

Finance Act, 1997

26 of 1997

[May 14, 1997]

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Finance Act, 1997

26 of 1997

[May 14, 1997]

An Act to give effect to the financial proposals of the Central Government for the financial year 1997-98 Be it enacted by Parliament in the Forty-eighth 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, 1997.
- (2) Save as otherwise provided in this Act, section 2 to Section 61 shall be deemed to have come into force on the 1st day of April, 1997.

CHAPTER 2 RATES OF INCOME TAX

2. Income Tax :-

- (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1997, income tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased in the cases to which Paragraph E of that Part applies, by a surcharge, calculated in the manner provided therein.
- (2) In the cases to which 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 forty 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 the first forty 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 the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of forty 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 the said Paragraph A, as if the net agricultural income as so increased were the total income;

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

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or sub-section (I-A) of Section 161 or Section 164 or Section 164-A or S.167B 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 section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be: Provided that the amount of income tax computed in accordance with the provisions of Sections 112 and Section 113 of the Income Tax Act, 1961 shall be increased in the case of a domestic company by a surcharge as provided in Paragraph E of Part I of the First Schedule : Provided further that in respect of any income chargeable to tax under Section 115-B, or in the case of a domestic company having a total income exceeding seventy-five thousand rupees under Section 115BB of the Income tax Act, 1961 , the income tax computed shall be increased by a surcharge calculated at the rate of seven-and-a-half per cent of such income tax.

(4) In cases in which tax has to be charged and paid under Section 115O of the Income Tax Act, 1961 , the tax shall be charged and paid at the rate specified in that section.

(5) 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.

(6) In cases in which tax has to be deducted under Sections 194-C, Section 194G of the Income Tax Act, 1961 , Section 194I of the Income Tax Act, 1961 , Section 194J of the Income Tax Act, 1961 , and Section 194K of the Income Tax Act, 1961 , the deduction shall be made at the rates specified in those sections.

(7) In cases in which tax has to be collected under Section 206-C or under the proviso to Section 194-B of the Income Tax Act, the collection shall be made at the rates specified in that section or at the rate specified in Part II of the First Schedule, as the case may be.

(8) Subject to the provisions of sub-section (9), 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 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 XII-A or sub-section (1-A) of Section 161 or Section 164 or Section 164-A or Section 167B 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.

(9) In cases to which 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 forty 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 the first forty 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 the said Paragraph A as if such aggregate income were the total income:

(ii) the net agricultural income shall be increased by a sum of forty 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 Paragraph A as if the net agricultural income as so increased were the total income;

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

(10) For the purposes of this section and the First Schedule,-

(a) "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, 1997, 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;

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

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

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

CHAPTER 3 DIRECT TAXES

3. Amendment of Section 10 :-

In Section 10 of the Income tax Act, 1961 , with effect from the 1st day of April, 1998.-

(a) after clause (6-B), the following clause shall be inserted, namely :- "(6-BB) Where in the case of the Government of a foreign State or a foreign enterprise deriving income from an Indian company engaged in the business of operation of aircraft, as a consideration of acquiring an aircraft or an aircraft engine (other than payment for providing spares, facilities or services in connection with the operation of leased aircraft) on lease under an agreement entered after the 31st day of March, 1997 and approved by the Central Government in this behalf and the tax on such income is payable by such Indian company under the terms of that agreement to the Central Government, the tax so paid. Explanation.-For the purposes of this clause, the expression 'foreign enterprise' means a person who is a non-resident,";

(b) in clause (15), in sub-clause (iv), after item (i), in the Explanation, after clause (b), the following clause shall be inserted, namely :- "(ba) the business of providing telecommunication services; or":

(c) in clause (15-A), after the words "under an agreement", the words, figures and letters "entered before the 1st day of April, 1997 and" shall be inserted',

(d) in clause (17), in sub-clause (iii), for the words "six hundred rupees per month", the words "two thousand rupees per month" shall be substituted-,

(e) in clause (23-F), in the Explanation, in clause (c), for the words "engaged in the", the words "engaged in the business of generation or generation and distribution of electricity or any other form of power or business of providing telecommunication services or in the" shall be substituted-,

(f) in clause (23-G),-

(i) the words, brackets, figures and letters "which fulfils the conditions specified in sub-section (4-A) of Section 80-IA" shall be omitted;

(ii) in the Explanation, for clause (c), the following clause shall be substituted, namely:- "(c) 'infrastructure facility' means-

(i) a road, highway, bridge, airport, port, rail system or any other public facility of a similar nature as may be notified by the Board in this behalf in the Official Gazette which fulfils the conditions specified in sub-section (4-A) of Section 80-IA;

(ii) a water supply project, irrigation project, sanitation and sewerage system which fulfils the conditions specified in sub-section (4-A) of Section 80-IA;

(iii) a project for generation or generation and distribution of electricity or any other form of power where such project starts generating power on or after the 1st day of April, 1993;

(iv) a project for providing telecommunication services on or after the 1st day of April, 1995;"

(g) clauses (26-AA) and (28) shall be omitted-,

(h) after clause (32), the following clause shall be inserted, namely :- "(33) any income by way of dividends referred to in Section 115-0."

4. Amendment of Section 16 :-

In Section 16 of the Income tax Act, 1961 , for clauses (i) and (i a), the following shall be substituted with effect from the 1st day of April, 1998, namely :- "(i) a deduction of a sum equal to thirty-three and one-third per cent of the salary or twenty thousand rupees, whichever is less. Explanation.-For the removal of doubts, it is hereby declared that where, in the case of an assessee, salary is due from, or paid or allowed by, more than one employer, the deduction under this clause shall be computed with reference to the aggregate salary due, paid or allowed to the assessee and shall in no case exceed the amount specified under this clause;"

5. Amendment of Section 35 :-

In Section 35 of the Income tax Act, 1961 , after sub-section (2-AA), the following sub-section shall be inserted with effect from the 1st day of April, 1998, namely :- "(2-AB)

(1) Where a company engaged in the business of manufacture or production of any drugs, pharmaceuticals, electronic equipments, computers, telecommunication equipments, chemicals or any other article or thing notified by the Board incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to one and one-fourth times of the expenditure so incurred.

(2) No deduction shall be allowed in respect of the expenditure mentioned in clause (1) under any other provision of this Act.

(3) No company shall be entitled for deduction under clause (1) unless it enters into an agreement with the prescribed authority for cooperation in such research and development facility and for audit of the accounts maintained for that facility.

(4) The prescribed authority shall submit its report in relation to the approval of the said facility to the Director-General in such form and within such time as may be prescribed."

6. Insertion of new Section 35-ABB :-

After Section 35AB of the Income tax Act, 1961 , the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely :- "35-ABB. Expenditure for obtaining licence to operate telecommunication services.-(1) In respect of any expenditure,

being in the nature of capital expenditure, incurred for acquiring any right to operate telecommunication services and for which payment has actually been made to obtain a licence, there shall, subject to and in accordance with the provisions of this section, be allowed for each of the relevant previous years, a deduction equal to the appropriate fraction of the amount of such expenditure.

Explanation.-For the purposes of this section,-

(i) 'relevant previous years' means the previous years beginning with the previous year in which the licence fee is actually paid and the subsequent previous year or years during which the licence, for which the fee is paid, shall be in force;

(ii) 'appropriate fraction' means the fraction the numerator of which is one and the denominator of which is the total number of the relevant previous years;

(iii) 'payment has actually been made' means the actual payment of expenditure irrespective of the previous year in which the liability for the expenditure was incurred according to the method of accounting regularly employed by the assessee.

(2) Where the licence is transferred and the proceeds of the transfer (so far as they consist of capital sums) are less than the expenditure incurred remaining unallowed, a deduction equal to such expenditure remaining unallowed, as reduced by the proceeds of the transfer, shall be allowed in respect of the previous year in which the licence is transferred.

(3) Where the whole or any part of the licence is transferred and the proceeds of the transfer (so far as they consist of capital sums) exceed the amount of the expenditure incurred remaining unallowed, so much of the excess as does not exceed the difference between the expenditure incurred to obtain the licence and the amount of such expenditure remaining unallowed shall be chargeable to income tax as profits and gains of the business in the previous year in which the licence has been transferred.

Explanation.-Where the licence is transferred in a previous year in which the business is no longer in existence, the provisions of this sub-section shall apply as if the business is in existence in that previous year.

(4) Where the whole or any part of the licence is transferred and the proceeds of the transfer (so far as they consist of capital sums) are not less than the amount of expenditure incurred remaining unallowed, no deduction for such expenditure shall be allowed under sub-section (1) in respect of the previous year in which the licence is transferred or in respect of any subsequent previous year or years.

(5) Where a part of the licence is transferred in a previous year and sub-section (3) does not apply, the deduction to be allowed under sub-section

(1) for expenditure incurred remaining unallowed shall be arrived at by-

(a) subtracting the proceeds of transfer (so far as they consist of capital sums) from the expenditure remaining unallowed; and

(b) dividing the remainder by the number of relevant previous years which have not expired at the beginning of the previous year during which the licence is transferred.

(6) Where, in a scheme of amalgamation, the amalgamating company sells or otherwise transfers the licence to the amalgamated company (being an Indian company),-

(i) the provisions of sub-sections (2), (3) and (4) shall not apply in the case of the amalgamating company; and

(ii) the provisions of this section shall, as far as may be, apply to the amalgamated company as they would have applied to the amalgamating company if the latter had not transferred the licence."

7. Amendment of Section 36 :-

In Section 36 of the Income tax Act, 1961 , -

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

(i) in clause (vii), in the proviso, for the words "a bank", the words "an assessee" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1992;

(ii) in clause (viii), with effect from the 1st day of April, 1998,-

(A) for the words "special reserve created", the words "special reserve created and maintained" shall be substituted;

(B) in the Explanation, for clause (d), the following clause shall be substituted, namely:- "(d) 'infrastructure facility' shall have the meaning assigned to it in clause (23-G) of Section 10 .";

(b) in sub-section (2), for clause (v), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1992, namely:- "(v) where such debt or part of debt relates to advances made by an assessee to which clause (vii-a) of sub-section (1) applies, no such deduction shall be allowed unless the assessee has debited the amount of such debt or part of debt in that previous year to the provision for bad and doubtful debts account made under that clause."

8. Amendment of Section 37 :-

In Section 37 of the Income tax Act, 1961 , sub-sections (2). (3), (4) and (5) shall be omitted with effect from the 1st day of April, 1998.

9. Amendment of Section 41 :-

In Section 41 of the Income tax Act, 1961 , with effect from the 1st day of April, 1998-

(a) after sub-section (4), the following sub-section shall be inserted, namely :- "(4-A) Where a deduction has been allowed in respect of any special reserve created and maintained under clause (viii) of sub-section (1) of section 36 , any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income tax as the income of the previous year in which such amount is withdrawn. Explanation.-Where any amount is withdrawn from the special reserve in a previous year in which the business is no longer in existence, the provisions of this sub-section shall apply as if the business is in existence in that previous year.";

(b) in sub-section (5), for the words, brackets and figure "or sub-section (4)", the words, brackets, figures and letter ", sub-section (4) or sub-section (4-A)" shall be substituted.

10. Amendment of Section 44-AA :-

In Section 44AA of the Income tax Act, 1961 , in sub- section (2), in clause (ii), for the words "during such previous year," the following shall be substituted with effect from the 1st day of April. 1998, namely :- "during such previous year; or (iii) where the profits and gains from the business are deemed to be the profits and gains of the assessee under Section 44-AD or Section 44-AE or Section 44-AF, as the case may be, and the assessee has claimed his income to be lower than the profits or gains so deemed to be the profits and gains of his business, as the case may be, during such previous year,".

11. Amendment of Section 44-AB :-

In Section 44AB of the Income tax Act, 1961 , in clause (b), for the words "previous year," the following shall be substituted with effect from the 1st day of April, 1998, namely :- "previous year, or (c) carrying on the business shall, if the profits and gains from the business are deemed to be the profits and gains of such person under Section 44-AD or section 44 AE or Section 44-AF, as the case may be, and he has claimed his income to be lower than the profits or gains so deemed to be the profits and gains of his business, as the case may be, in any previous year,".

12. Amendment of Section 44-AD :-

In Section 44AD of the Income tax Act, 1961 ,-

(i) in sub-section (2), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1994, namely :- "Provided that where the assessee is a firm, the salary and interest paid to its partners shall be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of Section 40 .":

(ii) sub-section (5) shall be omitted.

13. Amendment of Section 44-AE :-

In Section 44AE of the Income tax Act, 1961 , -

(i) in sub-section (3), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1994, namely :- "Provided that where the assessee is a firm, the salary and interest paid to its partners shall be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of Section 40 .";

(ii) sub-section (6) shall be omitted.

14. Insertion of new Section 44-AF :-

After Section 44AE of the Income tax Act, 1961 , the following section shall be inserted with effect from the 1st day of April, 1998, namely :- "44-AF. Special provisions for computing profits and gains of retail business.-

(1) Notwithstanding anything to the contrary contained in section 28 to section 43C, in the case of an assessee engaged in retail trade in any goods or merchandise, a sum equal to five per cent of the total turnover in the previous year on account of such business or, as the case may be, a sum higher than the aforesaid sum as declared by the assessee in his return of income shall be deemed to be the profits and gains of such business chargeable to tax under the head 'Profits and gains of business or profession' : Provided that nothing contained in this sub-section shall apply in respect of an assessee whose total turnover exceeds an amount of forty lakh rupees in the previous year.

(2) Any deduction allowable under the provisions of section 30 to section 38 shall, for the purposes of sub-section (1), be deemed to have been already given full effect to and no further deduction under those sections shall be allowed : Provided that where the assessee is a firm. the salary and interest paid to its partners shall be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of Section 40 .

(3) The written-down value of any asset used for the purpose of the business referred to in sub-section (1) shall be deemed to have been calculated as if the assessee had claimed and had been actually allowed the deduction in respect of the depreciation for each of the relevant assessment years.

(4) The provisions of section 44AA and section 44AB shall not apply in so far as they relate to the business referred to in sub-section (1) and in computing the monetary limits under those sections, the total turnover or, as the case may be, the income from the said business shall be excluded."

15. Amendment of Section 44-B :-

In Section 44B of the Income tax Act, 1961 , after sub- section (2), the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1976, namely :-

"Explanation.-For the purposes of this sub-section, the amount referred to in clause (i) or clause (ii) shall include the amount paid or payable or received or deemed to be received, as the case may be, by way of demurrage charges or handling charges or any other amount of similar nature."

16. Amendment of Section 47 :-

In Section 47 of the Income tax Act, 1961 , after clause (x), the following clauses shall be inserted with effect from the 1st day of April, 1998, namely :-

"(xi) any transfer made on or before the 31st day of December, 1997 by a person (not being a company) of a capital asset being membership of a recognised stock exchange to a company in exchange of shares allotted by that company to the transferor. Explanation.-For the purposes of this clause, the expression 'membership of a recognised stock exchange' means the membership of a stock exchange in India which is recognised under the provisions of Securities Contract (Regulation) Act, 1956;

(xii) any transfer of a capital asset, being land of a sick industrial company, made under a scheme prepared and sanctioned under S.18 of the Sick Industrial Companies (Special Provisions) Act, 1985 where such sick industrial company is being managed by its workers' cooperative : Provided that such transfer is made during the period commencing from the previous year in which the said company has become a sick industrial company under sub-section (1) of Section 17 of that Act and ending with the previous year during which the entire net worth of such company becomes equal to or exceeds the accumulated losses. Explanation.-For the purposes of this clause, 'net worth' shall have the meaning assigned to it in clause (g-a) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986)."

