

FINANCE ACT, 1984

21 of 1984

[11th May, 1984]

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FINANCE ACT, 1984

21 of 1984

[11th May, 1984]

An Act to give effect to the financial proposals of the Central Government for the financial year 1984-85. BE it enacted by Parliament in the Thirty-fifth Year of the Republic of India as follows :

CHAPTER 1

PRELIMINARY

1. Short title and commencement :-

(1) This Act may be called The Finance Act, 1984.

(2) Save as otherwise provided in this Act, section 2 to section 34 and section 54 shall be deemed to have come into force on the 1st day of April, 1984.

CHAPTER 2

RATES OF INCOME-TAX

2. Income-tax :-

assessment year commencing on the 1st day of April, 1984, income-tax shall be charged at --

(1) Subject to the provisions of sub-sections (2) and (3), for the the rates specified in Part I of the First Schedule and shall be increased. ---

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

(b) in the cases to which Paragraph E of that Part applies, by a surcharge, calculated in each case in the manner 'provided therein: Provided that where an assessee. being a company, has made during the financial year commencing on the 1st day of April, 1983, any deposit with the Industrial Development Bank of India established under the Industrial Development Bank of India Act. 1964 under the Companies Deposits (Surcharge on Income-tax) Scheme, 1983, then. the surcharge on income-tax payable by the company,---

(a) in a case where the amount of the deposit so made is equal to, or exceeds, one-half of the amount of surcharge on income-tax payable by it, shall be reduced by one-half of the amount of surcharge payable by it: and

(b) in a case where the amount of the deposit so made fails short of one-half of the amount of surcharge on income-tax payable by it, shall be reduced by the amount of the deposit.

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

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

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

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

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

(ii) in a case to which the said Sub-Paragraph II applies, the First eight thousand rupees, of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income, and

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

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A. as if such aggregate income were the total income: Provided that in a case referred to in the said Sub-Paragraph II, for the purpose of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of the proviso below Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income shall be increased ---

(A) in a case to which the said Sub-paragraph I applies, by a sum of fifteen thousand rupees: and

(B) in a case to which the said Sub-Paragraph II applies, by a sum of eight thousand rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-paragraph I or, as the case may be, Sub-paragraph II of the said Paragraph A, as if the net agricultural income as so. increased were the total income: : Provided that in a case referred to in the said Sub-Paragraph II. for the purposes of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of the proviso below .the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii): Provided that in a case referred to in the said. Sub-Paragraph II. where the sum so arrived at exceeds sixty per cent. of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded; .

(iv) the amount of income-tax determined in accordance with sub-clause (iii) shall be increased by, a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(3) In cases to which the provisions of Chapter XII or Chapter XIIA or Section 164 of the Income tax Act, 1961 or Section 164A or Section 167A of the Income tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be.

(4) In cases in which tax has to be deducted under sections 193. Section 194 OF THE INCOME TAX ACT, 1961 , Section 194A OF THE INCOME TAX ACT, 1961 , Section 194B OF THE INCOME TAX ACT, 1961 , Section 194BB OF THE INCOME TAX ACT, 1961 , Section 194D OF THE INCOME TAX ACT, 1961 and Section 195 of the Income Tax Act, 1961 at the rates in force, the deduction shall

be made at the rates specified in Part II of the First Schedule.

(5) Subject to the provisions of sub-section (6), 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, 1961 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 cases to which the provisions of Chapter XII or Chapter XIIA or sub-section (1A) of section 161 or section 164 or section 164A or Section 167A of the Income tax Act, 1961 apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be: Provided further that an assessee, being a company, may, in lieu of payment of the amount of surcharge on income-tax at the rate specified in Paragraph E of Part III of the First Schedule, make a deposit under the scheme framed under sub-section (7) before the last instalment of "advance tax" is due in its case, and where it does so, the surcharge on income-tax payable by the company,---

(i) in a case where the amount of the deposit so made is equal to or exceeds the amount of surcharge on income-tax payable by it, shall be nil; and

(ii) in a case where the amount of the deposit so made falls short of the amount of surcharge on income-tax payable by it, shall be reduced by the amount of the deposit.

