the term “industrial undertaking” means an undertaking engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining ;

(xxxii) the value, as determined in the prescribed manner, of the interest of the assessee in the assets (not being any land or building or any rights in any land or building or any asset referred to in any other clause of this sub-section) forming part of an industrial undertaking belonging to a firm or an association of persons of which the assessee is a partner or, as the case may be, a member.;

(b) in sub-section (1A), for the brackets, figures and word "(xxviii) and (xxix)", the brackets, figures and word "(xxviii), (xxix), (xxx) and (xxxii)" shall be substituted with effect from the 1st day of April, 1973 ;

(c) in sub-section (3), after the proviso, the following *Explanation* shall be inserted with effect from the 1st day of April, 1973, namely:—

"*EXPLANATION.*— For the purposes of clause (a) or clause (b) of this sub-section, in computing the period of six months in relation to any asset (not being any share or security held as stock-in-trade for the purposes of the business of the assessee) in a case where such asset (hereafter in this *Explanation* referred to as the relevant asset) was acquired by the assessee by conversion of, or in exchange for, or with the proceeds of, or with the money constituting any other asset exempt from Wealth-tax under sub-section (1) or sub-section (2), there shall be included if the assessee acquired the relevant asset within thirty days after he ceased to hold such other asset, so much of the period for which the assessee held such other asset as falls within the period of twelve months ending with the relevant valuation date."

46. After section 21 of the Wealth-tax Act, the following section shall be inserted with effect from the 1st day of April, 1973, namely :—

Insertion
of new
section
21A.

"21A. Notwithstanding anything contained in clause (i) of sub-section (1) of section 5, where any property is

Assess-
ment in
cases of

held under trust for any public purpose of a charitable or religious nature in India and

diver
sion of
prop-
erty, or
of in-
come

(i) any part of such property or any income of such trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act] is used or applied, or

from
prop-
erty, held
under
trust
for

(ii) any part of the income of the trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act], being a trust created on or after the 1st day of April, 1962, enures,

public
charita-
ble or
religious
purpo-
ses.

directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the Income-tax Act, wealth-tax shall be leviable upon and recoverable from the trustee or manager (by whatever name called) in the like manner and to the some extent as if the property were held by an individual who is a citizen of India and resident in India for the purposes of this Act and—

(a) at the rates specified in Part I of the Schedule in the case of an individual; or

(b) at the rate of one and one-half per cent., whichever course is more beneficial to the revenue :

Provided that in the case of a trust created before the 1st day of April, 1962, the provisions of clause (i) shall not apply to any use or application, whether directly or indirectly, of any part of such property or any income of such trust for the benefit of any person referred to in sub-section (3) of section 13 of the Income-tax Act if such use or application is by way of compliance with a mandatory term of the trust:

Provided further that in a case where the aggregate of the funds of the trust invested in a concern in which

any person referred to in sub-section (3) of section 13 of the Income-tax Act has a substantial interest as provided in *Explanation 3* to that section does not exceed five per cent of the capital of that concern, the exemption under clause (i) of sub-section (1) of section 5 shall not be denied in relation to any property other than such investment, by reason only that the funds of the trust have been invested in a concern in which any person referred to in the aforesaid sub-section (3) has such substantial interest.

Explanation.— For the purposes of this section,—

(a) any part of the property or income of a trust shall be deemed to have been used or applied for the benefit of any person referred to in sub-section (3) of section 13 of the Income-tax Act in every case in which it can be so deemed to have been used or applied within the meaning of clause (c) of sub-section (1) of that section at any time during the period of twelve months ending with the relevant valuation date;

(b) "trust" includes any other legal obligation.'

Amend-
ment of
sections
31 and
34A

47. In sections 31 and 34A of the Wealth-tax Act, for the words "nine per cent.", the words "twelve per cent." shall be substituted.

Amend-
ment of
section
32.

48. In section 32 of the Wealth-tax Act, for the words and figures "sections 221 to 227", the words, figures and letter "sections 221 to 227, 228A" shall be substituted.

Amend-
ment of
section
44A.

49. In section 44A of the Wealth-tax Act, for the portion beginning with the word "The Central Government may" and ending with the words "for implimenting the agreement", the following shall be substituted, namely:—

"The Central Government may enter into an agree-
ment with the Government of any reciprocating country—

(a) for the avoidance or relief of double taxation with respect to wealth-tax payable under this Act and under the corresponding law in force in the reciprocating country, or

(b) for exchange of information for the prevention of evasion or avoidance of wealth-tax chargeable under this Act or under the corresponding law in force in that country or investigation of cases of such evasion or avoidance, or

(c) For recovery of tax under this Act and under the corresponding law in force in that country,

and may, by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement.”.

50. In section 45 of the Wealth-tax Act,—

Amend-
ment of
section
45

(a) for the words “The provisions of this Act shall not apply to—”, the words “No tax shall be levied under this Act in respect of the net wealth of—” shall be substituted;

(b) after clause (f), the following clause shall be deemed always to have been, inserted, namely:—

“(g) any co-operative society.”.

51. In section 46 of the Wealth-tax Act, in sub-section (2), after clause (c), the following clause shall be inserted, namely:—

Amend-
ment of
section 46.

“(cc) the circumstances in which, the conditions subject to which and the manner in which, the Appellate Assistant Commissioner may permit an appellant to produce evidence which he did not produce or which he was not allowed to produce before the Wealth-tax Officer,”.

Gift-tax

18 of 1958. 52. In sections 32 and 33A of the Gift-tax Act, 1958 (hereinafter referred to as the Gift-tax Act), for the words “nine per cent.”, the words “twelve per cent.” shall be substituted.

Amend-
ment of
sections
32 and
33A.

53. In section 33 of the Gift-tax Act, for the words and figures "sections 221 to 227", the words, figures and letter "sections 2-1 to 2-7, 228A" shall be substituted. Amendment of section 33.

54. In section 44 of the Gift-tax Act, for the portion beginning with the words "The Central Government may" and ending with the words "for implementing the agreement.", the following shall be substituted, namely:— Amendment of section 44.

"The Central Government may enter into an agreement with the Government of any reciprocating country—

(a) for the avoidance or relief of double taxation with respect to gift-tax payable under this Act and under the corresponding law in force in the reciprocating country, or

(b) for exchange of information for the prevention of evasion or avoidance of gift-tax chargeable under this Act or under the corresponding law in force in that country or investigation of cases of such evasion or avoidance, or

(c) for recovery of tax under this Act and under the corresponding law in force in that country,

and may, by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement."