17. Amendment of Section 47A :-

Section 47A of the Income tax Act, 1961 shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted with effect from the 1st day of April, 1998, namely :- "(2) Where at any time, before the expiry of a period of three years from the date of the transfer of a capital asset referred to in clause (xi) of Section 47 , any of the shares allotted to the transferor in exchange of a membership in a recognised stock exchange are transferred, the amount of profits and gains not charged under Section 45 by virtue of the provisions contained in clause (xi) of Section 47 shall, notwithstanding anything contained in the said clause, be deemed to be the income chargeable under the head 'Capital gains' of the previous year in which such shares are transferred."

18. Amendment of Section 48 :-

In Section 48 of the Income tax Act, 1961 , after the second proviso, the following proviso shall be inserted with effect from the 1st day of April,

1998, namely:- "Provided also that nothing contained in the second proviso shall apply to the long-term capital gain arising from the transfer of a long-term capital asset being bond or debenture other than capital indexed bonds issued by the Government."

19. Amendment of Section 55 :-

In Section 55 of the Income tax Act, 1961 , with effect from the 1st day of April, 1998-

(a) in sub-section (1), in clause (b), in sub-clause (1), after the words "goodwill of a business", the words "or a right to manufacture, produce or process any article or thing" shall be inserted',

(b) in sub-section (2), in clause (a), after the words "being goodwill of a business", the words "or a right to manufacture, produce or process any article or thing," shall be inserted.

20. Amendment of Section 57 :-

In Section 57 of the Income tax Act, 1961 , in clause (ii-a), for the words "twelve thousand rupees", the words "fifteen thousand rupees" shall be substituted with effect from the 1st day of April, 1998.

21. Omission of Section 80AA :-

Section 80AA of the Income tax Act, 1961 shall be omitted with effect from the 1st day of April, 1998.

22. Amendment of Section 80AB :-

In Section 80AB of the Income tax Act, 1961 , the brackets, words, figures and letter "(except Section 80-M)" shall be omitted with effect from the 1st day of April, 1998.

23. Amendment of Section 80G :-

In Section 80G of the Income tax Act, 1961 , with effect from the 1st day of April, 1998,-

(a) in sub-section (1), in clause (i), after the word, brackets, figures and letters "sub- clause (iii-he)", the words, brackets, figures and letters "or sub-clause (iii-hf)" shall be inserted-,

(b) in sub-section (2), in clause (a), after sub-clause (iii-he), the following sub- clause shall be inserted, namely :- "(iii-hf) the Chief Minister's Relief Fund or the Lieutenant-Governor's Relief Fund in respect of any State or Union Territory, as the case may be : Provided that such Fund is-

(a) the only Fund of its kind established in the State or the Union Territory, as the case may be;

(b) under the overall control of the Chief Secretary of the Department of Finance of the State or the Union Territory, as the case may be;

(c) administered in such manner as may be specified by the State Government or the Lieutenant-Governor, as the case may be; or".

24. Omission of Section 80GG :-

Section 80GG of the Income tax Act, 1961 shall be omitted with effect from the 1st day of April, 1998.

25. Amendment of Section 80IA :-

In Section 80IA of the Income tax Act, 1961 .-

(a) in sub-section (1), after the words "scientific and industrial research and development",-

(i) the words "or providing telecommunication services whether basic or cellular" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996;

(ii) after the words "or providing telecommunication services whether basic or cellular" as so inserted, the words "or operating an industrial park or commercial production of mineral oil in the North-Eastern Region" shall be inserted with effect from the 1st day of April, 1998;

(b) in sub-section (4), with effect from the 1st day of April, 1998,-

(i) for the portion beginning with the words "This section applies-" and ending with the words, brackets and figures "either of the conditions (iii) or (iv) are fulfilled, namely:-", the following shall be substituted, namely:- "This section applies to the business of any hotel-

(a) where conditions (i), (ii) and (v), and

(b) either of the conditions (iii) or (iv); or

(c) either of the conditions (iii-a) or (iv-a), are fulfilled, namely :-";

(ii) after clause (iii), the following clause shall be inserted, namely :- "(iii-a) the business of the hotel, located in a hilly area or a rural area or a place of pilgrimage or such other place as the Central Government may, having regard to the need for development of infrastructure for tourism in any place and other relevant considerations, specify for the purpose of this clause, starts functioning at any time during the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2001: Provided that nothing contained in this clause shall apply to any hotel located at a place within the municipal jurisdiction (whether known as a Municipality, Municipal Corporation, Notified Area Committee, Town Area Committee or a Cantonment Board or by any other name) of Calcutta, Chennai, Delhi and Mumbai;";

(iii) after clause (iv), the following clause shall be inserted, namely :- "(iv-a) the business of the hotel, located in a place other than a place referred to in clause (iii-a) of this sub-section and not being located at a place within the municipal jurisdiction (whether known as a Municipality, Municipal Corporation, Notified Area Committee, Town Area Committee or a Cantonment Board or by any other name) of Calcutta, Chennai, Delhi and

Mumbai, starts functioning at any time during the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2001;";

(c) after sub-section (4-B), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(4-C) This section applies to any undertaking which starts providing telecommunication services whether basic or cellular at any time on or after the 1st day of April, 1995 but before the 31st day of March, 2000.";

(d) after sub-section (4-C) as so inserted, the following sub-sections shall be inserted with effect from the 1st day of April, 1998, namely :- "(4-D) This section applies to any undertaking which begins to operate an industrial park notified by the Central Government in accordance with the scheme framed and notified by that Government for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2002. (4-E) This section applies to any undertaking which begins commercial production of mineral oil in the North-Eastern Region.";

(e) in sub-section (5),-

(i) after clause (i-b), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(i-c) in the case of an undertaking referred to in sub-section (4-C), hundred per cent of the profits and gains derived from such business for the initial five assessment years and thereafter, twenty-five per cent of the profits and gains derived from such business : Provided that where the assessee is a company, the provisions of this clause shall have effect as if for the words 'twenty-five per cent', the words 'thirty per cent' had been substituted;"

(ii) after clause (i-c), as so inserted, the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(i-d) in the case of an industrial park referred to in sub-section (4- D), hundred per cent of the profits and gains derived from such business for the initial five assessment years and thereafter, twenty-five per cent of the profits and gains derived from such business : Provided that where the assessee is a company, the provisions of this clause shall have effect as if for the words 'twenty-five per cent', the words 'thirty per cent' had been substituted;"

(iii) after clause (ii), the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(ii-a) in the case of a hotel referred to in clause (iii-a) of sub-section (4), fifty per cent of the profits and gains derived from the business of such hotel: Provided that the said hotel is approved by the prescribed authority for the purposes of this clause in accordance with the rules made under this Act;"

(iv) in clause (iii), after the word, brackets and figures "clause (iv)", the words, brackets, figures and letter "or clause (iv-a) shall be inserted with

effect from the 1st day of April, 1998;

(v) after clause (iv), the following clause shall be inserted with effect from the 1st day of April, 1998, namely - "(v) in the case of an undertaking referred to in sub-section (4-E) hundred per cent of profits and gains derived from such business for the initial seven assessment years,";

(f) in sub-section (6),-

(i) after clause (v), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(vi) ten in the case of an assessee, being an undertaking referred to in sub-section (4-C), deriving profits and gains from telecommunication services, whether basic or cellular;"

(ii) after clause (vi) as so inserted, the following clauses shall be inserted with effect from the 1st day of April, 1998, namely :- "(vii) ten in the case of an assessee, being an undertaking referred to in sub-section (4-D), deriving profits and gains from operating an industrial park; (viii) seven in the case of an assessee being an undertaking referred to in sub-section (4-E) deriving profits and gains from commercial production of mineral oil in the North-Eastern Region;"

(g) in sub-section (12), in clause (c),-

(i) after sub-clause (3), the following sub-clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(4) 'in the case of an undertaking referred to in sub-section (4-C)' means the assessment year relevant to the previous year in which the undertaking starts to provide the telecommunication services whether basic or cellular;"

(ii) after sub-clause (4) as so inserted, the following sub-clauses shall be inserted with effect from the 1st day of April, 1998, namely :- "(5) 'in the case of an undertaking operating an industrial park' referred to in sub-section (4-D) means the assessment year relevant to the previous year in which the undertaking starts operating such industrial park notified for the purposes of the said sub-section; (6) 'in the case of an undertaking engaged in the business of commercial production of mineral oil' referred to in sub-section (4-E) means the assessment year relevant to the previous year in which the undertaking commences the commercial production of mineral oil;"

(iii) after clause (f), the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(g) 'North-Eastern Region' means the region comprising the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura."

26. Omission of Section 80JJ :-

Section 80JJ of the Income tax Act, 1961 shall be omitted with effect from

the 1st day of April, 1998.

27. Amendment of Section 80L :-

In Section 80L of the Income tax Act, 1961 , in sub- section (1) with effect from the 1st day of April, 1998,-

(a) clause (iv) shall be omitted;

(b) in clause (x), the words ", or dividend received from," shall be omitted-,

(c) in the proviso, for the word, brackets and figures "clause (iv)", the word, brackets and figure "clause (i)" shall be substituted.

28. Omission of Section 80M :-

S.80M of the Income tax Act, 1961 shall be omitted with effect from the 1st day of April, 1998.

29. Amendment of Section 800 :-

In S.800 of the Income tax Act, 1961, for the portion beginning with the words "any income by way of royalty" and ending with the words "outside India to such Government or enterprise by the assessee,", the words "any income received by the assessee from the Government of a foreign State or foreign enterprise in consideration for the use outside India of any patent, invention, design or registered trade mark" shall be substituted with effect from the 1st day of April, 1998.

30. Amendment of Section 88 :-

In Section 88 of the Income tax Act, 1961 , in sub-section (2), in clause (xvi), with effect from the 1st day of April, 1998,-

(i) after the words "by a public company", the words "or as subscription to any eligible issue of capital by any public financial institution" shall be inserted-,

(ii) In the Explanation,-

(A) for clause (i), the following clause shall be substituted, namely :- "(i) 'eligible issue of capital' means an issue made by a public company formed and registered in India or a public financial institution and the entire proceeds of the issue is utilised wholly and exclusively either for the purposes of developing, maintaining and operating an infrastructure facility or for generating, or for generating and distributing, power or for providing telecommunication services, whether basic or cellular;"

(B) after clause (iii), the following clause shall be inserted, namely :- "(iv) 'public financial institution' shall have the meaning assigned to it in S.4-A of the Companies Act, 1956."

31. Substitution of new section for Section 88B :-

For Section 88-B of the Income Tax Act, the following section shall be substituted with effect from the 1st day of April, 1998, namely:- "88-B. Rebate of income tax in case of individuals of sixty-five years or above.- An

assessee, being an individual resident in India, who is of the age of sixty-five years or more at any time during the previous year shall be entitled to a deduction from the amount of income tax (as computed before allowing the deductions under this Chapter) on his total income, with which he is chargeable for any assessment year, of an amount equal to hundred per cent of such income tax or an amount of ten thousand rupees, whichever is less."

32. Amendment of Section 115A :-

In Section 115A of the Income Tax Act, 1961 , in sub- section (1), with effect from the 1st day of April, 1998,-

(a) in clause (a), for the word "dividends", wherever it occurs, the words "dividends other than dividends referred to in Section 115-0" shall be substituted-,

(b) in clause (b), for sub-clauses (A) and (B), the following sub-clauses shall be substituted, namely:-

"(A) the amount of income tax calculated on the income by way of royalty, if any, included in the total income, at the rate of thirty per cent if such royalty is received in pursuance of an agreement made on or before the 31st day of May, 1997 and twenty per cent where such royalty is received in pursuance of an agreement made after the 31st day of May, 1997;

(B) the amount of income tax calculated on the income by way of fees for technical services, if any, included in the total income, at the rate of thirty per cent if such fees for technical services are received in pursuance of an agreement made on or before the 31st day of May, 1997 and twenty per cent where such fees for technical services are received in pursuance of an agreement made after the 31st day of May, 1997; and".

33. Amendment of Section 115AC :-

In Section 115AC of the Income tax Act, 1961 , for the word "dividends", wherever it occurs, the words "dividends other than dividends referred to in Section 115-0" shall be substituted with effect from the 1st day of April, 1998.

34. Amendment of Section 115AD :-

In Section 115AD of the Income tax Act, 1961 , in sub-section (1), in clause (a), for the word "income", the words "income other than income by way of dividends referred to in Section 115-0" shall be substituted with effect from the 1st day of April, 1998.

35. Amendment of Section 115C :-

In Section 115C of the Income tax Act, 1961 , in clause (c), for the words "income derived", the words, figures and letter "income derived other than dividends referred to in Section 115-0" shall be substituted with effect from the 1st day of April, 1998.

36. Substitution of new section for Section 115E :-

For Section 115E of the Income tax Act, 1961 , the following section shall be substituted with effect from the 1st day of April, 1998, namely:- "115-E. Tax on investment income and long-term capital gains.-Where the total income of an assessee, being a non-resident Indian, includes-

- (a) any income from investment or income from long-term capital gains of an asset other than a specified asset;
- (b) income by way of long-term capital gains, the tax payable by him shall be the aggregate of-
 - (i) the amount of income tax calculated on the income in respect of investment income referred to in clause (a), if any, included in the total income, at the rate of twenty per cent;
 - (ii) the amount of income tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, at the rate of ten per cent; and
 - (iii) the amount of income tax with which he would have been chargeable had his total income been reduced by the amount of income referred to in clauses (a) and (b).".

37. Amendment of Section 115JA :-

In Section 115JA of the Income tax Act, 1961 , in sub-section (2),-

- (a) in clause (vii), in the Explanation, the word "or" shall be inserted at the end;
- (b) after clause (vii) as so amended, the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(viii) the amount of profits eligible for deduction under Section 80-HHC, computed under clause (a), (b) or (c) of sub-section (3) or sub-section (3-A), as the case may be, of that section, and subject to the conditions specified in sub- sections (4) and (4-A) of that section; (ix) the amount of profits eligible for deduction under Section 80-HHE, computed under sub-section (3) of that section.".

38. Insertion of new Section 115JAA :-

After Section 115JA of the Income tax Act, 1961 , the following section shall be inserted, namely :- "115-JAA. Tax credit in respect of tax paid on deemed income relating to certain companies.-

- (1) Where any amount of tax is paid under sub-section (1) of section 115JA by an assessee being a company for any assessment year, then, credit in respect of tax so paid shall be allowed to him in accordance with the provisions of this section.
- (2) The tax credit to be allowed under sub-section (1) shall be the difference of the tax paid for any assessment year under sub-section (1) of Section 115-JA and the amount of tax payable by the assessee on his total

income computed in accordance with the other provisions of this Act :
Provided that no interest shall be payable on the tax credit allowed under sub-section (1).

(3) The amount of tax credit determined under sub-section (2) shall be carried forward and set-off in accordance with the provisions of sub-section (4) and sub-section (5) but such carry-forward shall not be allowed beyond the fifth assessment year immediately succeeding the assessment year in which tax credit becomes allowable under sub-section (1).

(4) The tax credit shall be allowed set-off in a year when tax becomes payable on the total income computed in accordance with the provisions of this Act other than Section 115-JA.