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

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

(ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees; then, in calculating income-tax under the first proviso to sub-section (5) of Section 132 of the Income tax Act, 1961 or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,---

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

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

(ii) in a case to which the said Sub-Paragraph II applies, the first eight thousand rupees, of the total income but without being liable to tax], only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

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

(i) the total income and the net agricultural income shall be aggregated and, the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income: Provided that, in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income shall be increased,---

(A) in a case to which the said Sub-paragraph I applies, by a sum of fifteen thousand rupees; and

(B) in a case to which the said Sub-paragraph II applies, by a sum of eight thousand rupees, and the amount of income-tax or

"advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Sub-paragraph I or, as the case may be, the said Sub-Paragraph II, as if the net agricultural income as so increased were the total income; Provided that in a case referred to in the said Sub-Paragraph II, for the purpose of determining the amount of income-tax or "advance"tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub- Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-paragraph II shall not apply;

(iii) the amount of income-lax or "advance tax" determined in accordance with sub- clause (i) shall be reduced by the amount of income-lax or, as the case ifaay be, "advance tax" determined in accordance with sub-clause (ii): Provided that in a case referred to in the said Sub-Paragraph II, where the sum so arrived at exceeds sixty per cent. of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded;' -

(iv) the amount of income-tax or "advance tax" determined, in accordance with sub- clause (iii) shall be increased by a surcharge for purposes' of the Union calculated at the rate of twelve and a half per cent. of such income-tax or, as the case may be, "advance tax" and the-sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(7) Where an assessee, being a company, makes, during the financial year commencing on the 1st day of April. 1984, any deposit with the Industrial Development-Bank of India established under the Industrial Development Bank of India Act, 1964 under any such scheme as the Central Government may, by notification in the Official Gazette, frame in .this behalf, then the surcharge on income-tax payable by the company for the assessment year commencing on the 1st day'of April, 1985,---

(i) in a case where the amount of the deposit so made is equal to or exceeds the amount of surcharge on income-tax payable by it, shall, be nil; and

(ii) in a case where the amount of the deposit so made falls short of the amount of surcharge on income-tax payable by it, shall be reduced by the amount of the deposit.

(8) For the purposes of this section and the First Schedule.-----

(a) "company in which the public are substantially interested" means a company which is such a company as is referred to in Section 108 of the Income tax Act, 1961 ;

(b) "domestic company" means as 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, 1984, 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 carriage, by road or inland waterways, of passengers or goods or in the construction of ships or in the execution of projects or in the manufacture or processing of goods or in mining.

CHAPTER 3

DIRECT TAXES

3. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

4. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

5. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164,

193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

6. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

7. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

8. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

9. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

10. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A.

44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

11. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

12. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

13. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

14. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

15. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed

hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

16. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

17. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

18. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

19. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

20. . :-

Of this Act amended the following sections of the Income-tax Act

which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

21. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

22. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

23. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

24. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 800, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

25. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

26. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

27. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

28. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

29. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

30. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

31. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

32. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

33. . :-

Of this Act amended the following sections of the Income-tax Act which are being incorporated in the Principal Act, hence not printed hereat; Sections affected are; 10, II, 33B, 35, 35C, 36, 40, 40A. 44AB (ins.) 80CC, 80D. 80E, 80L. 80M. 80N, 80O, 80U, 161, 164, 193, 194. 252, 269G, 269F, 269P, 269SS (ins.), 269T, 271B (ins.) 276DD (ins.) 281A, and S. 3. made consequential amendments in S. 246 and Ninth Schedule.

34. 34 :-

Amendments Incorporated in Principal Act. Hence not printed]

CHAPTER 4

INDIRECT TAXES

35. Amendment of Act 51 of 1975 :-

The Customs Tariff Act. 1975 (hereinafter referred to as the Customs Tariff Act), shall be amended in the manner specified in

the Second Schedule.

36. Auxiliary duties of customs :-

(1) In the case of goods mentioned in the First Schedule to the Customs Tariff Act. or in that Schedule as amended from time to time. there shall be levied and collected as an auxiliary duty of customs an amount equal to fifty per cent. of the value of the goods as determined in accordance with the provisions of Section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

(2) Sub section (1) shall cease to have effect after the 31st day of March, 1985, 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 auxiliary duties of customs referred to in sub-section (1) shall be in addition to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

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

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37. . :-

Amendments incorporated in Customs Act. 1962.

38. . :-

Amendments incorporated in Customs Act. 1962.

39. . :-

Amendments incorporated in Customs Act. 1962.

40. . :-

Amendments incorporated in Customs Act. 1962.

41. . :-

Amendments incorporated in Customs Act. 1962.

42. . :-

Amendments incorporated in Customs Act. 1962.

44. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

45. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

46. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

47. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

48. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

49. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

50. . :-

Amendments incorporated in Central Excises and Salt Act. 1944

51. **51** :-

Amendment of First Schedule. (Incorporated in Principal Act].

52. **Special duties of excise** :-

(1) In the case of goods chargeable with a duty of excise under the Central Excises Act as amended from time to time read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable (not being a notification providing for any exemption. for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under said Act or the additional duty under Section 3 of the Customs Tariff Act, 1975 , already paid on the raw material or component part used in the production or manufacture of such goods), there shall be levied and collected a special duty of excise equal to ten per cent. of the amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1985 except as respects things done or omitted to be done before such cesser, and S.6 of the General Clauses Act. 1897 shall

apply upon such cesser as if the said sub-section had then been repeated by a Central Act.