Amendment of section 45. 55. In section 45 of the Gift-tax Act, with effect from the 1st day of April, 1973,—

(a) in clause (e), for the word and figures "section 11", the words and figures "section 11 or section 12" shall be substituted;

(b) in *Explanation 3*,—

(i) in clause (i), for the word and figures "section 11", the words figures and letter "section 11 or section 12 or section 12A" shall be substituted;

(ii) in clause (ii), for the word and figures "section 11", the words and figures "section 11 or section 12" shall be substituted.

Amendment of section 46.

56. In section 46 of the Gift-tax Act, in sub-section (2), after clause (c), following clause shall be inserted, namely:—

"(cc) circumstances in which, the conditions subject to which and the manner in which, the Appellate Assistant Commissioner may permit an appellant to produce evidence which he did not produce or which he was not allowed to produce before the Gift-tax Officer,".

Surtax

Substitution of new section for Section 24A.

57. For section 24A of the Companies (Profits) Surtax Act, 1964 [hereinafter referred to as the Companies (Profits) Surtax Act], the following section shall be substituted, namely:—

Agreement with foreign countries.

"24A. The Central Government may enter into an agreement with the Government of any country outside India—

(a) for the granting of relief in respect of chargeable profits on which have been paid both surtax under this Act an tax of a similar character or income-tax on such profits in that country, or

(b) for the avoidance of double taxation of chargeable profits under this Act and under any law relating to the taxation of income or profits in force in that country, or

(c) for exchange of information for the prevention of evasion or avoidance of surtax chargeable under this Act or the tax chargeable under the corresponding law in force in that country or investigation of cases of such evasion or avoidance, or

(d) for recovery of tax under this Act and under any law relating to the taxation of income or profits in force in that country,

and may, by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement.”.

58. In section 25 of the Companies (Profits) Surtax Act, in sub-section (2), after clause (c), the following clause shall be inserted, namely :—

Amendment of section 25.

“(cc) the circumstances in which, the conditions subject to which and the manner in which, the Appellate Assistant Commissioner may permit an appellant to produce evidence which he did not produce or which he was not allowed to produce before the Income-tax Officer;”.

Miscellaneous

59. Notwithstanding the amendments made by this Act to the Income-tax Act, in computing, in the case of any person, the total income of a previous year relevant to the assessment year commencing on the 1st day of April, 1972, any income falling within clause (3) of section 10 of the Income-tax Act as it stood immediately before the 1st day of April, 1972, shall not be included.

Certain casual and non recurring receipts not to be included in the total income for the assessment year 1972-73.

60. For the removal of doubts, it is hereby declared that where interest is payable under—

Applicability of revised rate of interest.

(a) section 139 of the Income-tax Act or any other provision of that Act referred to in section 25 of this Act; or

(b) section 31 or section 34A of the Wealth-tax Act; or

(c) section 32 or section 33A of the Gift-tax Act; or

(d) section 18 of the Companies (Profits) Surtax Act,

in respect of any period commencing on or before the 31st day of March, 1972 and ending after that date, such interest shall, in respect of so much of such period as falls after that date, be calculated at the rate of twelve per cent. per annum.

CHAPTER IV

INDIRECT TAXES

61. The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Second Schedule. Amendment of Act 32 of 1934

62. (1) With a view to regulating or bringing greater economy in imports, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act, or in that Schedule as amended from time to time, a regulatory duty of customs which shall not exceed 15 per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962: Regulatory duties of customs.

52 of 1962.

Provided that defferent dates and defferent rates may be specified by the Central Government for defferent kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1973, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act, 10 of 1897.

(3) The regulatory duty of customs leviabie under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable an such goods under the Customs Act, 1962. 52 of 1962.

(4) The provisions of the Customs Act, 1962, 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 regulatory duty of customs leviabie 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. 52 of 1962

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

(6) All regulatory duties of customs levied under sub-section (1) of section 4 of the Finance Act, 1971 and in force immediately before the 18th day of March, 1972, shall, subject to any notification issued under section 25 of the Customs Act, 1962, read with sub-section (4) of the said section 4, continue to have effect until the date on which the other provisions of this section come into force, and accordingly in sub-section (2) of the said section 4, for the reference to the 15th day of May, 1972, a reference to the date on which the other provisions of this section come into force shall be deemed to be substituted.

Amendment of Act 1 of 1949. 63. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1972," the figures "1973" shall be substituted.

Amendment of Act 1 of 1944. 64. In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act),—

(a) after section 35, the following section shall be inserted, namely :—

Revision by Board.

"35A. The Central Board of Excises and Customs constituted under the Central Board of Revenue Act, 1963, may, of its own motion or otherwise, call for and examine the record of any proceeding in which any decision or order has been passed under this Act or the rules made thereunder (not being a decision or order passed on appeal under section 35) for the purpose of satisfying itself as to the correctness, legality or propriety of such decision or order and may pass such order thereon as it thinks fit :

Provided that no decision or order shall be varied so as to prejudicially affect any person unless such person is given a reasonable opportunity of making a representation and, if he so desires, of being heard in his defence :

Provided further that no proceedings shall be commenced under this section in respect of any decision or order (whether such decision or order has been passed before or after the coming into force of this section) after the expiration of a period of one year from the date of such decision or order;”;

(b) section 36 shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) The Central Government may, of its own motion or otherwise, call for and examine the record of any proceeding in which any decision or order has been passed under section 35 or section 35A of this Act for the purpose of satisfying itself as to the correctness, legality or propriety of such decision or order and may pass such order thereon as it thinks fit :

Provided that no decision or order shall be varied so as to prejudicially affect any person unless such person is given a reasonable opportunity of making a representation and, if he so desires, of being heard in his defence :

Provided further that no proceedings shall be commenced under this sub-section in respect of any decision or order (whether such decision or order has been passed before or after the coming into force of this sub-section) after the expiration of a period of one year from the date of such decision or order.”;

(c) the First Schedule shall be amended in the manner specified in the Third Schedule.

65. (1) With a view to regulating or bringing greater economy in consumption, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Central Excises Act, a regulatory duty of excise which

Regula-
tory
duties of
excise.

shall not exceed 15 per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1973, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for the purposes of the Union and the proceeds thereof shall not be distributed among the States.

(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 regulatory 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.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

(6) All regulatory duties of excise levied under sub-section (1) of section 7 of the Finance Act, 1971 and in force immediately before the 18th day of March, 1972, shall, subject to any notification under rule 8 of the Cen-^{14 of 1971.}

tral Excise Rules, 1944, read with sub-section (4) of the said section, continue to have effect until the date on which the other provisions of this section come into force, and accordingly in sub-section (2) of the said section 7, for the reference to the 15th day of May, 1972, a reference to the date on which the other provisions of this section come into force shall be deemed to be substituted.