(5) Set-off in respect of brought-forward tax credit shall be allowed for any assessment year to the extent of the difference between the tax on his total income and the tax which would have been payable under the provisions of sub-section (1) of Section 115-JA for that assessment year.

(6) Where as a result of an order under sub-section (1) or sub-section (3) of Section 143, Section 144, Section 147, Section 154, Section 155, sub-section (4) of Section 245-D, Section 250, Section 254, Section 260, Section 262, Section 263 or Section 264, the amount of tax payable under this Act is reduced or increased, as the case may be, the amount of tax credit allowed under this section shall also be increased or reduced accordingly."

39. Omission of Chapter XII-C :-

Chapter XII-C of the Income Tax Act shall be omitted with effect from the 1st day of April, 1998.

40. Insertion of new Chapter XII-D :-

After Section 115N of the Income tax Act, 1961 , the following Chapter shall be inserted with effect from the 1st day of June, 1997, namely :-
"CHAPTHR 12D SPECIALPROVISIONS RELATING TO TAX ON DISTRIBUTED PROFITS OF DOMESTIC COMPANIES\$15-0. Tax on distributed profits of domestic companies.-

(1) Notwithstanding anything contained in any other provision of this Act and subject to the provisions of this section, in addition to the income tax chargeable in respect of the total income of a domestic company for any assessment year, any amount declared, distributed or paid by such company by way of dividends (whether interim or otherwise) on or after the 1st day of June, 1997, whether out of current or accumulated profits shall be charged to additional income tax (hereinafter referred to as tax on distributed profits) at the rate of ten per cent.

(2) Notwithstanding that no income tax is payable by a domestic company on its total income computed in accordance with the provisions of this Act, the tax on distributed profits under sub-section (1) shall be payable by such

company.

(3) The principal officer of the domestic company and the company shall be liable to pay the tax on distributed profits to the credit of the Central Government within fourteen days from the date of-

(a) declaration of any dividend; or

(b) distribution of any dividend; or

(c) payment of any dividend, whichever is earliest.

(4) The tax on distributed profits so paid by the company shall be treated as the Final payment of tax in respect of the amount declared, distributed or paid as dividends and no further credit therefor shall be claimed by the company or by any other person in respect of the amount of tax so paid.

(5) No deduction under any other provision of this Act shall be allowed to the company or a shareholder in respect of the amount which has been charged to tax under sub-section (1) or the tax thereon. 115-P. Interest payable for non-payment of tax by domestic companies.-Where the principal officer of a domestic company and the company fails to pay the whole or any part of the tax on distributed profits referred to in sub-section (1) of Section 115-0, within the time allowed under sub-section (3) of that section, he or it shall be liable to pay simple interest at the rate of two per cent for every month or part thereof on the amount of such tax for the period beginning on the date immediately after the last date on which such tax was payable and ending with the date on which the tax is actually paid. 115-Q. When a company is deemed to be in default.-If any principal officer of a domestic company and the company does not pay tax on distributed profits in accordance with the provisions of Section 115-0, then, he or it shall be deemed to be an assessee in default in respect of the amount of tax payable by him or it and all the provisions of this Act for the collection and recovery of income tax shall apply. Explanation.-For the purposes of this Chapter, the expression 'dividends' shall have the same meaning as is given to 'dividend' in clause (22) of Section 2 but shall not include sub-clause (e) thereof."

41. Amendment of Section 132 :-

In Section 132 of the Income tax Act, 1961 ,-

(a) in sub-section (8), for the words "Chief Commissioner or Commissioner", at both the places where they occur, the words "Chief Commissioner, Commissioner, Director-General or Director" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of October, 1996;

(b) in sub-section (10), for the words "Chief Commissioner or Commissioner", the words "Chief Commissioner, Commissioner, Director-General or Director" shall be substituted and shall be deemed to have been

substituted with effect from the 1st day of October, 1996.

42. Amendment of Section 139 :-

In Section 139 of the Income tax Act, 1961 , in sub-section (1)-

(i) the following proviso shall be inserted, namely :- "Provided that a person, not furnishing return under this sub-section and residing in such area as may be specified by the Board in this behalf by a notification in the Official Gazette, and who at any time during the previous year fulfils any two of the following conditions, namely :-

(i) is in occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise, as may be specified by the Board in this behalf; or

(ii) is the owner or the lessee of a motor vehicle; or

(iii) is a subscriber to a telephone; or

(iv) has incurred expenditure for himself or any other person on travel to any foreign country, shall furnish a return, of his income during the previous year, on or before the due date in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed.";

(ii) after Explanation 2, the following Explanation shall be inserted, namely :- "Explanation 3.-For the purposes of this sub-section, the expression 'motor vehicle' shall have the meaning assigned to it in clause (28) of Section 2 of the Motor Vehicles Act, 1988 (59 of 1988).".

43. Amendment of Section 143 :-

In Section 143 of the Income tax Act, 1961 , in sub-section (1), in clause (a), with effect from the 1st day of April, 1998-

(i) for the second proviso, the following proviso shall be substituted, namely :- "Provided further that an intimation shall be sent to the assessee whether or not any adjustment has been made under the first proviso and notwithstanding that no tax or interest is due from him;"

(ii) in the third proviso, the words "for any tax or interest due" shall be omitted.

44. Amendment of Section 167A :-

In Section 167A of the Income tax Act, 1961 , for the words "maximum marginal rate", the words "rate as specified in the Finance Act of the relevant year" shall be substituted with effect from the 1st day of April, 1998.

45. Amendment of Section 172 :-

In Section 172 of the Income tax Act, 1961 , after sub-section(7), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1976, namely :- "(8) For the

purposes of this section, the amount referred to in sub-section (2) shall include the amount paid or payable by way of demurrage charge or handling charge or any other amount of similar nature."

46. Amendment of Section 193 :-

In Section 193 of the Income tax Act, 1961 , in the proviso, with effect from the 1st day of June, 1997,-

(a) clause (iii-a) shall be omitted,

(b) for clause (iv), the following clause shall be substituted, namely :- "(iv) any interest payable on any security of the Central Government or a State Government."

47. Amendment of Section 194 :-

In Section 194 of the Income tax Act, 1961 , after the proviso, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely:- "Provided further that no such deduction shall be made in respect of any dividends referred to in Section 115-0."

48. Amendment of Section 194B :-

In Section 194-B of the Income Tax Act, after the proviso, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely:- "Provided further that in a case where the winnings are wholly in kind or partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of the whole of the winnings, the person responsible for paying shall, before releasing the winnings, ensure that tax has been paid in respect of the winnings."

49. Amendment of Section 195 :-

In Section 195 of the Income tax Act, 1961 , in sub-section (1), after the first proviso, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided further that no such deduction shall be made in respect of any dividends referred to in Section 115-0."

50. Amendment of Section 196C :-

In Section 196C of the Income tax Act, 1961 , the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided that no such deduction shall be made in respect of any dividends referred to in Section 115-0."

51. Amendment of Section 196D :-

In Section 196D of the Income tax Act, 1961 , in sub-section (1), the following proviso shall be inserted with effect from the 1st day of June, 1997, namely:- "Provided that no such deduction shall be made in respect of any dividends referred to in Section 115-0."

52. Amendment of Section 206 :-

(1) Section 206 of the Income tax Act, 1961 shall be renumbered as sub-section (1) of that section and after sub-section (1) as so renumbered, the

following sub-sections shall be inserted, namely :-

"(2) Notwithstanding anything contained in any other law for the time being in force, a return filed on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer-readable media as may be specified by the Board (hereinafter referred to as the "computer media") shall be deemed to be a return for the purposes of this section and the rules made thereunder and shall be admissible in any proceedings thereunder, without further proof of production of the original, as evidence of any contents of the original or of any fact stated therein.

(3) A return filed under sub-section (2) shall fulfil the following conditions, namely:-

(a) while receiving returns on computer media, necessary checks by scanning the documents filed on computer media will be carried out and the media will be duly authenticated by the Assessing Officer; and

(b) the Assessing Officer shall also take due care to preserve the computer media by duplicating, transferring, mastering or storage without loss of data."

53. Amendment of Section 271C :-

In Section 271C of the Income tax Act, 1961 , for sub- section (1), the following sub-section shall be substituted with effect from the 1st day of June, 1997, namely -

"(1) If any person fails to-

(a) deduct the whole or any part of the tax as required by or under the provisions of Chapter XVII-B; or

(b) pay the whole or any part of the tax as required by or under-

(i) sub-section (2) of Section 115-0; or

(ii) the second proviso to Section 194-B, then, such person shall be liable to pay, by way of penalty, a sum equal to the amount of tax which such person failed to deduct or pay as aforesaid."

54. Insertion of new Section 271F :-

After Section 271E of the Income tax Act, 1961 , the following section shall be inserted, namely :- "271-F. Penalty for failure to furnish return of income.-If a person who is required to furnish a return of his income as required by the proviso to sub-section (1) of Section 139 fails to furnish such return on or before the due date, he shall be liable to pay by way of penalty, a sum of five hundred rupees."

55. Amendment of Section 273B :-

In Section 273B of the Income tax Act, 1961 , after the word, figures and letter "Section 271-E", the word, figures and letter "Section 271-F' shall be inserted.

56. Substitution of new section for Section 276B :-

For Section 276B of the Income Tax Act, 1961 , the following section shall be substituted with effect from the 1st day of June, 1997, namely:- "276-B. Failure to pay tax to the credit of the Central Government under Chapter XII-D or XVII-B.-If a person fails to pay to the credit of the Central Government,-

(a) the tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or

(b) the tax payable by him, as required by or under- (i) sub-section (2) of Section 115-0; or (ii) the second proviso to Section 194-B, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine."

57. Amendment of Section 281B :-

In Section 281B of the Income tax Act, 1961 , in sub- sections (1) and (2), for the words "Chief Commissioner or Commissioner", the words "Chief Commissioner, Commissioner, Director-General or Director" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of October, 1996.

58. Amendment of Schedule IV :-

In Income Tax Act, 1961 , in Part A, in Rule 6, in clause (a), for the word "ten", the word "twelve" shall be substituted with effect from the 1st day of April, 1998. Interest tax

59. Amendment of Section 4 :-

In Section 4 of the Interest Tax Act, 1974 (hereinafter referred to as the Interest Tax Act'), in sub-section (2), the following proviso shall be inserted with effect from the 1st day of April, 1998, namely :- "Provided that the rate at which interest tax shall be charged in respect of any chargeable interest accruing or arising after the 31st day of March, 1997 shall be two per cent of such chargeable interest."

60. Amendment of Section 21 :-

In Section 21 of the Interest Tax Act, 1974 , after the figures and brackets "2(44)", the figures ",119" shall be inserted and shall be deemed to have been inserted with effect from the 1st of October, 1991. Expenditure tax

61. Amendment of Section 4 of Act 35 of 1987 :-

In Section 4 of the Expenditure Tax Act, 1987 , in clause (a), after the proviso, the following proviso shall be inserted with effect from the 1st day of April, 1998, namely :- "Provided further that nothing in this clause shall apply in the case of a hotel referred to in clause (ii-a) of sub-section (5) of S.80-IA of the Income Tax Act, 1961 during the period beginning on the 1st day of April, 1998 and ending on the 31st day of March, 2008."

62. Short title and commencement :-

(1) This scheme may be called Voluntary Disclosure of Income Scheme, 1997.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

63. Definitions :-

In this scheme, unless the context otherwise requires,-

(a) "declarant" means a person making the declaration under sub-section (1) of Section 64;

(b) "Income Tax Act" means Income Tax Act, 1961 ;

(c) "Wealth Tax Act" means Wealth Tax Act, 1957 ;

(d) all other words and expressions used in this Scheme but not defined and defined in the Income Tax Act or the Wealth Tax Act shall have the meanings respectively assigned to them in those Acts.

64. Charge of tax on voluntarily disclosed income :-

(1) Subject to the provisions of this Scheme, where any person makes, on or after the date of commencement of this Scheme but on or before the 31st day of December, 1997, a declaration in accordance with the provisions of Section 65 in respect of any income chargeable to tax under the Income Tax Act or any assessment year-

(a) for which he has failed to furnish a return under Section 139 of the Income Tax Act;

(b) which he has failed to disclose in a return of income furnished by him under the Income Tax Act before the date of commencement of this Scheme;

(c) which has escaped assessment by reason of the omission or failure on the part of such person to make a return under the Income Tax Act or to disclose fully and truly all material facts necessary for his assessment or otherwise, then, notwithstanding anything contained in the Income Tax Act or in any Finance Act, income tax shall be charged in respect of the income so declared (such income being hereinafter referred to as the 'voluntarily disclosed income') at the rates specified hereunder, namely:- (i) in the case of a declarant, being a company or a firm, at the rate of thirty-five per cent of the voluntarily disclosed income; (ii) in the case of a declarant, being a person other than a company or a firm, at the rate of thirty per cent of the voluntarily disclosed income.

(2) Nothing contained in sub-section (1) shall apply in relation to-

(i) the income assessable for any assessment year for which a notice under Section 142 or Section 148 of the Income tax Act, 1961 has been served

upon such person and the return has not been furnished before the commencement of this Scheme;

(ii) the income in respect of the previous year in which a search under Section 132 of the Income tax Act, 1961 was initiated or requisition under S.132-A of the Income Tax Act was made, or survey under Section 133-A of the Income Tax Act was carried out or in respect of any earlier previous year.

65. Particulars to be furnished in declaration :-

(1) A declaration under sub-section (1) of Section 64 shall be made to the Commissioner and shall be in such form and shall be verified in such manner as may be prescribed.

(2) The declaration shall be signed,-

(a) where the declarant is an individual, by the individual himself; where such individual is absent from India, by the individual concerned or by some person duly authorised by him in this behalf; and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(b) where the declarant is a Hindu undivided family, by the Karta, and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;

(c) where the declarant is a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign the declaration or where there is no managing director, by any director thereof;

(d) where the declarant is a firm, by the managing partner thereof, or where for any unavoidable reason such managing partner is not able to sign the declaration, or where there is no managing partner as such, by any partner thereof, not being a minor;

(e) where the declarant is any other association, by any member of the association or the principal officer thereof; and

(f) where the declarant is any other person, by that person or by some other person competent to act on his behalf.

(3) Any person, who has made a declaration under sub-section (1) of Section 64 in respect of his income or as a representative assessee in respect of the income of any other person, shall not be entitled to make any other declaration, under that sub-section in respect of his income or the income of such other person, and any such other declaration, if made, shall be deemed to be void.

66. Time for payment of tax :-

The tax payable under this Scheme in respect of the voluntarily disclosed

income shall be paid by the declarant and the declaration shall be accompanied by proof of payment of such tax.

67. Interest payable by declarant :-

(1) Notwithstanding anything contained in Section 66, the declarant may file a declaration without paying the tax under that section and the declarant may file the declaration and the declarant may pay the tax within three months from the date of filing of the declaration with simple interest at the rate of two per cent for every month or part of a month comprised in the period beginning from the date of filing the declaration and ending on the date of payment of such tax and file the proof of such payment within the said period of three months.

(2) If the declarant fails to pay the tax in respect of the voluntarily disclosed income before the expiry of three months from the date of filing of the declaration, the declaration filed by him shall be deemed never to have been made under this Scheme.

68. Voluntarily disclosed income not to be included in the total income :-

(1) The amount of the voluntarily disclosed income shall not be included in the total income of the declarant for any assessment year under the Income Tax Act, if the following conditions are fulfilled, namely:-

(i) the declarant credits such amount in the books of account, if any, maintained by him for any source of income or in any other record, and intimates the credit so made to the Assessing Officer; and

(ii) the income tax in respect of the voluntarily disclosed income is paid by the declarant within the time specified in Section 66 or Section 67 .

