

## **WEALTH TAX RULES, 1957**

### CONTENTS

1. Short title and commencement
  - 1A. Definitions
    - 1AA. Prescribed authority for the purposes of section 5(1)(xxxiv)
    - 1B. Valuation of life interest
    - 1BB. Valuation of house
    - 1C. Market value of unquoted preference shares
    - 1D. Market value of unquoted equity shares of companies other than investment companies and managing agency companies
  2. Valuation of interest in partnership or association of persons
    - 2A. Determination of the net value of assets of business as a whole
    - 2B. Adjustments in the value of an asset disclosed in the balance sheet
    - 2C. Adjustments in the value of an asset not disclosed in the balance sheet
    - 2D. Value of certain assets not to be taken into account
    - 2E. Value of certain liabilities not to be taken
    - 2F. Liabilities not disclosed in the balance sheet
    - 2G. Special provision for exclusion of certain assets and liabilities shown in the balance sheet
    - 2H. Valuation of assets forming part of industrial undertaking
    - 2I. Valuation of interest in assets of industrial undertaking belonging to a firm or association of persons
  3. Form of return of net wealth
    - 3A. Jurisdiction of Valuation Officers
    - 3B. Conditions for reference to Valuation Officers
    - 3C. Inspection
  4. Notice of demand
    - 4A. Form of application for settlement of case
      - 4AA. Disclosure of information in the application for settlement of cases
      - 4B. Fee for furnishing copy of report
      - 4C. Avoidance of repetitive appeals
    5. Appeal to the 4449[\*\*\*]Commissioner (Appeals)]
      - 5A. 47 [Production of additional evidence before the 44 [Deputy Commissioner (Appeals)] 45 [and Commissioner (Appeals)]
    6. Form of appeal to Appellate Tribunal
    7. Application for reference to High Court
    8. Authorised representatives
      - 8A. Qualifications of registered valuers
      - 8B. Application for registration as valuer
        - 8BB. Furnishing of particulars in certain cases

- 8C. Scale of fees to be charged by a registered valuer
- 8D. Form of report of valuation by registered valuer
- 8E. 86 [Registered valuer when to be guilty of misconduct in his professional capacity for purposes of section 34AD
- 8F. Charge sheet
- 8G. Inquiry Officer
- 8H. Proceedings before Inquiry Officer
- 8I. Order of the Chief Commissioner or the Director General]
- 8J. Procedure if no Inquiry Officer appointed
- 8K. Change of Inquiry Officer
- 8L. Powers of Board and Inquiry Officer
- 8M. Furnishing of particulars in certain cases
- 9. Disclosure of Information respecting assessees
- 10. Search and seizure
- 10A. Requisition of books of account, etc
- 11. Prescribed authority
- 12. Procedure to be followed in calculating interest
- 13. Forms for certificate of valuation of shares/jewellery, etc

### **WEALTH TAX RULES, 1957**

In exercise of the powers conferred by section 46 of the Wealth-tax Act, 1957 (27 of 1957), the Central Board of Revenue hereby makes the following rules, namely:-

#### **1. Short title and commencement :-**

- (1) These rules may be called the Wealth-tax Rules, 1957.
- (2) They shall be deemed to have come into force on the 1st day of April, 1957.

#### **1A. Definitions :-**

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Wealth-tax Act, 1957 (27 of 1957);
- (b) "accounting year", in relation to a company, means a period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up;
- <sup>1</sup>[(ba) "authorised bank" means any bank as may be appointed by the Reserve Bank of India as its agent under the provisions of sub-section (1) of section 45 of the Reserve Bank of India Act, 1934 (2 of 1934);]
- (c) "equity share" means any share in the share capital of a company other than a preference share;
- (d) "Form" means a form appended to these rules;

(e) "gold" means gold, including its alloy, whether virgin, melted, remitted, wrought or unwrought, in any shape or form of a purity of not less than nine carats and includes any gold coin (whether legal tender or not), any gold ornament and other articles of gold;

(f) "gold ornament" means any article in a finished form, meant for personal adornment or for the adornment of any idol, deity or any other object of religious worship, made of, or manufactured from, gold, whether or not set with stones or gems, real or artificial or with pearls, real, cultured or imitation or with all or any of them and includes parts, pendants or broken pieces of gold ornaments;

<sup>2</sup>[(g) "investment company means a company whose gross total income consists mainly of income which is chargeable to income-tax under the heads Interest on securities", "Income from house property", Capital gains and "Income from other sources".

Explanation.-In this clause, the expression "gross total income" means the total income computed in accordance with the provisions of the Income-tax Act, 1961 before making any deduction under Chapter VIA of that Act;]

(h) "managing agency company" means a company the entire income of which or any part thereof is derived by way of managing agency;

(i) "preference share" has the meaning assigned to it in section 85 of the Companies Act, 1956 (1 of 1956);

<sup>3</sup>(j) "recognised stock exchange" has the meaning assigned to it in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(k) "section" means a section of the Act;

(l) "unquoted share" means an equity share or a preference share of a company, other than any such share the value of which is regularly quoted at any recognised stock exchange;

<sup>4</sup> (m) all other words and expressions used but not defined in these rules and defined in the Act, shall have the meanings respectively assigned to them in the Act.