Amendment of Act 58 of 1957. Amendment of Act 27 of 1958. Discontinuance of salt duty.

66. The Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act) shall be amended in the manner specified in the Fourth Schedule.

67. The Mineral Products (Additional Duties of Excise and Customs) Act, 1958 (hereinafter referred to as the Mineral Products Act) shall be amended in the manner specified in Fifth Schedule.

68. For the year beginning on the 1st day of April, 1972, no duty under the Central Excises Act or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

CHAPTER V

DELHI SALES TAX

Amendment of Bengal Act VI of 1941 as in Force in Delhi.

69. In the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union territory of Delhi,—

(a) in section 5, in sub-section (2), in sub-clause (ii) of clause (a), for the words “for use by him as raw materials in the manufacture of goods for sale; and”, the following shall be substituted, namely :—

“for use by him as raw materials in the manufacture in the Union territory of Delhi (hereafter in this sub-clause referred to as Delhi), of goods (other than goods declared tax-free under section 6),—

(A) for sale inside Delhi; or

(B) for sale in the course of inter-State trade or commerce, being a sale occasioning, or effected by transfer of documents of title to such goods during the movement of such goods from Delhi; or

(C) for sale in the course of export outside India being a sale occasioning the movement of such goods from Delhi, or a sale effected by transfer of documents of title to such goods effected during the movement of such goods from Delhi, to a place outside India and after the goods have crossed the customs frontiers of India; and”;

(b) after section 12, the following sections shall be inserted, namely :—

Liability
in

‘12A Where a dealer liable to pay tax under this Act, transfers his business in whole or in part, by sale, gift, lease, leave or licence, hire or in any other manner whatsoever, the dealer and the person to whom the business is so transferred shall jointly and severally be liable to pay the tax (including penalty) due from the dealer up to the time of such transfer, whether such tax (including penalty) has been assessed before such transfer but has remained unpaid or is assessed thereafter:

case of
transfer
of busi-
ness.

Provided that the liability of the transferee shall be limited to the value of the assets he obtained by such transfer.

12B. (1) Every person—

(a) who is a liquidator of any company which is being wound up whether under the orders of a court or otherwise; or

Liabili-
ty in
case of
compa-
ny in
liquida-
tion.

(b) who has been appointed the receiver of any assets of a company,

(hereinafter referred to as the liquidator) shall, within thirty days after he has become such liquidator, give notice of his appointment as such to the Commissioner.

(2) The Commissioner shall after making such enquiries or calling for such information as he may deem fit, notify to the liquidator within three months from the date on which he receives notice of appointment of the liquidator the amount which, in the opinion of the Commissioner, would be sufficient to provide for any tax (including any penalty) which is then or is likely thereafter to become payable by the company under this Act.

(3) The liquidator shall not part with any of the assets of the company or the properties in his hand until he has been notified by the Commissioner under sub-section (2), and on being so notified the liquidator shall set aside an amount equal to the amount notified and until he so sets aside such amount, he shall not part with any of the assets of the company or the properties in his hand:

Provided that nothing contained in this sub-section shall debar the liquidator from parting with such assets or properties in compliance with any order of a court or for the purpose of the payment of the tax and penalty, if any, payable by the company under this Act or for making any payment to secured creditors whose debts are entitled under law to priority of payment over debts due to Government on the date of liquidation or for meeting such costs and expenses of the winding up of the company as are in the opinion of the Commissioner reasonable.

(4) If the liquidator fails to give notice in accordance with sub-section (1) or fails to set aside the amount as required by sub-section (3) or parts with any assets of the company or the properties in his hand in contravention of the provisions of that sub-section, he shall be personally liable for the payment of the tax and penalty, if any, which the company would be liable to pay under this Act:

Provided that if the amount of any tax (including any penalty) payable by the company is notified under sub-section (2), the personal liability of the liquidator under this sub-section shall be to the extent of such amount.

(5) Where there are more liquidators than one, the obligations and liabilities attached to the liquidator under this section shall be attached to all the liquidators jointly and severally.

(6) When any private company is wound up and any tax (including any penalty) assessed under this Act on the company for any period before or in the course of or after its liquidation, cannot be recovered, then every person who was a director of the private company at any time during the period for which the tax is due, shall be jointly and severally liable for the payment of such tax (including penalty) unless he proves to the satisfaction of the Commissioner that non-recovery cannot be attributed to any gross negligence, misfeasance or breach of duty on his part in relation to the affairs of the company.

(7) The provisions of this section shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

(8) For the purposes of this section, the expressions "company" and "private company" shall have the meanings respectively assigned to them under clauses (i) and (iii) of sub-section (1) of section 3 of the Companies Act, 1956.

1 of
1956.

Liability of
partners
of firm
to pay
tax.

12C. Notwithstanding any contract to the contrary, where any firm is liable to pay tax (including any penalty) under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment:

Provided that where any such partner retires from the firm, he shall intimate the date of his retirement to the Commissioner by a notice in that behalf in writing and he shall be liable to pay tax (including penalty) remaining

unpaid at the time of his retirement and any tax (including any penalty) due up to the date of his retirement though unassessed on that date:

Provided further that if no such intimation is given within fifteen days from the date of retirement, the liability of the partner under the first proviso shall continue until the date on which such intimation is received by the Commissioner.

Liability of guardians, trustees, etc.

12D. Where the business in respect of which tax is payable under this Act is carried on by, or is in charge of any guardian, trustee or agent of a minor or other incapacitated person on his behalf and for the benefit of such minor or other incapacitated person, the tax shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same extent as it would be assessed upon and recoverable from any such minor or other incapacitated person, if he were of full age and of sound mind and if he were conducting the business himself; and all the provisions of this Act shall, so far as may be, apply accordingly.

Liability of Court of Wards, etc.

12E. Where the estate or any portion of the estate of a dealer owning a business in respect of which tax is payable under this Act is under the control of the Court of Wards, the Administrator-General, the Official Trustee or any Receiver or Manager (including any person, whatever be his designation, who in fact manages the business) appointed by or under any order of a court, the tax shall be levied upon and be recoverable from such Court of Wards, Administrator-General, Official Trustee, Receiver or Manager in like manner and to the same extent as it would be assessable upon and be recoverable from the dealer if he were conducting the business himself; and all the provisions of this Act shall, so far as may be, apply accordingly.