(2) The Commissioner shall, on an application made by the declarant, grant a certificate to him setting forth the particulars of the voluntarily disclosed income and the amount of income tax paid in respect of the same.

69. Voluntarily disclosed income not to affect finality of completed assessments, etc :-

The declarant shall not be entitled in respect of the voluntarily disclosed income or any amount of tax paid thereon, to reopen any assessment or reassessment made under the Income Tax Act or the Wealth Tax Act or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment or reassessment.

70. Tax in respect of voluntarily disclosed income not refundable :-

Any amount of tax paid in pursuance of a declaration made under sub-section (1) of Section 64 shall not be refundable under any circumstances.

71. Declaration not admissible in evidence against declarant :-

Notwithstanding anything contained in any other law for the time being in

force, nothing contained in any declaration made under sub-section (1) of Section 64 shall be admissible in evidence against the declarant for the purpose of any proceeding relating to imposition of penalty or for the purposes of prosecution under the Income Tax Act or the Wealth Tax Act or Foreign Exchange Regulation Act, 1973 or the Companies Act, 1956 (1 of 1956),

72. Secrecy of declaration :-

(1) All particulars contained in a declaration made under sub-section (1) of Section 64 shall be treated as confidential and, notwithstanding anything contained in any law for the time being in force, no court or any other authority shall be entitled to require any public servant or the declarant to produce before it any such declaration or any part thereof or to give any evidence before it in respect thereof.

(2) No public servant shall disclose any particulars contained in any such declaration except to any officer employed in the execution of the Income Tax Act or the Wealth Tax Act, or to any officer appointed by the Comptroller and Auditor-General of India or the Board to audit income tax receipts or refunds.

73. Exemption from wealth tax in respect of assets specified in declaration :-

(1) Where the voluntarily disclosed income is represented by cash (including bank deposits), bullion, investment in shares, debts due from other persons, commodities or any other assets specified in the declaration made under sub-section (1) of Section 64 -

(a) in respect of which the declarant has failed to furnish a return under Section 14 of the Wealth Tax Act, 1957 for the assessment year commencing on the 1st day of April, 1997 or any earlier assessment year or years, or

(b) which have not been shown in the return of net wealth furnished by him for the said assessment year or years, or

(c) which have been understated in value in the return of net wealth furnished by him for the said assessment year or years, then, notwithstanding anything contained in the Wealth Tax Act or any rules made thereunder,-

(i) wealth tax shall not be payable by the declarant in respect of the assets referred to in clause (a) or clause (b) and such assets shall not be included in his net wealth for the said assessment year or years;

(ii) the amount by which the value of the assets referred to in clause (c) has been understated in the return of net wealth for the said assessment year or years, to the extent such amount does not exceed the voluntary disclosed income utilised for acquiring such assets, shall not be taken into

account in computing the net wealth of the declarant for the said assessment year or years;

(iii) the value of the jewellery or bullion so declared shall be taken to be its market value as on the 1st day of April, 1987, where the disclosure is made in respect of an assessment year earlier than assessment year 1987-88, and for the purposes of this Chapter the expression "jewellery" shall have the same meaning assigned to it in Explanation I to clause (viii) of S.5 of the Wealth-tax Act, 1957. Explanation.-Where a declaration under sub-section (1) of Section 64 is made by a firm, the assets referred to in clause (i) or, as the case may be, the amount referred to in clause (ii) shall not be taken into account in computing the net wealth of any partner of the firm or, as the case may be, in determining the value of the interest of any partner in the firm.

(2) The provisions of sub-section (1) shall not apply unless the conditions specified in sub-section (1) of Section 68 are fulfilled by the declarant.

74. Applicability of certain provisions of Income Tax Act and of Chapter V of Wealth Tax Act :-

The provisions of Income Tax Act, 1961 relating to liability in special cases and of Section 189 of that Act or of Wealth Tax Act, 1957 relating to liability to assessment in special cases shall, so far as may be, apply in relation to proceedings under this Scheme as they apply in relation to proceedings under the Income Tax Act or, as the case may be, the Wealth Tax Act.

75. Removal of doubts :-

For the removal of doubts, it is hereby declared that, save as otherwise expressly provided in the Explanation to sub-section (1) of Section 73, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on any person other than the person making the declaration under this Scheme.

76. Power to remove difficulties :-

(1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty : Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

77. Power to make rules :-

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

(2) Without prejudice to the generality of the foregoing power, such rules

may provide for the form in which a declaration may be made under sub-section (1) of Section 64 and the manner in which these may be verified.

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

78. Scheme not to apply to certain persons :-

The provisions of this Scheme shall not apply-

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

(i) such order of detention, being an order to which the provisions of Section 9 or Section 12-A of the said Act do not apply, has not been revoked on the report of the Advisory Board under Section 8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention, being an order to which the provisions of Section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under subsection (3) of Section 9 , or on the report of the Advisory Board under Section 8 , read with sub-section (2) of Section 9 , of the said Act; or

(iii) such order of detention, being an order to which the provisions of Section 12-A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under Section 8 , read with sub-section (6) of section 12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

(b) in relation to prosecution for any offence punishable under Chapter IX or Indian Penal Code, 1860 , Narcotic Drugs and Psychotropic Substances Act, 1985 , Terrorists and Disruptive Activities (Prevention) Act, 1987, Prevention of Corruption Act, 1988 or for the purpose of enforcement of any civil liability;

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

79. Insertion of new Section 8B :-

In Customs Tariff Act, 1975 (here in after referred to as the 'Customs Tariff Act'), after Section 8-A, the following section shall be inserted, namely :-
"8-B. Power of Central Government to impose safeguard duty.-

(1) If the Central Government, after conducting such inquiry as it deems fit, is satisfied that any article is imported into India in such increased quantities and under such conditions so as to cause or threatening to cause serious injury to domestic industry, then, it may, by notification in the Official Gazette, impose a safeguard duty on that article : Provided that no such duty shall be imposed on an article originating from a developing country so long as the share of imports of that article from that country does not exceed three per cent or where the article is originating from more than one developing countries, then, so long the aggregate of the imports from all such countries taken together does not exceed nine per cent of the total imports of that article into India.

(2) The Central Government may, pending the determination under sub-section (1), impose a provisional safeguard duty under this sub-section on the basis of a preliminary determination that increased imports have caused or threatened to cause serious injury to a domestic industry : Provided that where, on final determination, the Central Government is of the opinion that increased imports have not caused or threatened to cause serious injury to a domestic industry, it shall refund the duty so collected : Provided further that the provisional safeguard duty shall not remain in force for more than two hundred days from the date on which it was imposed.

(3) The duty chargeable under this section shall be in addition to any other duty imposed under this Act or under any other law for the time being in force.

(4) The duty imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of four years from the date of such imposition : Provided that if the Central Government is of the opinion that the domestic industry has taken measures to adjust to such injury or threat thereof and it is necessary that the safeguard duty should continue to be imposed, it may extend the period of such imposition: Provided further that in no case the safeguard duty shall continue to be imposed beyond a period of ten years from the date on which such duty was first imposed.

(5) The Central Government may, by notification in the Official Gazette, make rules for the purposes of this section, and without prejudice to the generality of the foregoing, such rules may provide for the manner in which articles liable for safeguard duty may be identified and for the manner in which the causes of serious injury or causes of threat of serious injury in relation to such articles may be determined and for the assessment and

collection of such safeguard duty.

(6) For the purposes of this section,-

(a) "developing country" means a country notified by the Central Government in the Official Gazette for the purposes of this section;

(b) "domestic industry" means the producers-

(i) as a whole of the like article or a directly competitive article in India; or

(ii) whose collective output of the like article or a directly competitive article in India constitutes a major share of the total production of the said article in India;

(c) "serious injury" means an injury causing significant overall impairment in the position of a domestic industry;

(d) "threat of serious injury" means a clear and imminent danger of serious injury.

(7) Every notification issued under this section shall, as soon as may be after it is issued, be laid before each House of Parliament."

80. Amendment of Act 51 of 1975 :-

The Customs Tariff Act shall be amended in the manner specified in the Second Schedule.

81. Insertion of new Section 3A :-

After Section 3 of the Central Excise Act, 1944 (hereinafter referred to as the 'Central Excise Act'), the following section shall be inserted, namely:-

"3-A. Determination of annual capacity of production of the factory for levy of Excise duty.-

(1) Notwithstanding anything contained in Section 3 , where the Central Government, having regard to the nature of the process of manufacture or production of excisable goods of any specified description, the extent of evasion of duty in regard to such goods or such other factors as may be relevant, is of the opinion that it is necessary to safeguard the interest of revenue, specify, by notification in the Official Gazette, such goods as notified goods and there shall be levied and collected duty of excise on such goods in accordance with the provisions of this section.

(2) Where a notification is issued under sub-section (1), the Central Government may, by rules, provide for determination of the annual capacity of production, or such factor or factors relevant to the annual capacity of production of the factory in which such goods are produced, by the Commissioner of Central Excise and such annual capacity of production shall be deemed to be the annual production of such goods by such factory : Provided that where a factory producing notified goods is in operation only during a part of the year, the production thereof shall be calculated on proportionate basis of the annual capacity of production.

(3) The duty of excise on notified goods shall be levied at such rate as the Central Government may by notification in the Official Gazette specify, and collected in such manner as may be prescribed : Provided that, where a factory producing notified goods did not produce the notified goods during any continuous period of not less than seven days, duty calculated on a proportionate basis shall be abated in respect of such period if the manufacturer of such goods fulfils such conditions as may be prescribed.

(4) Where an assessee claims that the actual production of notified goods in his factory is lower than the production determined under sub-section (2), the Commissioner of Central Excise shall, after giving an opportunity to the assessee to produce evidence in support of his claim, determine the actual production and redetermine the amount of duty payable by the assessee with reference to such actual production at the rate specified in sub-section (3).

(5) Where the Commissioner of Central Excise determines the actual production under sub-section (4), the amount of duty already paid, if any, shall be adjusted against the duty so redetermined and if the duty already paid falls short of, or is in excess of, the duty so redetermined, the assessee shall pay the deficiency or be entitled to a refund, as the case may be.

(6) The provisions of this section shall not apply to goods produced or manufactured,-

(i) in a free-trade zone and brought to any other place in India; or

(ii) by a hundred per cent export-oriented undertaking and allowed to be sold in India. Explanation 1.-For the removal of doubts, it is hereby clarified that for the purposes of Section 3 of the Customs Tariff Act, 1975 (51 of 1975), the duty of excise leviable on the notified goods shall be deemed to be the duty of excise leviable on such goods under the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), read with any notification for the time being in force. Explanation 2.-For the purposes of this section the expressions "free-trade zone" and "hundred per cent export-oriented undertaking" shall have the meanings assigned to them in Section 3."

82. Insertion of new Section 4A :-

After Section 4 of the Central Excise Act, 1944 , the following section shall be inserted, namely :- "4-A. Valuation of excisable goods with reference to retail sale price.-

(1) The Central Government may, by notification in the Official Gazette, specify any goods, in relation to which it is required, under the provisions of Standards of Weights and Measures Act, 1976 or the rules made thereunder or under any other law for the time being in force, to declare on the package thereof the retail sale price of such goods, to which the provisions of sub-section (2) shall apply.

(2) Where the goods specified under sub-section (1) are excisable goods

and are chargeable to duty of excise with reference to value, then, notwithstanding anything contained in Section 4 , such value shall be deemed to be the retail sale price declared on such goods less such amount of abatement, if any, from such retail sale price as the Central Government may allow by notification in the Official Gazette.

(3) The Central Government may, for the purpose of allowing any abatement under sub-section (2), take into account the amount of duty of excise, sales tax and other taxes, if any, payable on such goods. Explanation 1.-For the purpose of this section, "retail sale price" means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be. Explanation 2.-Where on any excisable goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price for the purposes of this section."

83. Insertion of new Section 14AA :-

After S.14-A of the Central Excise Act, the following section shall be inserted, namely :- "14-AA. Special audit in cases where credit of duty availed or utilised is not within the normal limits, etc.-

(1) If the Commissioner of Central Excise has reason to believe that the credit of duty availed of or utilised under the rules made under this Act by a manufacturer of any excisable goods-

(a) is not within the normal limits having regard to the nature of the excisable goods produced or manufactured, the type of inputs used and other relevant factors, as he may deem appropriate;

(b) has been availed of or utilised by reason of fraud, collusion or any wilful misstatement or suppression of facts, he may direct such manufacturer to get the accounts of his factory, office, depot, distributor or any other place, as may be specified by him, audited by a cost accountant nominated by him.

(2) The cost accountant so nominated shall, within the period specified by the Commissioner of Central Excise, submit a report of such audit duly signed and certified by him to the said Commissioner mentioning therein such other particulars as may be specified.

(3) The provisions of sub-section (1) shall have effect notwithstanding that the accounts of the said manufacturer aforesaid have been audited under any other law for the time being in force or otherwise.

(4) The expenses of, and incidental to, such audit (including the remuneration of the cost accountant) shall be determined by the Commissioner of Central Excise (which determination shall be final) and paid by the manufacturer and in default of such payment shall be

recoverable from the manufacturer in the manner provided in Section 11 for the recovery of sums due to the Government.

(5) The manufacturer shall be given an opportunity of being heard in respect of any material gathered on the basis of the audit under sub-section (1) and proposed to be utilised in any proceeding under this Act or rules made thereunder. Explanation.-For the purpose of this section, 'cost accountant' shall have the meaning assigned to it in clause (b) of sub-section (1) of S.2 of the Cost and Works Accounts Act, 1959."

84. Amendment of Section 38 :-

In S.38 of the Central Excise Act, in sub-section (2), after the words "every notification issued under", the words, figures and letters "section 3A, Section 4-A" shall be inserted.

85. Amendment of Act 5 of 1986 :-

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

86. Amendment of Act 58 of 1957 :-

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.

87. Provisions as to duties of excise on specified petroleum products in relation to a certain period and validation :-

(1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) No. G.S.R.240(E), dated the 3rd day of May, 1997, which was issued in exercise of the powers conferred by R.57A of the Central Excise Rules, 1944, to restrict credit of duties paid on specified petroleum products used as inputs in the manufacture of final products shall,-

(a) be deemed to have, and to have always had, effect on and from the 23rd day of July, 1996; and

(b) be deemed to prevail, and to have always prevailed, over all notifications issued on or after the 23rd day of July, 1996, but before the 3rd day of May, 1997, under Rule 57-A of the said rules in relation to specified petroleum products. Explanation.-For the purposes of this section, "specified petroleum products" means naphtha, furnace oil, low sulphur heavy stock, light diesel oil, bitumen and paraffin wax falling under Chapter 27 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).