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

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

53. 53 :-

Amendment of Act 58 of --- [Incorporated in the Principal Act].

CHAPTER 5

MISCELLANEOUS

54. Amendment of Act 52 of 1963 :-

Incorporated in the Principal Act]

55. Amendment of Act 45 of 1968 :-

Act has been repealed by Gold Control (Repeal) Act (18 of 1990) S. 2 (6-6-1990)].

SCHEDULE 1

1

1. Rule 1 :-

Agricultural income of the nature referred to in sub-clause (a) of clause (1) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly : Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to subsections (3) and (4) of section 40A.

2. Rule 2 :-

Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1) of section 2 of the Income-tax Act

[other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] 'shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of section 30 , section 31 , section 32 , section 34 , section 36 . section 37 . section 38 , section 40A (other than sub- sections (3) and (4) thereof), 41, 43, and 43A of the Income- tax Act shall, so far as may be, apply accordingly.

3. Rule 3 :-

Agricultural income of the nature referred to in sub-clause (c) of clause (1) of Section 2 of the Income tax Act, 1961 . being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-cl, (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of section 23 to section 27 of that Act shall, so far far may he, apply accordingly: Provided that sub-section (2) of the said section 23 shall apply subject to the modifications that the references to "total income" therein shall be construed as references to net agricultural income and that the words, figures and letters "and before making any deduction under Chapter VIA" shall be omitted.

4. Rule 4 :-

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

5. Rule 5 :-

Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (b) of Section 183 of the Income tax Act, 1961 , which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of the said section 183 which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax

in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of Section 67 of the Income tax Act, 1961 and the share so computed shall be regarded as the agricultural income or loss of the assessee.

6. Rule 6 :-

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

7. Rule 7 :-

Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income : . Provided that where the assessee is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of Section 183 of the Income tax Act, 1961 or is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

8. Rule 8 :-

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

9. Rule 9. :-

(1) Where the assessee has, in the previous year relevant to the

assessment year commencing on or after the 1st day of September, 1984, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of September, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979, or the 1st day of September, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,---

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979, or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983;

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979, or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983;

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983;

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983;

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April 1981 or the 1st day of April, 1982 or the 1st day of April, 1983;

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, to the extent, if any, such loss has not been set off against the agricultural income for the previous year commencing on the 1st day of April, 1982 or the 1st day of April, 1983;

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1982 to the extent, if any, such loss has not been set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, and;

(viii) the loss so compute for the previous year relevant to the assessment year commencing on the 1st day of April, 1983;

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1984.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1985 or if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984 is a loss, then, for the purposes of sub-section (6) of section 2 of this Act,---

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off' against the agricultural income for the previous year relevant to the

assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981. or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984;

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off' against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April 1979 or the 1st day of' April, 1980 or the 1st day of April, 1981, or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984;

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off' against the agricultural incomee for the previous year relevant to the assessment year commencing on the 1st day of April, 1980 or the 1st day of April, 1981, or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984;

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, or the. 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984;

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, to the extent, if any, such loss has not been set off against the agricultural income of the assessee for the previous year relevant of the assessment year commencing on the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984;

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1983 or the 1st day of April, 1984;

(vii) the loss so computed for the previous year relevant to the

assessment year commencing on the 1st day of April, 1983, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April 1985 or the period aforesaid.

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

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

(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules, or the rules contained in Part IV of the First Schedule to the Finance Act, 1976, or of the First Schedule to the Finance (No. 2) Act, 1977, or the First Schedule to the Finance Act, 1978, or of the First Schedule to the Finance Act, 1979, or of the First Schedule to the Finance (No. 2) Act, 1980 or of the First Schedule to the Finance Act, 1981 or of the First Schedule to the Finance Act, 1982 or of the first Schedule to the Finance Act, 1983 shall be set off under sub- rule (1) or, as the case may be, sub-rule (2).

10. Rule 10 :-

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

11. Rule 11 :-

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

12. Rule 12 :-

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

SCHEDULE 2

2

[Amendment Incorporated in the Customs Tariff Act]

SCHEDULE 3

3

(See section 51 (a)) [Amendments Incorporated in the Central Excises and Salt Act]

SCHEDULE 4

4

(See section 51 (b)) [Amendment Incorporated in the Central Excises and Salt Act]

SCHEDULE 5

5

[Amendment Incorporated in the Additional Duties of Excise Act]
[Amendment Incorporated in the Additional Duties of Excise Act]