12F. (1) Where a dealer is a firm or an association of persons or a Hindu undivided family, and such firm, association or family has discontinued business—

Liability in other cases.

(a) the tax payable under this Act by such firm, association or family up to the date of such discontinuance may be assessed as if no such discontinuance had taken place; and

(b) every person who was at the time of such discontinuance a partner of such firm or a member of such association or family shall, notwithstanding such discontinuance, be liable jointly and severally for the payment of tax assessed and penalty imposed and payable by such firm, association or family, whether such tax (including penalty) has been assessed prior to or after such discontinuance, and, subject as aforesaid, the provisions of this Act shall, so far as may be, apply as if every such person or partner or member were himself a dealer:

Provided that where the partner of a firm liable to pay such tax (including penalty) dies, the provisions of sub-section (4) shall, so far as may be, apply.

(2) Where a change has occurred in the constitution of a firm or association, the partners or members of the firm or association as it existed before and as it exists after its re-constitution, shall, without prejudice to the provisions of section 12C, jointly and severally be liable to pay any tax (including any penalty) due from such firm or association for any period before its re-constitution.

(3) The provisions of sub-section (1) shall, so far as may be, apply where the dealer, being a firm or association of persons is dissolved, or where the dealer, being a Hindu undivided family has effected partition with respect to the business carried on by it and accordingly references in that sub-section to discontinuance shall be treated as references to dissolution or, as the case may be, to partition.

(4) Where a dealer liable to pay tax under this Act dies, then—

(a) if the business carried on by the dealer is continued after his death, by his legal representative or any other person, such legal representative or other person shall be liable to pay the tax (including penalty) due from the dealer under this Act whether such tax (including penalty) has been assessed before his death but has remained unpaid or is assessed after his death,

(b) if the business carried on by the dealer is discontinued after his death, his legal representative shall be liable to pay out of the estate of the deceased, to the extent the estate is capable of meeting the charge, the tax (including penalty) due from the dealer under this Act whether such tax (including penalty) has been assessed before his death but has remained unpaid or is assessed after his death,

and the provisions of this Act shall, so far as may be, apply to such legal representative or other person as if he were the dealer himself.

Explanation.—For the purposes of this sub-section “legal representative” has the meaning assigned to it in clause (11) of section 2 of the Code of Civil Procedure, 1908.^{5 of 1908.}

(c) in section 17, for the words “the transferee shall for all the purposes of this Act”, the words, figure and letter “then, save as otherwise provided in section 12A, the transferee shall for all the purposes of this Act” shall be substituted.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGES ON
INCOME-TAX

Paragraph A

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 any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 5,000 | Nil; |
| (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 | 10 per cent. of the amount by which the total income exceeds Rs. 5,000; |
| (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 | Rs. 500 plus 17 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,350 plus 23 per cent. of the amount by which the total income exceeds Rs. 15,000; |

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 Rs. 2,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000;

(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 Rs. 4,000 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 25,000;

(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000 Rs. 6,000 *plus* 50 per cent. of the amount by which the total income exceeds Rs. 30,000;

(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000 Rs. 11,000 *plus* 60 per cent. of the amount by which the total income exceeds Rs. 40,000;

(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000 Rs. 23,000 *plus* 70 per cent. of the amount by which the total income exceeds Rs. 60,000;

(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000 Rs. 37,000 *plus* 75 per cent. of the amount by which the total income exceeds Rs. 80,000;

(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000 Rs. 52,000 *plus* 80 per cent. of the amount by which the total income exceeds Rs. 1,00,000;

(12) where the total income exceeds Rs. 2,00,000 Rs. 1,32,000 *plus* 85 per cent. of the amount by which the total income exceeds Rs. 2,00,000.

Provided that for the purposes of this Paragraph, in the case of a Hindu undivided family which at any time during the previous year satisfies either of the following

two conditions, namely :—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age, or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 7,000;

(ii) where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 7,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the following rates, namely:—

(a) in a case where the total income does not exceed Rs. 15,000 10 per cent;

(b) in any other case 15 per cent;

Provided that the amount of surcharge payable shall, in no case, exceed the aggregate of the following sums, namely :—

(i) an amount calculated at the rate of 10 per cent. on the amount of income-tax on an income of 15,000, if such income had been the total income (the income of Rs 15,000, for this purpose being computed as if such income included income from various sources in the

same proportion as the total income of the person concerned); and

(ii) 40 per cent of the amount by which the total income exceeds Rs 15,000.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where total income does not exceed Rs. 10,000 15 per cent. of the total income;

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;

(3) where the total income exceeds Rs. 20,000 Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000;

Surcharge on income-tax

The amount income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

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

(2) where the total income exceeds Rs. 10,000 but does 4 per cent. of the amount by which the total income

- | | |
|--|--|
| not exceed Rs. 25, 000 | exceeds Rs. 10, 000; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 600 <i>plus</i> 6 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,100 <i>plus</i> 12 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. 8,100 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder :—

(a) in the case of a 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, a surcharge calculated at the rate of ten per cent. of the amount of income-tax computed at the rate hereinbefore specified;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent. of the amount of income-tax computed at the rate hereinbefore specified; and

(c) a special surcharge calculated at the rate of fifteen per cent. on the aggregate of the following amounts, namely :—

(i) the amount of income-tax computed at the rate hereinbefore specified; and

(ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b) of this sub-paragraph.

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

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, ^{31 of 1956} 1956,—

Rates of income-tax

(i) on that part of its total 52·5 per cent.; income which consists of profits and gains from life insurance business.

(ii) on the balance, if any, the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the

public are substantially interested.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge calculated at the rate of two and a half per cent. of such income-tax.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,^{31 of 1956}--

Rates of income-tax

1. In the case of a domestic company--

(1) where the company is a company in which the public are substantially interested,--

(i) in a case where the total income does not exceed Rs. 50,000 45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 50,000 55 per cent. of the total income;

(2) where the company is not a company in which the

public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 10,00,000 55 per cent.;

(b) on the balance, if any, of the total income 60 per cent.;

(ii) in any other case 65 per cent. of the total income.

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 50,000.