(2) Any action or thing taken or done or purported to have been taken or done, on or after the 23rd day of July, 1996, and before the 3rd day of May, 1997, in relation to specified petroleum products, under Central Excise Rules, 1944, read with notifications referred to in clause (b) of sub-section (1), shall be deemed to be, and to have always been, for all purposes, as

validly and effectively taken or done as if the provisions of sub-section (1) had been in force at all material times and such action or thing had been taken or done under Central Excise Rules, 1944 , read with the notification dated the 3rd day of May, 1997, referred to in sub-section (1), and, accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,-

(a) credit of duties restricted on or after the 23rd day of July, 1996, and before the 3rd day of May, 1997 on specified petroleum products, shall be deemed to be, and shall be deemed to have always been, as validly restricted, as if the provisions of this section had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court for allowing the credit; and no enforcement shall be made by any court of any decree or order allowing the credit, of duties which have been restricted and which would have been validly restricted if the provisions of this section had been in force at all material times;

(c) recovery shall be made of the credit of duties, which have not been restricted but which would have been so restricted if the provisions of this section had been in force at all material times, within a period of ninety days from the date of enactment of this Bill and the event of non-payment of such credit of duties within this period, in addition to the amount of credit of such duties recoverable, interest at the rate of eighteen per cent per annum shall be payable, from the date immediately after the expiry of the said period of ninety days till the date of payment. Explanation.-For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

CHAPTER 6 SERVICE TAX

88. Amendment of Act 32 of 1994 :-

In Finance Act, 1994 , with effect from such date as the Central Government may, by notification in the Official Gazette, appoint,-

(1) for Section 65 , the following section shall be substituted, namely :-
"65. Definitions.-In this Chapter, unless the context otherwise requires,- (1) "advertisement" includes any notice, circular, label, wrapper, document, hoarding or any other audio or visual representation made by means of light, sound, smoke or gas;

(2) "advertising agency" means any commercial concern engaged in providing any service connected with the making, preparation, display or exhibition of advertisement and includes an advertising consultant;

(3) "air travel agent" means any person engaged in providing any service connected with the booking of passage for travel by air;

- (4) "Appellate Tribunal" means the Customs, Excise and Gold (Control) Appellate Tribunal constituted under Section 129 of the Customs Act, 1962 ;
- (5) "assessee" means a person responsible for collecting the service tax and includes his agent;
- (6) "Board" means the Central Board of Excise and Customs constituted under Central Boards of Revenue Act, 1963;
- (7) "cab" means a motor cab or maxi cab;
- (8) "caterer" means any person who supplies, either directly or indirectly, any food, edible preparations, alcoholic or non-alcoholic beverages or crockery and similar articles or accoutrements for any purpose or occasion;
- (9) "Central Excise Officer" has the meaning assigned to it in clause (b) of Section 2 of the Central Excise Act, 1944 ;
- (10) "clearing and forwarding agent" means any person who is engaged in providing any service, either directly or indirectly, connected with clearing and forwarding operations in any manner to any other person and includes a consignment agent;
- (11) "consulting engineer" means any professionally qualified engineer or an engineering firm who, either directly or indirectly, renders any advice, consultancy or technical assistance in any manner to a client in one or more disciplines of engineering;
- (12) "courier agency" means a commercial concern engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles;
- (13) "custom house agent" means a person licensed, temporarily or otherwise, under the regulations made under sub-section (2) of Section 146 of the Customs Act, 1962 ;
- (14) "general insurance business" has the meaning assigned to it in clause (g) of Section 3 of the General Insurance Business (Nationalisation) Act, 1972 ;
- (15) "goods" has the meaning assigned to it in clause (7) of Section 2 of the Sale of Goods Act, 1930 ;
- (16) "goods carriage" has the meaning assigned to it in clause (14) of Section 2 of the Motor Vehicles Act, 1988 ;
- (17) "goods transport operator" means any commercial concern engaged in the transportation of goods but does not include a courier agency;
- (18) "insurer" means any person carrying on the general insurance business in India;

(19) "mandap" means any immovable property as defined in Section 3 of the Transfer of Property Act, 1882 and includes any furniture, fixtures, light fittings and floor coverings therein let out for consideration for organising any official, social or business function;

(20) "mandap keeper" means a person who allows temporary occupation of a mandap for consideration for organising any official, social or business function;

(21) "manpower recruitment agency" means any commercial concern engaged in providing any service, directly or indirectly, in any manner for recruitment of manpower, to a client;

(22) "maxi cab" has the meaning assigned to it in clause (22) of Section 2 of the Motor Vehicles Act, 1988 ;

(23) "motor cab" has the meaning assigned to it in clause (25) of Section 2 of the Motor Vehicles Act, 1988 ;

(24) "outdoor caterer" means a caterer engaged in providing services in connection with catering at a place other than his own;

(25) "pager" means an instrument, apparatus or appliance which is a non-speech, one-way personal calling system with alert and has the capability of receiving, storing and displaying numeric or alpha-numeric messages;

(26) "pandal or shamiana" means a place specially prepared or arranged for organising an official, social or business function;

(27) "pandal or shamiana contractor" means a person engaged in providing any service, either directly or indirectly, in connection with the preparation, arrangement, erection or decoration of a pandal or shamiana and includes the supply of furniture, fixtures, lights and lighting fittings, floor coverings and other articles for use therein;

(28) "person responsible for collecting the service tax" means a person who is required to collect service tax under this Chapter or is required to pay any other sum of money under this Chapter and includes every person in respect of whom any proceedings under this Chapter have been taken;

(29) "policy-holder" has the meaning assigned to it in clause (2) of Section 2 of the Insurance Act, 1938 ;

(30) "prescribed" means prescribed by rules made under this Chapter;

(31) "recognised stock exchange" has the meaning assigned to it in clause (f) of S.2 of the Securities Contracts (Regulation) Act, 1956;

(32) "rent-a-cab scheme operator" means a person who is the holder of a licence under Rent-a-Cab Scheme, 1989 framed by the Central Government under Motor Vehicles Act, 1988 ;

(33) "securities" has the meaning assigned to it in clause (h) of S.2 of the Securities Contracts (Regulation) Act, 1956;

(34) "service tax" means tax chargeable under the provisions of this Chapter;

(35) "ship" means a sea-going vessel and includes a sailing vessel;

(36) "shipping line" means any person who owns or charters a ship and includes an enterprise which operates or manages the business of shipping;

(37) "steamer agent" means any person who undertakes, either directly or indirectly,-

(a) to perform any service in connection with the ship's husbandry or dispatch including the rendering of administrative work related thereto; or

(b) to book, advertise or canvass for cargo for or on behalf of a shipping line; or

(c) to provide container feeder services for or on behalf of a shipping line;

(38) "stock-broker" means a stock-broker who has either made an application for registration or is registered as a stock-broker in accordance with the rules and regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(39) "sub-broker" means a sub-broker who has either made an application for registration or is registered as a sub-broker in accordance with the rules and regulations made under Securities and Exchange Board of India Act, 1992 ;

(40) "subscriber" means a person to whom a telephone connection or pager has been provided by the telegraph authority;

(41) "taxable service" means any service provided,-

(a) to an investor, by a stock-broker in connection with the sale or purchase of securities listed on a recognised stock exchange;

(b) to a subscriber, by the telegraph authority in relation to a telephone connection;

(c) to a subscriber, by the telegraph authority in relation to a pager;

(d) to a policy holder, by an insurer carrying on general insurance business in relation to general insurance business;

(e) to a client, by an advertising agency in relation to advertisements in any manner;

(f) to a customer, by a courier agency in relation to door-to-door transportation of time-sensitive documents, goods or articles;

(g) to a client, by a consulting engineer in relation to advice, consultancy or technical assistance in any manner in one or more disciplines of engineering;

(h) to a client, by a customs house agent in relation to the entry or departure of conveyances or the import or export of goods;

(i) to a shipping line, by a steamer agent in relation to a ship's husbandry or dispatch or any administrative work related thereto as well as the booking, advertising or canvassing of cargo, including container feeder services;

(j) to a client, by a clearing and forwarding agent in relation to clearing and forwarding operations in any manner;

(k) to a client, by a manpower recruitment agency in relation to the recruitment of manpower in any manner;

(l) to a customer, by an air travel agent in relation to the booking of passage for travel by air;

(m) to a customer, by a goods transport operator in relation to carriage of goods by road in a goods carriage;

(n) to a client, by an outdoor caterer;

(o) to a client, by a pandal or shamiana contractor in relation to a pandal or shamiana in any manner and also includes the services, if any, rendered as a caterer;

(p) to a client, by a mandap keeper in relation to the use of a mandap in any manner including the facilities provided to the client in relation to such use and also the services, if any, rendered as a caterer;

(q) to any person, by a tour operator in relation to a tour;

(r) to any person, by a rent-a-cab scheme operator in relation to the renting of a cab;

(42) "telegraph authority" has the meaning assigned to it in clause (6) of S.3 of the Indian Telegraph Act, 1885 and includes a person who has been granted a licence under the first proviso to sub-section (1) of Section 4 of that Act;

(43) "tour" means a journey from one place to another irrespective of the distance between such places;

(44) "tour operator" means a person who holds a tourist permit granted under the rules made under Motor Vehicles Act, 1988 ;

(45) words and expressions used but not defined in this chapter and defined in Central Excise Act, 1944 or the rules made thereunder, shall apply, so far as may be, in relation to service tax as they apply in relation

to duty of excise."; (2) for Section 66 , the following section shall be substituted, namely :- "66. Charge of service tax.-

(1) On and from the date of commencement of this chapter, there shall be charged a tax (hereinafter referred to as the 'service tax'), at the rate of five per cent of the value of the taxable services referred to in sub-clauses (a), (b) and (d) of Clause 41 of Section 65 which are provided to any person by the person responsible for collecting the service tax.

(2) With effect from the date notified under S.85 of the Finance (No.2) Act, 1996, there shall be charged a service tax at the rate of five per cent of the value of the taxable services referred to in sub-clauses (c), (e) and (f) of Clause 41 of Section 65 which are provided to any person by the person responsible for collecting the service tax. (3) With effect from the date notified under Section 84 of the Finance Act, 1997, there shall be charged a service tax at the rate of five per cent of the value of the taxable services referred to in sub-clauses (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q) and (r) of Clause 41 of Section 65 which are provided to any person by the person responsible for collecting the service tax.";

(3) in Section 67 , after clause (e), the following clauses shall be inserted, namely:-

"(f) in relation to service provided by a consulting engineer to a client, shall be the gross amount charged by such engineer from the client for advice, consultancy or technical assistance in any manner in one or more disciplines of engineering;

(g) in relation to service provided by a custom house agent to a client, shall be the gross amount charged by such agent from the client for services rendered in any manner in relation to the entry or departure of conveyances or in relation to the import or export of goods;

(h) in relation to service provided by a steamer agent to a shipping line, shall be the gross amount charged by such agent from the shipping line for services in relation to a ship's husbandry or dispatch or any administrative work related thereto or in relation to the booking, advertising or canvassing of cargo, container feeder services, including the commission paid to such agent;

(i) in relation to service provided by a clearing and forwarding agent to a client, shall be the gross amount charged by such agent from the client for services of clearing and forwarding operations in any manner;

(j) in relation to service provided by a manpower recruitment agency to a client, shall be the gross amount charged by such agency from the client in relation to the recruitment of manpower in any manner;

(k) in relation to service provided by an air travel agent to a customer, shall be the gross amount charged by such agent from the customer for services

in relation to the booking of passage for travel by air excluding the airfare but including the commission, if any, received from the airline in relation to such booking;

(l) in relation to service provided by a goods transport operator to a customer, shall be the gross amount charged by such operator for services in relation to carrying goods by road in a goods carriage and includes the freight charges but does not include any insurance charges;

(m) in relation to service provided by an outdoor caterer to a client, shall be the gross amount charged by such caterer from the client for services in relation to such catering including the charges for food, edible preparations, alcoholic or non-alcoholic beverages or crockery and similar articles or accoutrements provided to such client for any purpose or on any occasion;

(n) in relation to service provided by a pandal or shamiana contractor to a client, shall be the gross amount charged by such contractor from the client for services in relation to the setting up of a pandal or shamiana including the supply of furniture, fixtures, lights and lighting fittings, floor coverings and similar articles used therein and also the charges for catering, if any;

(o) in relation to service provided by a mandap-keeper to a client, shall be the gross amount charged by such keeper from the client for the use of the mandap including the facilities provided to the client in relation to such use and also the charges for catering, if any;

(p) in relation to service provided by a tour operator to a client, shall be the gross amount charged by such operator from the client for services in relation to a tour and includes the charges for any accommodation, food or any other facilities provided in relation to such tour;

(q) in relation to the service provided by a rent-a-cab scheme operator to any person, shall be the gross amount charged by such operator from such person for services in relation to the renting of a cab and includes such rental.";

(4) for Section 68 , the following section shall be substituted, namely :-
"68. Collection and recovery of service tax.-

(1) Every person providing taxable service to any person shall collect the service tax at the rate specified in Section 66 . (1-A) Notwithstanding anything contained in sub-section (1) of Section 68 , in respect of the taxable service referred to in items (g) to (r) of sub-clause (41) of Section 65 , the service tax for such service shall be collected from such person and in such manner as may be prescribed at the rate specified in section 66 and all the provisions of this chapter shall apply to such person as if he is the person responsible for collecting the service tax in relation to such service.

(2) The service tax collected during any calendar month in accordance with the provisions of sub-section (1) or sub-section (1-A), as the case may be,

shall be paid to the credit of the Central Government by the 15th of the month immediately following the said calendar month.

(3) Any person, responsible for collecting the service tax, who fails to collect the tax in accordance with the provisions of sub-section (1) or sub-section (1-A), as the case may be, shall, notwithstanding such failure, be liable to pay such tax to the credit of the Central Government within seventy-five days from the end of the month in which the service was rendered.";

(5) in Section 76 , -

(i) in the opening portion, for the words, brackets and figures "sub-section (1) of Section 68 ", the words, brackets. Figures and letter "sub-section (1) or sub-section (1-A) of Section 68 , as the case may be," shall be substituted,

(ii) in clause (b), for the word, brackets and Figure "sub-section (2)", the words, brackets and Figures "sub-section (2) or who fails to pay the service tax in accordance with sub-section (3)" shall be substituted',

(iii) in clause (ii), for the word, brackets and figure "sub-section (2)", the words, brackets and figures "sub-section (2) or, as the case may be, sub-section (3)" shall be substituted.

CHAPTER 7 MISCELLANEOUS

89. Amendment of Act 6 of 1898 :-

In Post Office Act, 1898 , with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, for the First Schedule, the following Schedule shall be substituted, namely :-

90. Amendment of Act 52 of 1963 :-

In Unit Trust of India Act, 1963 , in Section 32 , sub-section (3) shall be omitted with effect from the 1st day of June, 1997.

SCHEDULE 1 INLAND POSTAGE RATES

<p>\\ \\ \\ Letters For a weight not exceeding twenty grams \\ Rs 2.00 For every twenty grams, or fraction thereof, exceeding twenty grams Rs 2.00 \\ \\ \\ Letter-cards For a letter-card \\ Re.1.00 Postcards (not being post cards containing printed communication or competition postcards) Single \\ 25 paise Reply \\ 50 paise [Postcards containing printed communication (not being competition post cards)] \\ \\ \\ For a post card \\ \\ Re 1.50 Explanation.-A post card shall be deemed to contain a printed communication, if any matter (except the name and address of, and other particulars relating to, the sender and the place and date of despatch) is recorded by printing or by cyclostyling or by any other mechanical process, not being typewriting, on any part of the post card except the right-hand-half of the address-side thereof. \\ \\ \\ Competition postcards For a post card \\ Rs 2.00 Explanation.-A post card shall be deemed to be a competition post card if it is used in response to any competition organised on or through television, radio, newspaper, magazine or any other media. \\ \\ \\ Book, pattern and sample packets For the First fifty grams or fraction thereof Re 1.00 For every additional fifty grams, or fraction thereof, in excess of fifty grams \\ Rs 2.00 \\ \\ Registered newspapers For a weight not exceeding fifty grams \\ 15 paise For a weight exceeding fifty grams but not exceeding one hundred grams \\ 25 paise For</p>

every additional one hundred grams, or fraction thereof, exceeding one hundred grams \ \10 paise In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet- For a weight not exceeding one hundred grams \ \25 paise For every additional one hundred grams, or fraction thereof, exceeding one hundred grams \ \10 paise : Provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the Post Office. \ \ \ \ \Parcels For a weight not exceeding five hundred grams \Rs 8.00 For every five hundred grams, or fraction thereof, exceeding five hundred grams \ \Rs 8.00."

SCHEDULE 2

SCHEDULE

(See Section 2) PART I INCOME TAX Paragraph A In the case of every individual or Hindu undivided family or 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 S.2 of the Income tax Act, 1961, 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 \ \ \ \ \Nil; \Rs 40,000 (2) where the total income exceeds Rs 40,000 \ \ \15 per cent of the amount by which the total \but does not exceed Rs 60,000 \ \ \income exceeds Rs 40,000: (3) where the total income exceeds Rs 60,000 \ \ \Rs 3000 plus 30 per cent of the amount by which \but does not exceed Rs 1,20,000 \the total income exceeds Rs 60,000; (4) where the total income exceeds Rs \ \ \ \Rs 21,000 plus 40 per cent of the amount by \1,20,000 which the total income exceeds Rs 1,20,000. \ \ \ \Paragraph B In the case of every cooperative society,- Rates of income tax (1) where the total income does not exceed \ \ \ \10 per cent of the total income; \Rs 10,000 (2) where the total income exceeds Rs 10,000 \ \ \Rs 1000 plus 20 per cent of the amount by which \but does not exceed Rs 20,000 \ \ \the total income exceeds Rs 10,000; (3) where the total income exceeds Rs 20,000 \ \ \Rs 3000 plus 35 per cent of the amount by which the total income exceeds Rs 20,000. \ \ \ \Paragraph C In the case of every firm,- \ \ \Rate of income tax On the whole of the total income 40 per cent. \ \ \ \Paragraph D In the case of every local authority,- \ \ \Rate of income tax On the whole of the total income 30 per cent. \ \ \ \Paragraph E In the case of a company,- \ \ \Rates of income tax I. In the case of a domestic company 40 per cent of the total income; II. In the case of a company other than a domestic company,- (i) on so much of the total income as consists of- (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976, and where such agreement has, in either case, been \ \ \50 per cent; approved by the Central Government (ii) on the balance, if any, of the total income 55 per cent. Surcharge on Income Tax The amount of income tax computed in accordance with the provisions of this paragraph or Sections 112 and S.113 of the Income Tax Act, 1961, shall, in the case of every domestic company having a total income exceeding seventy- Five thousand rupees, be increased by a surcharge calculated at the rate of seven-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, S.194 of the Income Tax Act, 1961, S.194A of the Income Tax Act, 1961, S.194B of the Income Tax Act, 1961, S.194BB of the Income Tax Act, 1961, S.194D of the Income Tax Act, 1961 and S.195 of the Income Tax Act, 1961, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates :-

\Rate of income-tax_____ 1. In the case of a person, other than a company- (a) where the person is resident in India- (i) on income by way of interest other than "Interest on \10 per cent; securities" [1997 \ \ \ \ \ \ \ \ \ \Rate of income-tax (ii) on income by way of winnings from lotteries and crossword puzzles (iii) on income by way of winnings from horse-races (iv) on income by way of insurance commission (v) on income by way of interest payable on- (A) any debentures or securities other

than a security of the Central or a State Government for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act (B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with Securities Contracts (Regulation) Act, 1956 and any rules made thereunder (vi) on any other income 20 per cent (b) where the person is not resident in India- (i) in the case of a non-resident Indian- (A) on any investment income 20 per cent (B) on income by way of long-term capital gains 10 per cent referred to in Section 115-E (C) on other income by way of long-term capital gains 20 per cent (D) on income by way of interest payable by 20 per cent Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (E) on income by way of winnings from lotteries 40 per cent and crossword puzzles (F) on income by way of winnings from horse- 40 per cent races (G) on the whole of other income income tax at 30 per cent of the amount of income \ \ \ \ \ or \ \ \ \ \ \ \ \ \ \ income tax in respect of the \ \ \ \ \ income at the rates prescribed \ \ \ \ \ in Paragraph A of Part III of \ \ \ \ \ this Schedule if such income \ \ \ \ \ had been total income, \ \ \ \ \ \ whichever is higher; (ii) in the case of any other person- (A) on income by way of interest payable by 20 per cent Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (B) on income by way of winnings from 40 per cent; lotteries and crossword puzzles (C) on income by way of winnings from horse- 40 per cent; races (D) on income by way of long-term capital gains 20 per cent; (E) on the whole of the other income \ \ \ \ \ income tax at 30 per cent of the \ \ \ \ \ amount of income \ \ \ \ \ or \ \ \ \ \ income tax in respect of the \ \ \ \ \ income at the rates prescribed \ \ \ \ \ in Paragraph A of Part III of \ \ \ \ \ this Schedule if such income \ \ \ \ \ had been the total income, \ \ \ \ \ whichever is higher. 2. In the case of a company- (a) where the company is a domestic company- (i) on income by way of interest other than "interest on 20 per cent securities" (ii) on income by way of winnings from lotteries and 40 per cent crossword puzzles (iii) on income by way of winnings from horse-races 40 per cent (iv) on any other income 20 per cent (b) where the company is not a domestic company- (i) on income by way of winnings from lotteries and 40 per cent crossword puzzles (ii) on income by way of winnings from horse races 40 per cent (iii) on income by way of interest payable by 40 per cent Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (iv) on income by way of royalty payable by 20 per cent Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (I-A) of S.115A of the Income Tax Act, 1961, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (I-A) of S.115A of the Income Tax Act, 1961, to a person resident in India- (A) where the agreement is made before the 1st 30 per cent day of June, 1997 (B) where the agreement is made on or after the 20 per cent 1st day of June, 1997 (v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy- (A) where the agreement is made after the 31st 50 per cent day of March, 1961 but before the 1st day of April, 1976 (B) where the agreement is made after the 31st 30 per cent day of March, 1976 but before the 1st day of June, 1997 (C) where the agreement is made on or after the 20 per cent 1st day of June, 1997 (vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy- (A) where the agreement is made after the 29th 50 per cent day of

February, 1964 but before the 1st day of April, 1976 (B) where the agreement is made after the 31st day of March, 1976 but before the 1st day of June, 1976 (C) where the agreement is made on or after the 1st day of June, 1976 (vii) on income by way of long-term capital gains 20 per cent; (viii) on any other income 48 per cent. Explanation.-For the purpose of item I(b)(i) of this part, "investment income" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income Tax Act. PART III RATES FOR CALCULATING OR CHARGING INCOME TAX IN CERTAIN CASES, DEDUCTING INCOME TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX" In cases in which income tax has to be calculated under the first proviso to sub-section (5) of S.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 in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or sub-section (1-A) of Section 161 or Section 164 or Section 164-A or S.167B of the Income tax Act, 1961 at the rates as specified in that Chapter or section], shall be calculated, charged, deducted or computed at the following rate or rates :- Paragraph A In the case of every individual or Hindu undivided family or 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 S.2 of the Income tax Act, 1961, 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 Nil (2) where the total income exceeds Rs 40,000 10 per cent of the amount by which the total income exceeds Rs 40,000; but does not exceed Rs 60,000 (3) where the total income exceeds Rs 60,000 Rs 2000 plus 20 per cent of the amount by which the total income exceeds Rs 60,000; but does not exceed Rs 1,50,000 (4) where the total income exceeds Rs 1,50,000 Rs 20,000 plus 30 per cent of the amount by which the total income exceeds Rs 1,50,000. Paragraph B In the case of every cooperative society,- Rates of Income Tax (1) where the total income does not exceed 10 per cent of the total income; Rs 10,000 (2) where the total income exceeds Rs 10,000 Rs 1000 plus 20 per cent of the amount by which the total income exceeds Rs 10,000; but does not exceed Rs 20,000 (3) where the total income exceeds Rs 20,000 Rs 3000 plus 35 per cent of the amount by which the total income exceeds Rs 20,000. Paragraph C In the case of every firm.- Rate of income tax On the whole of the total income 35 per cent. Paragraph D In the case of every local authority,- Rate of income tax On the whole of the total income 30 per cent. Paragraph E In the case of a company,- Rates of income tax I. In the case of a domestic company 35 per cent of the total income; II. In the case of a company other than a domestic company- (i) on so much of the total income as consists of- (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976, and where such agreement has in either case, been 50 per cent; approved by the Central Government (ii) on the balance, if any, of the total income 48 per cent. PART IV [See Section 2(10)(C)] RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME Rule 1.-Agricultural income of the nature referred to in sub-clause (a) of clause (1-A) of S.2 of the Income tax Act, 1961 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 S.59 of the Income Tax Act, 1961 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 40-A therein shall be construed as not including a reference to sub-sections (3) and (4) of S.40A of the Income tax Act, 1961. Rule 2.-Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1-A) of S.2 of Income Tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue of 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, S.31 of the Income Tax Act, 1961, S.32 of the Income Tax Act, 1961, S.36 of the Income Tax Act, 1961, S.37 of the Income Tax Act, 1961, S.38 of the Income Tax Act, 1961, S.40 of the Income Tax Act, 1961, S.40A of the Income Tax Act, 1961 [other than sub-sections (3) and (4) thereof], S.41 of the Income Tax Act, 1961, S.43 of the Income Tax Act, 1961, S.43A of the Income Tax Act, 1961, S.43B of the Income Tax Act, 1961 and S.43C of the Income Tax Act, 1961 shall, so far as may be, apply accordingly. Rule 3.-Agricultural income of the nature referred to in sub-clause (c) of clause (1-A) of S.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-clause (c) shall be computed as if it were income chargeable to income tax under that Act under the head "Income from house property" and the provisions of Sections 23 to S.27 of the Income Tax Act, 1961 of that Act shall, so far may be, apply accordingly. Rule 4.-Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with R.8 of Income Tax Rules, 1962, and sixty per cent of such income shall be regarded as the agricultural income of the assessee. Rule 5.-Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income Tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee. Rule 6.-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 member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the 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. Rule 7.-Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income. Rule 8.-(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1997, 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, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996, 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, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996, (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996, (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996, (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1992, 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, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996, (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1993, 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, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996, (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1994, 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, 1995 or the 1st day of April, 1996, (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1995, 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, 1996, (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1996, 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, 1997. (2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1998 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, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995, or the 1st day of April, 1996 or the 1st day of April, 1997, is a loss, then, for the purposes of sub-section (9) 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, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996 or the 1st day of April, 1997, (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1992 or the 1st day of April, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996 or the 1st day of April, 1997, (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1992, 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, 1993 or the 1st day of April, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996 or the 1st day of April, 1997, (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1993, 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, 1994 or the 1st day of April, 1995 or the 1st day of April, 1996 or the 1st day of April, 1997, (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1994, 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, 1995 or the 1st day of April, 1996 or the 1st day of April, 1997, (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1995, 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, 1996 or the 1st day of April, 1997, (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1996, 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, 1997, (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1997, 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, 1998. (3) 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). (4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in Part IV of the First Schedule to Finance Act, 1989, or of Finance Act, 1990, or of Finance (No. 2) Act, 1991, or of Finance Act, 1992, or of Finance Act, 1993, or of Finance Act, 1994, or of Finance Act, 1995, or of Finance (No. 2) Act, 1996, shall be set off under sub-rule (1) or, as the case may be, sub-rule (2). Rule 9.-Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be nil. Rule 10.-The provisions of the Income Tax Act relating to procedure for assessment (including the provisions of Section 288-A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income. Rule 11.-For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income Tax Act for the purposes of assessment of the total income.

SCHEDULE 3

THE THIRD SCHEDULE

(See Section 80) In the Customs Tariff Act, 1975 , - (1) In Chapter I, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted', (2) In Chapter 8,- (i) in sub-heading Nos. 0801.11, 0801.19, 0801.21, 0801.22 and 0801.32, for the entries in column (4) and column (5) occurring against each of them, the entries "40%" and "30%" shall respectively be substituted', (ii) in sub-heading No. 0802.11, for the entries in column (4) and column (5), the entries "Rs 55 per kg" and "Rs 50 per kg" shall respectively be substituted', (iii) in sub-heading No. 0802.12, for the entries in column (4) and column (5), the entries "Rs 100 per Kg." and "Rs 95 per Kg." shall respectively be substituted, (iv) in sub-heading Nos. 0802.21, 0802.22, 0802.31, 0802.32, 0802.40, 0802.50, 0802.90, 0803.00, 0804.20, 0804.30, 0804.40, 0804.50, 0805.10, 0805.20, 0805.30, 0805.40 and 0805.90, for the entries in column (4) and column (5) occurring against each of them, the entries "40%" and "30%" shall respectively be substituted', (v) in sub-heading No. 0806.20, for the entries in column (4) and column (5), the entries "125%" and "115%" shall respectively be substituted-, (vi) in sub-heading Nos. 0807.11, 0807.19, 0807.20, 0808.10, 0808.20, 0809.10, 0809.20, 0809.30, 0810.10, 0810.20, 0810.30, 0810.40, 0810.50, 0811.10, 0811.20, 0811.90, 0812.10, 0812.20, 0812.90, 0813.10, 0813.20, 0813.30, 0813.40, 0813.50 and 0814.00, for the entries in column (4) and column (5) occurring against each of them, the entries "40%" and "30%" shall respectively be substituted', (3) In Chapter 12- (i) in sub-heading Nos. 1201.00, 1202.10, 1202.20, 1203.00, 1204.00, 1205.00, 1206.00, 1207.10, 1207.20, 1207.30, 1207.40, 1207.50, 1207.60, 1207.91, 1207.92 and 1207.99, for the entries in column (4) and column (5) occurring against each of them, the entries "40%" and "30%" shall respectively be substituted', (ii) in sub-heading Nos. 1208.10 and 1208.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted, (iii) in sub-heading Nos. 1209.11, 1209.19, 1209.21, 1209.22, 1209.23, 1209.24, 1209.25, 1209.26, 1209.29 and 1209.30, for the entry in column (4) occurring against each of them, the entry "10%" shall be substituted, (iv) in sub-heading Nos. 1210.10, 1210.20, 1211.10, 1211.20, 1212.10, 1212.20, 1212.30, 1212.91, 1212.92, 1212.99, 1213.00, 1214.10 and 1214.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (4) In Chapter 13,- (i) in sub-heading No. 1301.10, for the entry in column (4), the entry "40%" shall be substituted; (ii) in sub-heading No. 1301.20, for the entries in column (4) and column (5), the entries "40%" and "30%" shall respectively be substituted, (iii) in sub-heading Nos. 1301.90, 1302.11, 1302.12, 1302.13, 1302.14, 1302.31, 1302.32 and 1302.39, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (5) In Chapter 15- (i) in sub-heading Nos. 1501.00, 1503.00, 1504.10, 1504.20 and 1504.30, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted, (ii) in