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 an Indian concern in pursuance of an agreement made by it

with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

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 70 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge calculated at the rate of two and a half 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 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 :—

Income-tax	
Rate of income-tax	Rate of surcharge

1. In the case of a person other than a company—

(a) Where the person is resident—

(i) on income by way of interest other than "Interest on securities" 10 per cent. Nil;

(ii) on income by way of winnings from lotteries and crossword puzzles 30 per cent. 4.5 per cent;

(iii) on any other income (excluding interest payable on a tax-free security) 20 per cent. 3 per cent;

(b) where the person is not resident in India—

(i) on the whole income (excluding interest payable on a tax-free security) Income-tax at 30 per cent. and surcharge at 4.5 per cent. of the amount of the income;

or

income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;

(ii) on the income by way of interest payable on a tax-free security 15 per cent. 2.25 per cent;

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. 1 per cent;

(i) on any other income
(excluding interest payable
on a tax-free security) 22 per cent. 1 per cent.;

(b) where the company
is not a domestic company-

(i) on the income by way
of dividends payable by
any domestic company 24.5 per cent. 1.225 per cent.;

	Income-tax	
	Rate of income-tax	Rate of surcharge

(ii) on the income by
way of royalties payable
by an Indian concern in
pursuance of an agreement
made by it with the Indian
concern after the 31st day
of March, 1961, and which
has been approved by
Central Government 50 per cent. 2.5 per cent.;

(iii) on the income by
way of fees payable by an
Indian concern for render-
ing technical services in
pursuance of an agreement
made by it with the Indian
concern after the 29th day
of February, 1964, and
which has been approved
by the Central Government 50 per cent. 2.5 per cent.;

(iv) on the income by
way of interest payable on
a tax-free security 44 per cent. 2.2 per cent.;

(v) on any other income 70 per cent. 3.5 per cent.

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "salaries" or any payment referred to in sub-section (9) of section 80E 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 deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) 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 section 164 of the Income-tax Act at the rate of sixty-five per cent.) shall be so calculated, charged, deducted or computed at the following rate or rates :—

Paragraph A

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 any other Paragraph of this Part applies,—

Rates of income tax

(1) where the total income Nil;
does not exceed Rs. 5,000

exceeds Rs. 5,000 but by which the total income does not exceed Rs. 10,000 exceeds Rs. 5,000;

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 Rs. 500 *plus* 17 per cent. of the amount by which the total income exceeds Rs. 10,000.

(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 Rs. 1,350 *plus* 23 per cent. of the amount by which the total income exceeds Rs. 15,000;

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 Rs. 2,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000;

(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000. Rs. 4,000 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 25,000;

(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000 Rs. 6,000 *plus* 50 per cent of the amount by which the total income exceeds Rs. 30,000;

(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000 Rs. 11,000 *plus* 60 per cent. of the amount by which the total income exceeds Rs 40,000

(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000 Rs. 23,000 *plus* 70 per cent. of the amount by which the total income exceeds Rs. 60,000;

(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000 Rs. 37,000 *plus* 75 per cent. of the amount by which the total income exceeds Rs. 80,000;

(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000 Rs. 52,000 plus 80 per cent. of the amount by which the total income exceeds Rs. 1,00,000;

(12) where the total income exceeds Rs. 2,00,000 Rs. 1,32,000 plus 85 per cent. of the amount by which the total income exceeds Rs. 2,00,000;

Provided that for the purposes of this Paragraphh, in the case of a Hindu undivided family which at any time during the previous year relevant to the assessment year commencing on the 1st day of April, 1973 satisfies either of the following two conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age, or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 7,000;

(ii) where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceed Rs. 7,000;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the following rates, namely:—

(a) in a case where the total income does not exceed Rs. 15,000 10 per cent.;

(b) in any other case 15 per cent.;

Provided that the amount of surcharge payable shall, in no case, exceed the aggregate of the following sums namely:—

(i) an amount calculated at the rate of 10 per cent. on the amount of income-tax on an income of Rs. 15,000, if such income had been the total income (the income of Rs. 15,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned); and

(ii) 40 per cent. of the amount by which the total income exceeds Rs. 15,000

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 15 per cent. of the total income;

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;

(3) where the total income exceeds Rs. 20,000 Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed at the rate here inbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 10,000 Nil;
- (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 4 per cent. of the amount by which the total income exceeds Rs. 10,000;
- (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 Rs. 600 plus 6 per cent. of the amount by which the total income exceeds Rs. 25,000;
- (4) 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;
- (5) where the total income exceeds Rs. 1,00,000 Rs. 8,100 plus 20 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 at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purpose of the Union calculated as specified hereunder:-

(a) in the case of a 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, a surcharge calculated at the rate of ten per cent. of the amount of income-tax computed at the rate hereinbefore specified;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent. of the amount of income-tax computed at the rate hereinbefore specified; and

(c) a special surcharge calculated at the rate of fifteen per cent. on the aggregate of the following amounts, namely:-

(i) the amount of income-tax computed at the rate hereinbefore specified; and

(ii) the amount of surcharge calculated in accordance with clause (a), or as the case may be, clause (b) of this sub-paragraph.

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 be increased by surcharge for purpose of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

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Rates of income-tax

(i) on that part of its total income which consists of profits and gains from life insurance business 52.5 per cent.;

(ii) on the balance, if any, of the total income the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

Paragraph F

31 of 1956 In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Act, 1956,—

Rates of income-tax

1. In the case of a domestic company,

(i) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs 10,000 5 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 50,000 55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 10,00,000 55 per cent.;

(b) on the balance, if any, of the total income 60 per cent.;

(ii) in any other case 65 per cent of total income;

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of--

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs 50,000,

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 an Indian concern in pursuance of a agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

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. 70 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate here-
inbefore specified shall be increased by a surcharge cal-
culated at the rate of five per cent. of such income-tax.

THE SECOND SCHEDULE

(See section 61)

PART I

In the First Schedule to the Tariff Act, in Item No. 28 (28) (b), for each of the entries in the fifth and sixth columns, the entry "60 per cent. *ad valorem*." shall be substituted.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty if the article is the produce of duty or manufacture of	Preferential rates of duty			Duration of protective duty
				The United Kingdom	A British Colony		
1	2	3	4	5	6	7	

In the First Schedule to the Tariff Act, for Item No. 22 (5)(b), the following Item shall be substituted, namely:—

"22(5) (b) Drugs Pre-ferential and Revenue. containing spirit.	Rs. 14.40	Rs. 14.40	Rs. 14.40 . . ."
	per litre	per litre	per litre
	or 60 per cent. <i>ad valorem</i> ,	or 60 per cent. <i>ad valorem</i> ,	or 60 per cent. <i>ad valorem</i> ,
	whichever is higher,	whichever is higher,	whichever is higher,
	<i>plus</i>	<i>plus</i>	<i>plus</i>
	Rs. 5.00	Rs. 5.00	Rs. 5.00
	per litre.	per litre.	per litre.