sub-heading Nos. 1505.10 and 1505.90, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (iii) in sub-heading No. 1506.00, for the entry in column (4), the entry "30%" shall be substituted; (iv) in sub-heading Nos. 1508.10, 1508.90, 1511.10, 1511.90, 1512.11, 1512.19, 1512.21, 1512.29, 1513.21, 1513.29, 1515.11, 1515.19, 1515.21, 1515.29, 1515.30, 1515.40, 1515.50, 1515.60 and 1515.90, for the entries in column (4) and column (5) occurring against each of them, the entries "30%" and "20%" shall respectively be substituted; (v) in sub-heading Nos. 1516.10, 1516.20, 1517.10, 1517.90, 1518.00, 1520.00, 1521.10, 1521.90 and 1522.00, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (6) In Chapter 16, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (7) In Chapter 17, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 1702.11, 1702.19, 1703.10 and 1703.90), the entry "40%" shall be substituted; (8) In Chapter 18, in sub-heading No. 1801.00, for the entry in column (4), the entry "30%" shall be substituted; (9) In Chapter 19, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 1901.10) the entry "40%" shall be substituted; (10) In Chapter 20, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (11) In Chapter 21- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 2106.90), the entry "40%" shall be substituted; (ii) in sub-heading No. 2106.90, for the entry in column (4), the entry "190%" shall be substituted; (12) In Chapter 22- (i) in sub-heading Nos. 2201.10, 2201.90, 2202.10 and 2202.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (ii) in sub-heading Nos. 2203.00, 2204.10, 2204.21, 2204.29, 2204.30, 2205.10, 2205.90 and 2206.00, for the entry in column (4) occurring against each of them, the entry "100%" shall be substituted; (iii) in sub-heading Nos. 2207.10, 2208.20, 2208.30, 2208.40, 2208.50, 2208.60, 2208.70 and 2208.90, for the entry in column (4) occurring against each of them, the entry "260%" shall be substituted; (iv) in sub-heading No. 2209.00, for the entry in column (4), the entry "40%" shall be substituted; (13) In Chapter 23- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 2301.20), the entry "40%" shall be substituted; (ii) in sub-heading No. 2301.20, for the entry in column (4), the entry "Free" shall be substituted; (14) In Chapter 24, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (15) In Chapter 25- (i) in sub-heading Nos. 2501.00 and 2503.00, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (ii) in sub-heading Nos. 2504.10 and 2504.90, for the entries in column (4) and column (5) occurring against each of them, the entries "30%" and "20%" shall respectively be substituted; (iii) in sub-heading Nos. 2517.10, 2517.20, 2517.30, 2517.41 and 2517.49, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (iv) in sub-heading Nos. 2519.10 and 2519.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (v) in sub-heading Nos. 2521.00, 2522.10, 2522.20, 2522.30 and 2524.00, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (16) In Chapter 26, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2601.11, 2601.12, 2601.20, 2620.11, 2620.19 and 2620.30), the entry "5%" shall be substituted; (17) In Chapter 27- (i) in sub-heading Nos. 2701.11, 2701.12, 2701.19, 2701.20, 2702.10, 2702.20, 2703.00 and 2704.00, for the entry in column (4) occurring against each of them, the entry "10%" shall be substituted; (ii) in sub-heading No. 2707.40, for the entry in column (4), the entry "20%" shall be substituted; (iii) in sub-heading No. 2707.60, for the entry in column (4), the entry "25%" shall be substituted; (18) In Chapter 28,- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2801.20, 2814.10, 2814.20, 2815.11, 2815.12, 2823.00 and 2845.10), the entry "30%" shall be substituted; (ii) for the entry in column (4) occurring against sub-heading Nos. 2814.10 and 2814.20, the entry "Free" shall be substituted; (19) In Chapter 29- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2901.10, 2901.21, 2901.22, 2901.23, 2901.24, 2901.29, 2902.11, 2902.19, 2902.20, 2902.30, 2902.41, 2902.42, 2902.43, 2902.44, 2902.50, 2902.60, 2902.70, 2902.90, 2903.15, 2903.21, 2905.11, 2905.31, 2907.11, 2915.21, 2917.12, 2917.36, 2917.37, 2918.12, 2926.10, 2933.21, 2933.71, 2936.10, 2936.21, 2936.22, 2936.23, 2936.24, 2936.25, 2936.26, 2936.27, 2936.28, 2936.29, 2936.90, 2937.10, 2937.21, 2937.22, 2937.29, 2937.91, 2937.92, 2937.99, 2939.41, 2939.42, 2939.49, 2939.50, 2941.10, 2941.20, 2941.30, 2941.40, 2941.50 and 2941.90), the entry "30%" shall be

substituted; (ii) in sub-heading No. 2905.11, for the entry in column (4), the entry "20%" shall be substituted; (iii) in sub-heading No. 2907.11, for the entry in column (4), the entry "25%" shall be substituted; (iv) in sub-heading Nos. 2936.10, 2936.21, 2936.22, 2936.23, 2936.24, 2936.25, 2936.26, 2936.27, 2936.28, 2937.29 and 2936.90, for the entries in column (4) and column (5) occurring against each of them, the entries "30%" and "24%" shall respectively be substituted; (v) in sub-heading Nos. 2937.10, 2937.21, 2937.22, 2937.29, 2937.91, 2937.92, 2937.99, 2939.41, 2939.42, 2939.49 and 2939.50, for the entries in column (4) and column (5) occurring against each of them, the entries "30%" and "20%" shall respectively be substituted; (vi) in sub-heading Nos. 2941.10, 2941.20, 2941.30, 2941.40, 2941.50 and 2941.90, for the entries in column (4) and column (5) occurring against each of them, the entries "30%" and "24%" shall respectively be substituted; (20) In Chapter 30- (i) for the entries in column (4) and column (5) occurring against all the sub-heading Nos. (except sub-heading Nos. 3005.10, 3005.90, 3006.10, 3006.20, 3006.30, 3006.40, 3006.50 and 3006.60), the entries "30%" and "20%" shall respectively be substituted; (ii) in sub-heading Nos. 3005.10, 3005.90, 3006.10, 3006.20, 3006.30, 3006.40 and 3006.50, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (21) In Chapter 31, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3102.21, 3102.50, 3104.30, 3105.20, 3105.30, 3105.40, 3105.51, 3105.59, 3105.60 and 3105.90), the entry "30%" shall be substituted; (22) In Chapter 32, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3201.10, 3201.20, 3201.90, 3206.11 and 3206.19), the entry "30%" shall be substituted; (23) In Chapter 33- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 3302.10), the entry "40%" shall be substituted; (ii) in sub-heading No. 3302.10, for the entry in column (4), the entry "190%" shall be substituted; (24) In Chapter 34- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3402.11, 3402.12, 3402.13 and 3402.19), the entry "40%" shall be substituted; (ii) in sub-heading Nos. 3402.11, 3402.12, 3402.13 and 3402.19, for the entries in column (4) and column (5) occurring against each of them, the entries "40%" and "30%" shall respectively be substituted; (25) In Chapter 35. for the entry in column (4) occurring against all the sub-heading Nos., the entry "30%" shall be substituted', (26) In Chapter 36, for the entry in column (4) occurring against all the sub-heading Nos., the entry "30%" shall be substituted; (27) In Chapter 37, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3701.20 and 3702.20), the entry "25%" shall be substituted; (28) In Chapter 38- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3801.10, 3802.10, 3812.10, 3815.11, 3815.12, 3815.19, 3815.90 and 3817.10), the entry "30%" shall be substituted; (ii) in sub-heading No. 3817.10. for the entry in column (4), the entry "20%" shall be substituted', (iii) in sub-heading Nos. 3801.10, 3802.10 and 3812.10, for the entries in column (4) and column (5) occurring against each of them, the entries "30%" and "20%" shall respectively be substituted', (iv) in sub-heading Nos. 3815.11 and 3815.12, for the entries in column (4) and column (5) occurring against each of them, the entries "25%" and "15%" shall respectively be substituted', (v) in sub-heading Nos. 3815.19 and 3815.90, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (29) In Chapter 39, in sub-heading Nos. 3916.10, 3916.20, 3916.90, 3917.10, 3917.21, 3917.22, 3917.23, 3917.29, 3917.31, 3917.32, 3917.33, 3917.39, 3917.40, 3918.10, 3918.90, 3919.10, 3919.90, 3920.10, 3920.20, 3920.30, 3920.41, 3920.42, 3920.51, 3920.59, 3920.61, 3920.62, 3920.63, 3920.69, 3920.71, 3920.72, 3920.73, 3920.79, 3920.91, 3920.92, 3920.93, 3920.94, 3920.99, 3921.11, 3921.12, 3921.13, 3921.14, 3921.19, 3921.90, 3922.10, 3922.20, 3922.90, 3923.10, 3923.21, 3923.29, 3923.30, 3923.40, 3923.50, 3923.90, 3924.10, 3924.90, 3925.10, 3925.20, 3925.30, 3925.90, 3926.10, 3926.20, 3926.30, 3926.40 and 3926.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (30) In Chapter 40, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 4001.10, 4001.21, 4001.22, 4001.29 and 4011.30), the entry "40%" shall be substituted, (31) In Chapter 42, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (32) In Chapter 43- (i) in sub-heading Nos. 4301.30 and 4302.13, for the entry in column (4) occurring against each of them, the entry "Free" shall be substituted; (ii) in sub-heading Nos. 4303.10, 4303.90 and 4304.00, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (33) In Chapter 44, in sub-heading Nos. 4401.10, 4401.21, 4401.22, 4401.30, 4402.00, 4403.10, 4403.20,

4403.41, 4403.49, 4403.91, 4403.92 and 4403.99, for the entry in column (4) occurring against each of them, the entry "Free" shall be substituted; (34) In Chapter 46, for the entry in column (4) occurring against all the sub-heading Nos. the entry "40%" shall be substituted; (35) In Chapter 48- (i) in sub-heading Nos. 4812.00, 4813.10, 4813.20, 4813.90, 4814.10, 4814.20, 4814.30, 4814.90, 4815.00, 4816.10, 4816.20, 4816.30, 4816.90, 4817.10, 4817.20, 4817.30, 4818.10, 4818.20, 4818.30, 4818.40, 4818.50, 4818.90, 4819.10, 4819.20, 4819.30, 4819.40, 4819.50, 4819.60, 4820.10, 4820.20, 4820.30, 4820.40, 4820.50, 4820.90, 4821.10, 4821.90, 4822.10, 4822.90, 4823.11, 4823.19, 4823.40, 4823.51, 4823.59, 4823.60, 4823.70 and 4823.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (ii) in sub-heading No. 4823.20, for the entry in column (4), the entry "20%" shall be substituted; (36) In Chapter 49, in sub-heading Nos. 4905.10, 4905.91, 4905.99 and 4906.00, for the entry in column (4) occurring against each of them, the entry "Free" shall be substituted; (37) In Chapter 50, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 5002.00), the entry "30%" shall be substituted; (38) In Chapter 51,- (i) in sub-heading Nos. 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5102.10, 5102.20, 5103.10, 5103.20, 5103.30 and 5104.00, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (ii) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5102.10, 5102.20, 5103.10, 5103.20, 5103.30, 5104.00 and 5105.30), the entry "40%" shall be substituted; (39) In Chapter 52- (i) in sub-heading No. 5201.00, for the entry in column (4), the entry "Free" shall be substituted; (ii) in sub-heading Nos. 5202.10, 5202.91, 5202.99, 5204.11, 5205.11, 5205.12, 5205.13, 5205.14, 5205.15, 5205.21, 5205.22, 5205.23, 5205.24, 5205.26, 5205.27, 5205.28, 5205.31, 5205.32, 5205.33, 5205.34, 5205.35, 5205.41, 5205.42, 5205.43, 5205.44, 5205.46, 5205.47, 5205.48 and 5207.10, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (iii) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 5201.00, 5202.10, 5202.91, 5202.99, 5204.11, 5205.11, 5205.12, 5205.13, 5205.14, 5205.15, 5205.21, 5205.22, 5205.23, 5205.24, 5205.26, 5205.27, 5205.28, 5205.31, 5205.32, 5205.33, 5205.34, 5205.35, 5205.41, 5205.42, 5205.43, 5205.44, 5205.46, 5205.47, 5205.48 and 5207.10), the entry "40%" shall be substituted; (40) In Chapter 53, in sub-heading Nos. 5306.10, 5306.20, 5307.10, 5307.20, 5308.10, 5308.20, 5308.30, 5308.90, 5309.11, 5309.19, 5309.21, 5309.29, 5310.10, 5310.90 and 5311.00, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (41) In Chapter 54, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 5402.10, 5402.20, 5402.31, 5402.32, 5402.33, 5402.39, 5402.41, 5402.42, 5402.43, 5402.49, 5402.51, 5402.52, 5402.59, 5402.61, 5402.62, 5402.69, 5403.10, 5403.20, 5403.31, 5403.32, 5403.33, 5403.39, 5403.41, 5403.42 and 5403.49), the entry "40%" shall be substituted; (42) In Chapter 55- (i) in sub-heading Nos. 5505.10 and 5505.20, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (ii) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 5501.10, 5501.20, 5501.30, 5501.90, 5502.00, 5503.10, 5503.20, 5503.30, 5503.40, 5503.90, 5504.10, 5504.90, 5505.10, 5505.20, 5506.10, 5506.20, 5506.30, 5506.90 and 5507.00), the entry "40%" shall be substituted; (43) In Chapter 56, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (44) In Chapter 57, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (45) In Chapter 58- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 5802.11 and 5802.19), the entry "40%" shall be substituted; (ii) in sub-heading Nos. 5802.11 and 5802.19, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (46) In Chapter 59, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (47) In Chapter 60, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (48) In Chapter 61, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (49) In Chapter 62, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (50) In Chapter 63- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 6310.10 and 6310.90), the entry "40%" shall be substituted; (ii) in sub-heading Nos. 6310.10 and 6310.90, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (51) In Chapter 64, for the

entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (52) In Chapter 65, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (53) In Chapter 66, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (54) In Chapter 67, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (55) In Chapter 68, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 6806.10, 6806.20 and 6806.90), the entry "40%" shall be substituted; (56) In Chapter 69, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 6902.10, 6902.20 and 6902.90), the entry "40%" shall be substituted; (57) In Chapter 70, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (58) In Chapter 71, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (59) In Chapter 72, in sub-heading Nos. 7202.11, 7202.19, 7202.21, 7202.29, 7202.30, 7202.41, 7202.49, 7202.50, 7202.60, 7202.70, 7202.80, 7202.91, 7202.92, 7202.93 and 7202.99, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (60) In Chapter 75, for the entry in column (4) occurring against all the sub-heading Nos., the entry "10%" shall be substituted; (61) In Chapter 76, in sub-heading Nos. 7601.10, 7601.20 and 7602.00, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (62) In Chapter 80, for the entry in column (4) occurring against all the sub-heading Nos., the entry "20%" shall be substituted; (63) In Chapter 82- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 8212.10, 8212.20, 8212.90, 8213.00, 8214.10, 8214.20, 8214.90, 8215.10, 8215.20, 8215.91 and 8215.99), the entry "25%" shall be substituted; (ii) for the entry in column (4) occurring against sub-heading Nos. 8212.10, 8212.20, 8212.90, 8213.00, 8214.10, 8214.20, 8214.90, 8215.10, 8215.20, 8215.91 and 8215.99, the entry "40%" shall be substituted; (64) In Chapter 83, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (65) In Chapter 84- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 8407.21, 8414.30, 8414.80, 8414.90, 8415.10, 8415.20, 8415.81, 8415.82, 8415.83, 8415.90, 8418.10, 8418.21, 8418.22, 8418.29, 8418.91, 8418.99, 8422.11, 8422.19, 8422.90, 8423.10, 8447.20, 8448.11, 8448.19, 8448.51, 8448.59, 8450.11, 8450.12, 8450.19, 8450.20, 8450.90, 8451.10, 8451.90, 8452.10, 8452.30, 8452.40, 8452.90, 8469.11, 8469.12, 8469.20, 8469.30, 8470.10, 8470.21, 8470.29, 8470.30, 8470.40, 8470.50, 8470.90, 8472.10, 8472.20, 8472.30, 8472.90, 8473.10, 8473.21, 8473.29, 8473.40, 8473.50, 8479.50, 8479.60, 8479.89, 8482.10, 8482.20, 8482.30, 8482.40, 8382.50, 8482.80, 8482.91, 8482.99, 8485.10 and 8485.90), the entry "20%" shall be substituted; (ii) in sub-heading No. 8407.21, for the entry in column (4), the entry "5%" shall be substituted, (iii) in sub-heading Nos. 8414.30, 8414.80 and 8414.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (iv) in sub-heading Nos. 8415.10, 8415.20, 8415.81, 8415.82, 8415.83, 8415.90, 8418.10, 8418.21, 8418.22, 8418.29, 8418.91, 8418.99, 8422.11, 8422.19, 8422.90, 8423.10, 8447.20, 8448.11, 8448.19, 8448.51, 8448.59, 8450.11, 8450.12, and 8450.19, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (v) in sub-heading No. 8450.20, for the entry in column (4), the entry "30%" shall be substituted; (vi) in sub-heading No. 8450.90, for the entry in column (4), the entry "40%" shall be substituted; (vii) in sub-heading Nos. 8451.10 and 8451.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (viii) in sub-heading Nos. 8452.10, 8452.30, 8452.40, 8452.90, 8469.11, 8469.12, 8469.20, 8469.30, 8470.10, 8470.21, 8470.29, 8470.30, 8470.40, 8470.50, 8470.90, 8472.10, 8472.20, 8472.30, 8472.90, 8473.10, 8473.21, 8473.29, 8473.40 and 8473.50, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (ix) in sub-heading Nos. 8479.50, 8479.60 and 8479.89, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (x) in sub-heading Nos. 8482.10, 8482.20, 8482.30, 8482.40, 8482.50, 8482.80, 8482.91 and 8482.99, for the entry in column (4) occurring against each of them, the entry "10% plus Rs 150 per kg" shall be substituted; (xi) in sub-heading Nos. 8485.10 and 8485.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (66) In Chapter 85- (i) in sub-heading No. 8501.10, for the entry in column (4), the entry "40%" shall be substituted, (ii) in sub-heading Nos. 8501.20, 8501.31, 8501.32, 8501.33, 8501.34, 8501.40, 8501.51, 8501.52, 8501.53, 8501.61, 8501.62, 8501.63, 8501.64, 8502.11, 8502.12, 8502.13, 8502.20, 8502.31.

8502.39, 8502.40, 8503.00, 8504.10, 8504.21, 8504.22, 8504.23, 8504.31, 8504.32, 8504.33, 8504.34, 8504.40, 8504.50, 8504.90, 8505.11, 8505.19, 8505.20, 8505.30, and 8505.90, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (iii) in sub-heading Nos. 8506.10, 8506.30, 8506.40, 8506.50, 8506.60, 8506.80, 8506.90, 8507.10, 8507.20, 8507.30, 8507.40, 8507.80 and 8507.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (iv) in sub-heading Nos. 8508.10, 8508.20, 8508.80 and 8508.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (v) in sub-heading Nos. 8509.10, 8509.20, 8509.30, 8509.40, 8509.80, 8509.90, 8510.10, 8510.20, 8510.30, 8510.90, 8511.10, 8511.20, 8511.30, 8511.40, 8511.50, 8511.80, 8511.90, 8512.10, 8512.20, 8512.30, 8512.40, 8512.90, 8513.10, and 8513.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (vi) in sub-heading Nos. 8514.10, 8514.20, 8514.30, 8514.40, 8514.90, 8515.11, 8515.19, 8515.21, 8515.29, 8515.31, 8515.39, 8515.80 and 8515.90, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (vii) in sub-heading Nos. 8516.10, 8516.21, 8516.29, 8516.31, 8516.32, 8516.33, 8516.40, 8516.50, 8516.60, 8516.71, 8516.72, 8516.79, 8516.80 and 8516.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (viii) in sub-heading Nos. 8517.11, 8517.19, 8517.21, 8517.22, 8517.30, 8517.50 and 8517.80, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (ix) in sub-heading Nos. 8517.90 and 8518.90, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (x) in sub-heading Nos. 8518.10, 8518.21, 8518.22, 8518.29, 8518.30, 8518.40, 8518.50, 8519.10, 8519.21, 8519.29, 8519.31, 8519.39, 8519.40, 8519.92, 8519.93, 8519.99, 8520.10, 8520.20, 8520.32, 8520.33, 8520.39, 8520.90, 8521.10, 8521.90, 8522.90, 8523.11, 8523.12, 8523.13, 8523.20, 8523.30, 8523.90, 8524.10, 8524.31, 8524.32, 8524.39, 8524.40, 8524.51, 8524.52, 8524.53, 8524.60, 8524.91 and 8524.99, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (xi) in sub-heading Nos. 8525.10 and 8525.20, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (xii) in sub-heading Nos. 8525.30, 8525.40, 8526.10, 8526.91, 8526.92, 8527.12, 8527.13, 8527.19, 8527.21, 8527.29, 8527.31, 8527.32 and 8527.39, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (xiii) in sub-heading No. 8527.90, for the entry in column (4), the entry "30%" shall be substituted; (xiv) in sub-heading Nos. 8528.12, 8528.13, 8528.21, 8528.22 and 8528.30, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (xv) in sub-heading Nos. 8529.10, 8529.90, 8530.10, 8530.80 and 8530.90, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (xvi) in sub-heading Nos. 8531.10, 8531.20, 8531.80, 8531.90, 8532.10, 8532.21, 8532.22, 8532.23, 8532.24, 8532.25, 8532.29, 8532.30 and 8532.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (xvii) in sub-heading Nos. 8535.10, 8535.21, 8535.29, 8535.30, 8535.40, 8535.90, 8536.10, 8536.20, 8536.30, 8536.41, 8536.49, 8536.50, 8536.61, 8536.69, 8536.90, 8537.10, 8537.20, 8538.10 and 8538.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (xviii) in sub-heading Nos. 8539.10, 8539.21, 8539.22, 8539.29, 8539.31, 8539.32, 8539.39, 8539.41, 8539.49 and 8539.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (xix) in sub-heading No. 8540.11, for the entry in column (4), the entry "30%" shall be substituted; (xx) in sub-heading Nos. 8540.40, 8542.12, 8542.13, 8542.14, 8542.19, 8542.30, 8542.40, 8542.50 and 8542.90, for the entry in column (4) occurring against each of them, the entry "10%" shall be substituted; (xxi) in sub-heading Nos. 8543.11, 8543.19, 8543.20 and 8543.30, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (xxii) in sub-heading Nos. 8543.40, 8543.81 and 8543.89, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (xxiii) in sub-heading No. 8543.90, for the entry in column (4), the entry "20%" shall be substituted; (xxiv) in sub-heading Nos. 8544.11, 8544.19, 8544.20, 8544.30, 8544.41, 8544.49, 8544.51, 8544.59, 8544.60 and 8544.70, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (xxv) in sub-heading Nos. 8545.11, 8545.19, 8545.20, 8545.90, 8546.10, 8546.20, 8546.90, 8547.10, 8547.20 and 8547.90, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (xxvi) in sub-heading No. 8548.90, for the entry in column (4), the entry "30%" shall be substituted', (67) In Chapter 86, for the entry in column (4) occurring against all the sub-heading Nos. (except

sub- heading Nos. 8607.11, 8607.12, 8607.19, 8607.21, 8607.29, 8607.30, 8607.91, 8607.99 and 8608.00), the entry "40%" shall be substituted; (68) In Chapter 87, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 8710.00), the entry "40%" shall be substituted; (69) In Chapter 88, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 8802.20, 8802.30, 8802.40, 8803.10, 8803.20 and 8803.30), the entry "40%" shall be substituted; (70) In Chapter 89- (i) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 8908.00), the entry "40%" shall be substituted; (ii) in sub-heading No. 8908.00, for the entry in column (4), the entry "5%" shall be substituted; (71) In Chapter 90- (i) in sub-heading Nos. 9001.10, 9001.20, 9001.30, 9001.40, 9001.50, 9001.90, 9002.11, 9002.19, 9002.20, 9002.90, 9003.11, 9003.19, 9003.90, 9004.10, 9004.90, 9005.10, 9005.80, 9005.90, 9006.10, 9006.20, 9006.30, 9006.40, 9006.51, 9006.52, 9006.53, 9006.59, 9006.61, 9006.62, 9006.69, 9007.11, 9007.19, 9007.20, 9008.10, 9008.20, 9008.30, 9008.40, 9009.11, 9009.12, 9009.21, 9009.22, 9009.30, 9010.10, 9010.41, 9010.42, 9010.49, 9010.50, 9010.60, 9022.19, 9022.29, 9022.30 and 9022.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (ii) in sub-heading Nos. 9006.91, 9006.99, 9007.91, 9007.92, 9008.90, 9009.90 and 9010.90, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted', (iii) in sub-heading Nos. 9011.10, 9011.20, 9011.80, 9011.90, 9012.10, 9012.90, 9013.10, 9013.20, 9013.80, 9013.90, 9014.10, 9014.20, 9014.80, 9014.90, 9015.10, 9015.20, 9015.30, 9015.40, 9015.80, 9015.90, 9016.00, 9017.10, 9017.20, 9017.30, 9017.80, 9017.90, 9018.11, 9018.12, 9018.13, 9018.14, 9018.19, 9018.20, 9018.31, 9018.32, 9018.39, 9018.41, 9018.49, 9018.50, 9018.90, 9019.10, 9019.20, 9020.00, 9021.11, 9021.19, 9021.21, 9021.29, 9021.30, 9021.40, 9021.50, 9021.90, 9022.12, 9022.13, 9022.14, 9022.21, 9023.00, 9024.10, 9024.80, 9024.90, 9025.11, 9025.19, 9025.80, 9025.90, 9026.10, 9026.20, 9026.80, 9026.90, 9027.10, 9027.20, 9027.30, 9027.40, 9027.50, 9027.80, 9027.90, 9028.10, 9028.20, 9028.30, 9028.90, 9029.10, 9029.20, 9029.90, 9030.10, 9030.20, 9030.31, 9030.39, 9030.40, 9030.82, 9030.83, 9030.89, 9030.90, 9031.10, 9031.20, 9031.30, 9031.41, 9031.49, 9031.80, 9031.90, 9032.10, 9032.20, 9032.81, 9032.89, 9032.90 and 9033.00, for the entry in column (4) occurring against each of them, the entry "20%" shall be substituted; (72) In Chapter 91,- (i) in sub-heading Nos. 9101.11, 9101.12, 9101.19, 9101.21, 9101.29, 9101.91, 9101.99, 9102.11, 9102.12, 9102.19, 9102.21, 9102.29, 9102.91, 9102.99, 9103.10, 9103.90, 9104.00, 9105.11, 9105.19, 9105.21, 9105.29, 9105.91, 9105.99, 9106.10, 9106.20, 9106.90, 9107.00, 9111.10, 9111.90 and 9113.10, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (ii) in sub-heading Nos. 9108.11, 9108.12, 9108.19, 9108.20, 9108.91, 9108.99, 9109.11, 9109.19, 9109.90, 9110.11, 9110.12, 9110.19, 9110.90, 9114.10, 9114.20, 9114.30, 9114.40 and 9114.90, for the entry in column (4) occurring against each of them, the entry "25%" shall be substituted; (iii) in sub-heading Nos. 9111.20, 9111.80, 9112.10, 9112.80, 9112.90, 9113.20 and 9113.90, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (73) In Chapter 93, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (74) In Chapter 94, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (75) In Chapter 95, for the entry in column (4) occurring against all the sub-heading Nos., the entry "25%" shall be substituted; (76) In Chapter 96, for the entry in column (4) occurring against all the sub-heading Nos., the entry "40%" shall be substituted; (77) In Chapter 97, in sub-heading Nos. 9701.10, 9701.90, 9702.00, 9703.00 and 9706.00, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted; (78) In Chapter 98- (i) in sub-heading No. 9801.00, for the entry in column (4), the entry "20%" shall be substituted; (ii) in sub-heading Nos. 9802.00 and 9804.10, for the entry in column (4) occurring against each of them, the entry "30%" shall be substituted; (iii) in sub-heading Nos. 9804.90, 9805.10 and 9805.90, for the entry in column (4) occurring against each of them, the entry "40%" shall be substituted;

SCHEDULE 4

THE FOURTH SCHEDULE

SCHEDULE 5

THE FIVE SCHEDULE

(See Section 86) In the First Schedule to the Additional Duties of Excise Act,- (1) In sub-heading No. 2403.11. for the entry in column (4). the entry "Rs 29 per thousand" shall be substituted; (2) In sub-heading No. 2403.12. for the entry in column (4), the entry "Rs 112 per thousand" shall be substituted; (3) In sub-heading No. 2403.13, for the entry in column (4), the entry "Rs 160 per thousand" shall be substituted; (4) In sub-heading No. 2403.14. for the entry in column (4). the entry "Rs 262 per thousand" shall be substituted; (5) In sub-heading No. 2403.15, for the entry in column (4), the entry "Rs 352 per thousand" shall be substituted; (6) In sub-heading No. 2404.31. for the entry in column (4), the entry "Rs 1.40 per thousand" shall be substituted; (7) In sub-heading No. 2404.39, for the entry in column (4), the entry "Rs 3.50 per thousand" shall be substituted; (8) In sub-heading Nos. 5207.21. 5207.22. 5207.23 and 5207.29. for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (9) In sub-heading Nos. 5208.21, 5208.22. 5208.23 and 5208.29, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (10) In sub-heading Nos. 5209.21, 5209.22. 5209.23 and 5209.29, for the entry in column (4) occurring against each of them. the entry "8%" shall be substituted; (11) In sub-heading Nos. 5406.21, 5406.22, 5406.23 and 5406.29, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (12) In sub-heading Nos. 5407.21. 5407.22, 5407.23 and 5407.29, for the entry in column (4) occurring against each of them. the entry "8%" shall be substituted; (13) In sub-heading Nos. 5511.21, 5511.22. 5511.23 and 5511.29, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (14) In sub-heading Nos. 5512.21. 5512.22. 5512.23 and 5512.29, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (15) In sub-heading Nos. 5513.21, 5513.22, 5513.23 and 5513.29. for the entry in column (4) occurring against each of them. the entry "8%" shall be substituted; (16) In sub-heading Nos. 5514.21, 5514.22. 5514.23 and 5514.29. for the entry in column (4) occurring against each of them. the entry "8%" shall be substituted; (17) In sub-heading Nos. 5801.22 and 5801.32, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (18) In sub-heading Nos. 5802.22, 5802.32 and 5802.52, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted; (19) In sub-heading Nos. 6001.11, 6001.12, 6001.21, 6001.22, 6001.91, 6001.92, 6002.30. 6002.42, 6002.43, 6002.92 and 6002.93, for the entry in column (4) occurring against each of them, the entry "8%" shall be substituted;