THE THIRD SCHEDULE

[See section 64 (c)]

PART I

In the First Schedule to the Central Excises Act,—

(i) in Item No. 1A, for each of the entries in the third column against sub-items (1) and (4), the entry "One rupee per kilogram." shall be substituted;

(ii) in Item No. 1D, for the entry in the third column, the entry "Twenty per cent. *ad valorem*." shall be substituted;

(iii) in Item No. 2, for the entry in the third column, against sub-item (1), the entry "One hundred rupees per quintal." shall be substituted;

(iv) in Item No. 4,—

(a) under "I. *Unmanufactured tobacco*—", for the entries in the third column against sub-items (1), (2), (3), (4), (5), (6) and (8), the entries "Five rupees.", "Forty rupees.", "Four rupees.", "Four rupees.", "Three rupees.", "Four rupees.", and "Fifty paise." shall, respectively, be substituted;

(b) under "II. *Manufactured tobacco*—", for the entry in the third column against sub-item (2), the entry "Two hundred per cent. *ad valorem*." shall be substituted;

(v) in Item No. 6, for the entry in the third column, the entry "One thousand rupees per kilolitre at fifteen degrees of Centigrade thermometre." shall be substituted,

(vi) in Item No. 7, for the entry in the third column, the entry "Three hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(vii) in Item No. 8, for the entry in the third column against each of the sub-items (a) and (b), the entry "Five hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(viii) in Item No. 9, for the entry in the third column, the entry "Two hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(ix) in Item No. 10, for the entry in the third column, the entry "One hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(x) in Item No. 11, for the entry in the third column, against each of the sub-items (1) and (2), the entry "One hundred rupees per metric tonne." shall be substituted;

(xi) in Item No. 12, for the entry in the third column, the entry "One hundred rupees per metric tonne." shall be substituted;

(xii) in Item No. 14, for the entries in the third column, against sub-items I (1) (i), I (1) (ii), I(2), I(3)(i), I(ii), I(3) (iii), I(3)(iv), I(4)(i), I(4)(ii), I(4)(iii), I(4A), I(5), II(i), II(ii), III(i), III(ii) and III(iii), the entries "Thirty rupees per quintal.", "One hundred rupees per quintal.", "Twenty-five rupees per quintal.", "Twenty-five rupees per quintal.", "Forty rupees per quintal.", "Fifty paise per litre.", "One rupee and fifty paise per litre." "One hundred rupees per quintal." "Thirty rupees per quintal," "One rupee per litre.", "Three hundred rupees per quintal," "One rupee per litre, if in liquid form and thirty rupees per quintal if in any other form.", "Fifty paise per litre." "Twenty-five paise per litre.", "Two rupees and fifty paise per litre." "One hundred rupees per quintal." and "Two

rupees and fifty paise per litre." shall, respectively, be substituted;

(xiii) in Item No. 14BB, for the entry in the third column, the entry "Twenty per cent *ad valorem*." shall be substituted;

(xiv) in Item No. 14C, for the entry in the third column, the entry "Twenty rupees per quintal." shall be substituted;

(xv) in each the Item Nos. 14D and 14DD, for the entry in the third column, the entry "Twenty per cent. *ad valorem*." shall be substituted;

(xvi) in Item No 14F, for the entry in the third column, the entry "Thirty per cent. *ad valorem*." shall be substituted;

(xvii) in Item No. 14HH, for the entry in the third column, the entry "Fifteen per cent. *ad valorem*." shall be substituted;

(xviii) in Item No. 15, for the entries in the third column against sub-items I (1), I (2) and II, the entries "Ten per cent. *ad valorem*," "Twenty per cent. *ad valorem*." and "Ten per cent. *ad valorem*." shall, respectively, be substituted;

(xix) in Item No. 15A, for the entries in the third column against sub-items (1), (2), (3) and (4), the entries "Forty per cent. *ad valorem*," "Forty per cent. *ad valorem*," "Fifty per cent. *ad valorem*." and "Fifty per cent. *ad valorem*." shall, respectively, be substituted;

(xx) in Item No. 16A, for the entries in the third column against sub-items (1) and (3) the entries "Fifty per cent. *ad valorem*." and "Twenty per cent. *ad valorem*." shall, respectively, be substituted.

(xvi) in Item No. 16A, for the entries in the third column against sub-items (1), (2), (3) and (4), the entries "Fifty per cent. *ad valorem*.", "Thirty per cent. *ad valorem*.", "Twenty per cent. *ad valorem*." and "Twenty per cent. *ad valorem*," shall, respectively, be substituted;

(xvii) in Item No. 17, for the entries in the third column against sub-items (1), (2), (3), and (4), the entries "Two rupees per kilogram.", "One rupee per kilogram.", "Fifty paise per kilogram." and "One rupee per kilogram." shall, respectively, be substituted;

(xviii) in Item No. 19, —

(a) in the second column. in the opening portion.—

(1) for the brackets, figures and words,—

"(ii) 40 per cent. or more by weight of silk; or

(iii) 60 per cent. or more by weight of rayon or artificial silk:"

the brackets, figures and words,—

(ii) 40 per cent. or more by weight of silk;

(iii) 60 per cent. or more by weight of rayon or artificial silk; or

(iv) 50 per cent. or more by weight of jute (including Bimlipatam jute or mesta fibre):",

shall be substituted;

(2) in the proviso, for the words brackets and figures "referred to in (i) to (iii)", the words, brackets and figures "referred to in (i) to (iv)" shall be substituted;

(b) for the entry in the third column against sub-item (1), the entry "Fifteen per cent. *ad valorem*." shall be substituted;

(xxiv) in Item No. 20,—

(a) in the second column, in the opening portion,—

(1) for the brackets, figures and words,—

"(iii) if it contains no cotton and no artificial silk and less than 40 per cent. by weight of silk; or

(iv) if manufactured on a handloom;"
the brackets, figures and word,—

"(iii) if it contains no cotton and no artificial silk and less than 40 per cent. by weight of silk;

(iv) if it contains 50 per cent. or more than by weight of jute (including Bimlipatam jute or mesta fibre); or

(v) if manufactured on a handloom;" shall be substituted;

(2) in the proviso, for the words, and brackets and figures "referred to in (i) to (iv)", the words, brackets and figures "referred to in (i) to (v)" shall be substituted;

(b) for the entry in the third column against sub-item (1) the entry "Fifty paise per square metre." shall be substituted;

(xxv) in Item No. 21, for the entry in the third column against sub-item (1), the entry ‘Ten per cent *ad valorem*.’ shall be sub-item (1), the entry “Ten per cent *ad valorem*” shall be substituted;

(xxvi) in Item No. 22--

(a) in the second column, in the opening portion,—

(1) for the brackets, figures and words,—

“(iii) if it contains cotton and less than 60 per cent by weight of rayon or artificial silk;

(iv) if it contains no cotton and less than 40 per cent. by weight of wool and less than 40 per cent. by weight of rayon or artificial silk; or

(v) if it contains 50 per cent. or more by weight of jute (including Bimlipatam jute or mesta fibre);”

shall be substituted;

(2) in the proviso, for the words, brackets and figures “referred to in (i) to (iv)”, the words, brackets and figures “referred to in (i) to (v)” shall be substituted;

(b) for the entry in the third column against sub-item (1), the entry “Twenty per cent. *ad valorem plus* rupees five per square metre.” shall be substituted;

(xxvii) in Item No. 23, for the entry in the third column, the entry “Twenty-five per cent. *ad valorem*.” shall be substituted;

(xxviii) in Item No. 2: A, for the entries in the third column against sub-items (1) and (2), the entries "Twenty per cent. *ad valorem*." and "Ten per cent. *ad valorem*." shall, respectively, be substituted;

(xxix) in Item No. 25, for the entry in the third column, the entry "Fifty rupees per metric tonne." shall be substituted;

(xxx) in Item No. 25, for the entry in the third column, the entry "One hundred rupees per metric tonne." shall be substituted;

(xxxi) in Item No. 26AA, for the entries in the third column against sub-items (i), (ia), (ii), (iii), (iv) and (v), the entries "Seventy-five rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.", "Seventy-five rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.", "Five hundred rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.", "Five hundred rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.", "Five hundred rupees per metric tonne *plus* the excise duty for the time being leviable on pig iron or steel ingots, as the case may be." and "Two hundred rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.", shall, respectively, be substituted;

(xxxii) in Item No. 27, —

(a) in the second column, for the brackets, letter, words and figures, —

(c) Foils, that is a product of thickness (excluding any backing) not exceeding 0.15 millimetre.",

the brackets, letter, words and figures, —

"(c) Foils (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.15 millimetre.",

shall be substituted;

(b) for each of the entries in the third column against sub-items (a) (i), (a) (ii), (b), (c) (d), (e) and (f), the entry "Thirty per cent. *ab valorem*." shall be substituted;

(xxxiii) in Item No. 28, for the entry in the third column, the entry "Six hundred rupees per metric tonne." shall be substituted;

(xxxiv) in Item No. 29, for the entries in the third column against sub-items (i) and (ii), the entries "Fifteen per cent. *ad valorem*." and "Ten per cent. *ad valorem*." shall, respectively, be substituted;

(xxxv) in Item No. 29A, for the entries in the third column against sub-items (1), (2) and (3), the entries "Sixty per cent. *ad valorem*.", "Sixty per cent. *ad valorem*." and "Seventy-five per cent. *ad valorem*.", shall, respectively, be substituted;

(xxxvi) in Item No. 30, for the entries in the third column against sub-items (1), (2) (i), (2) (ii), (3) and (4), the entries "Twenty per cent. *ad valorem*.", "Fifteen per cent. *ad valorem*.", "Ten per cent. *ad valorem*.", "Twenty per cent. *ad valorem*.", and "Twenty per cent. *ad valorem*.", shall, respectively, be substituted;

(xxxvii) in Item No. 31, for the entries in the third column against sub-items (1), (2) and (3), the entries "Twenty per cent. *ad valorem*.", "Twenty per cent. *ad valorem*." and "Twenty-five per cent. *ad valorem*.", shall, respectively, be substituted;

(xxxviii) in Item No. 33, for the entries in the third column, against sub-items (1), (2) and (3), the entries "Ten per cent. *ad valorem*," "Fifteen per cent. *ad valorem*," and "Fifteen per cent. *ad valorem*," shall, respectively, be substituted;

(xxxix) in Item No. 33B, for the entry in the third column against sub-item (ii), the entry "Ten per cent. *ad valorem*." shall be substituted;

(xl) in Item No. 34, for the entries in the third column against sub-items (1), (2), (3), (3a) and (4), the entries "Two hundred and fifty rupees each or ten per cent. *ad valorem*, whichever is higher.", "One thousand and five hundred rupees each or fifteen per cent. *ad valorem*, whichever is higher.", "Four thousand rupees each or twenty per cent. *ad valorem*, whichever is higher.", "Fifteen per cent. *ad valorem*." and "Three thousand rupees each or fifteen per cent. *ad valorem*, whichever is higher.", shall, respectively, be substituted;

(xli) in Item No. 37, under "II. Exposed.--," for the entries in the second and third columns, the following entries shall be substituted, namely :—

	Of a width of 30 mm. or higher	Below 30 mm. in width
--	--------------------------------	-----------------------

"(1) News-reels and shorts not exceeding 500 metres.	One rupee per metre	Fifty paise per metre
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(2) Feature films, advertisement shorts, and films not otherwise specified.	Two rupees per metre	One rupee per metre,
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PART II

Item No.	Description of good	Rate of duty
(1)	(2)	(3)

In the First Schedule to the Central Excises Act,—

in Item No. 4, under "II. *Manufactured tobacco*—", for sub-item (1), the following sub-item shall be substituted, namely:—

"(1) Cigars and cheroots Twenty-five rupees per hundred.",

(ii) for Item No. 11A, the following Item shall be substituted, namely:—

"11A ALL PRODUCTS DERIVED FROM REFINING OF CRUDE PETROLEUM OR SHALE (WHETHER GASEOUS, LIQUID, SEMI-SOLID, OR SOLID IN FORM), NOT OTHERWISE SPECIFIED, INCLUDING REFINERY GASES, LUBRICATING OIL AND GREASES, WAXES AND COKE—

(1) Mineral turpentine oil Twenty per cent. *ad valorem plus* one hundred rupees per metric tonne.

(2) Liquefied petroleum gas Two hundred and fifty rupees per metric tonne.

(3) Waxes Twenty per cent. *ad valorem plus* two hundred rupees per metric tonne.

(4) Others Twenty per cent. *ad valorem.*;

(iii) for Item No. 11B, the following Item shall be substituted, namely:—

"11B BLENDED OR COMPOUNDED LUBRICATING OILS Twenty per cent. *ad valorem.*;

AND GREASES—

“Blended or compounded lubricating oils and greases” means lubricating oils and greases obtained by straight blending of mineral oils, or by blending or compounding of mineral oils with any other ingredients.

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

Explanation.— The expression “mineral oils” has the meaning assigned to it in *Explanation 1* to Item No. 6.

	(iv) for Item No. 18, the following Item shall be substituted, namely:—	
18	RAYON AND SYNTHETIC FIBRES AND YARN, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.	Sixty rupees per kilogram

Explanation.— “Rayon synthetic fibres and yarn” shall be deemed to include—

i) man made fibres ;

(ii) spun (discontinuous) yan containing not less than ninety per cent. by weight of man-made fibres calculated on the total fibre content ;

(iii) man-made filament (continuous) yarn; and

(iv) man-made metallic yarn;

(v) for Item No. 18A, the following Item shall be substituted, namely:—

'11A COTTON TWIST, YARN AND THREAD, ALL SORTS, CONTAINING NOT LESS THAN NINETY PER CENT. BY WEIGHT OF COTTON CALCULATED ON THE TOTAL FIBRE CONTENT, WHETHER SIZED OR UNSIZED, IN ALL FORMS INCLUDING SKEINS, HANKS, COPS CONES, BOBBINS, PIRNS, SPOOLS, REELS, CHEESES, BALLS, OR ON WARP BEAMS, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER—

(1) of counts 29 or more . . . Five rupees per kilogram.

(2) of counts less than 29 . . . One rupee per kilogram.;

EXPLANATION—(1) "Count" means the size of grey yarn (excluding any sizing material) expressed as the number of 1000 metre hanks per one-half kilogram.

Item No.	Description	Rate of duty
(1)	(2)	(3)

(2) For multiple—fold yarn, "count" means the count of the basic single yarn.

(vi) for Item No. 18B, the following Item shall be substituted, namely:—

'18B WOOLLEN YARN, ALL SORTS INCLUDING KNITTING WOOL, CONTAINING NOT LESS THAN NINETY PER CENT. BY WEIGHT OF WOOL CALCULATED ON THE TOTAL FIBRE CONTENT, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER—

(1) Worsted yarn—

(a) of 48s counts and more Thirty per cent.
ad valorem.

(b) of less than 48s counts Twenty per cent.
ad valorem.

(2) Others Ten per cent. *ad valorem.*

Explanation.—“Count means the size of single yarn expressed as the number of 560 yard hanks per pound.

(vii) after Item No. 18B, the following Items shall be inserted, namely:—

“18C SILK YARN, ALL SORTS, CONTAINING NOT LESS THAN NINETY PER CENT. BY WEIGHT OF SILK (INCLUDING SILK NOIL) CALCULATED ON THE TOTAL FIBRE CONTENT, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER. Twenty per cent.
ad valorem.

18D JUTE TWIST, YARN, THREE-AD, ROPE AND TWINE, ALL SORTS, CONTAINING NOT LESS THAN NINETY PER CENT. Four hundred rupees per metric tonne.

BY WEIGHT OF JUTE (INCLUDING BIMLIPATAM JUTE OR MESTA FIBRE) CALCULATED ON THE TOTAL FIBRE CONTENT, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.

Item No.	Description	Rate of duty
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(1)	(2)	(3)
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ICE YARN, ALL SORTS, NOT ELSEWHERE SPECIFIED, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER AND CONTAINING ANY TWO OR MORE OF THE FOLLOWING FIBRES, NAMELY:—

(i) cotton;

(ii) silk ;

(iii) wool ;

(iv) jute (including Bimlipatam jute or mesta fibre) ; and

(v) man-made fibres.

(viii) for Item No. 22A, the following Item shall be substituted, namely :—

“22A JUTE MANUFACTURES (INCLUDING MANUFACTURES OF BIMLIPATAM JUTE OR OF MESTA FIBRE), ALL SHORTS, NOT ELSEWHERE SPECIFIED, BUT EXCLUDING ANY SUCH MANUFACTURE—

Rupees fifty per kilogram.”

- (i) if it contains 40 per cent. or more by weight of wool ; or
- (ii) if it contains no wool or less than 40 per cent. by weight of wool and less than 50 per cent. by weight of jute (including Bimlipatam jute or mesta fibre)—

(1) Hessians	Six hundred rupees per metric tonne.
(2) Others	Four hundred rupees per metric tonne.”;

(ix) after Item No. 22A, the following Item shall be inserted, namely:—

“22AA TEXTILE FEBRICS, Fifteen per cent. *ad valorem*; NOT ELSEWHERE SPECIFIED, AND CONTAINING ANY TWO OR MORE OF THE FOLLOWING FIBRES, NAMELY :—

- (i) cotton .
- ((i) silk;

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

- (iii) wool ;
- (iv) jute (including Bimlipatam jute or mesta fibre); and
- (v) man-made fibres.

(x) for Item No. 33A, the following Item shall be substituted, namely:—

“33A WIRELESS RECEIVING SETS, ALL SORTS, INCLUDING TRANSISTOR SETS AND RADIOGRAMS, WITH OR WITHOUT LOUDSPEAKER—

- (1) Broadcast television receiver sets **Twenty per cent. *valorem*.**
- (2) Others **Three hundred rupees per set.”;**
- (xi) for Item No. 37B, the following Item shall be substituted namely:—

‘37B CINEMATOGRAPH PROJECTORS AND PARTS THEREOF—

- (1) Cinematograph projectors **Twenty per cent. *ad valorem*.**
- (2) Parts thereof **Thirty per cent. *ad valorem*.”;**

Explanation.—For the purposes of this Item, “Cinematograph projectors” means cinematograph projectors whether in a completely assembled condition or otherwise.

THE FOURTH SCHEDULE

(See section 65)

In the First Schedule to the Additional Duties of Excise Act,—

(i) in Item No. 4,—

(a) under “I. *Unmanufactured tobacco*—”, for the entries in the third column against sub-item (1), (2), (3), (4), (5), (6) and (8), the entries “Sixty paise.”, “Five rupees and fifty paise.”, “One rupee.”, “Fifty paise.”, “Fifty paise.”, “Seventy-five paise.” and “Ten paise.” shall, respectively, be substituted;

(b) under “II. *Manufactured tobacco*—”, for the entry in the third column against sub-item (2), the entry “One hundred per cent. *ad valorem*,” shall be substituted;

(ii) in Item No 22, for the entry in the third column against sub-item (1), the entry “Seven and a half per cent. *ad valorem plus* two rupees per square metre.” shall be substituted.

THE FIRST SCHEDULE

(See section 67)

In the Table annexed to sub-section (1) of section 3 of the Mineral Products Act,--

(i) for the entry in the second column against item 3, the entry "Eight hundred and fifty rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(ii) for the entry in the second column against item 7, the entry "Eight hundred and fifty rupees per metric tonne." shall be substituted.