1. Inserted by the Wealth-tax (Third Amendment) Rules, 1981, w.e.f. 19-6-1981.

2. Substituted by the Wealth-tax (Third Amendment) Rules, 1976.

3. Govindlal Bangur v. WTO [ 1980] 123 ITR 216 (Cal.).

4. Smt. Ganga Devi v. CWT [1987] 166 ITR325 (Raj.) and CWT v. Narendra Ranjalker [1981] 129 ITR 203 (AP).

**1AA. Prescribed authority for the purposes of section 5(1) (xxxiv) :-**

. [. For the purposes of clause (xxxiv) of sub-section (1) of section 5 ,-

(i) the Chief Controller of Imports and Exports, Ministry of Commerce, Government of India, shall be the "prescribed authority" for specifying the percentage of total production to be exported by a company for the purposes of the said clause and for certifying that the company has undertaken the export of such percentage of its total production as has been so specified;

(ii) the Controller of Capital Issues, Department of Economic Affairs, Ministry of Finance, Government of India, shall be the "prescribed authority" for certifying that an issue of equity share capital has been made by a company after the 31st day of March, 1976, for the purposes of expansion or diversification of its industrial undertaking.]

**1B. Valuation of life interest :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**1BB. Valuation of house :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**1C. Market value of unquoted preference shares :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**1D. Market value of unquoted equity shares of companies other than investment companies and managing agency companies :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989]

**2. Valuation of interest in partnership or association of persons :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989,

w.e.f. 1-4-1989.]

**2A. Determination of the net value of assets of business as a whole :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2B. Adjustments in the value of an asset disclosed in the balance sheet :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2C. Adjustments in the value of an asset not disclosed in the balance sheet :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2D. Value of certain assets not to be taken into account :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2E. Value of certain liabilities not to be taken :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2F. Liabilities not disclosed in the balance sheet :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2G. Special provision for exclusion of certain assets and liabilities shown in the balance sheet :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

**2H. Valuation of assets forming part of industrial undertaking :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989,

w.e.f. 1-4-1989.]

## **2I. Valuation of interest in assets of industrial undertaking belonging to a firm or association of persons :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1989.]

## **3. Form of return of net wealth :-**

- <sup>1</sup> [(1) The return of net wealth referred to in section 14 shall-
- (A) in respect of assessment year 1992-93 and earlier assessment years-
    - (a) in the case of individuals and Hindu undivided families, be in Form A;
    - (b) in the case of companies, be in Form B; and shall be verified in the manner specified therein;  - (B) in the case of individuals, Hindu undivided families and companies, in respect of assessment year 1993-94 and any other subsequent assessment year, be in Form BA and shall be verified in the manner specified therein.]
- (2) Where the assessee is carrying on a business, a copy of the balance sheet or trial balance as on the valuation date or on the date of the closing of accounts immediately preceding the valuation date, and a copy of the auditors report, if any, shall also be furnished along with the return of net wealth.

1. Substituted by the Wealth-tax (Second Amendment) Rules, 1993, w.e.f. 1-6-1993. Prior to substitution, sub-rule (1) read as under: "(1) The return of net wealth referred to in sub-sections (1) and (2) of section 14 shall- (a) in the case of individuals and Hindu undivided families, be in Form A ; (b) in the case of companies, be in Form B; and shall be verified in the manner specified therein."

## **3A. Jurisdiction of Valuation Officers :-**

. [.

(1) Regional Valuation Officers shall exercise, within such areas as the Board may direct, general supervision over the work of District Valuation Officers, Valuation Officers and Assistant Valuation Officers.

(2) District Valuation Officers, Valuation Officers and Assistant Valuation Officers shall perform the functions of a Valuation Officer

in respect of such areas and in relation to such classes of assets as the Board may direct.

(3) Where under any directions issued under sub-rule (2), the functions of a Valuation Officer in relation to any class of assets, being buildings or lands or any rights in buildings or lands, in respect of any area have been assigned to a District Valuation Officer, Valuation Officer and an Assistant Valuation Officer, such functions shall be performed by the District Valuation Officer, the Valuation Officer or, as the case may be, the Assistant Valuation Officer as provided hereunder:-

(i) if the value of the asset as declared in the return made by the assessee under section 14 or section 15 exceeds <sup>1</sup>[Rs. 50 lakhs] or if the asset is not disclosed or the value of the asset is not declared in such return or no such return has been made and the value of the asset, in the opinion of the <sup>2</sup>[Assessing Officer], exceeds the aforesaid amount, the functions shall be performed by the District Valuation Officer;

(ii) if the value of the asset as declared in the return made by the assessee under section 14 or section 15 exceeds <sup>3</sup>[Rs. 10 lakhs] but does not exceed <sup>1</sup>[Rs. 50 lakhs] or if the asset is not disclosed or the value of the asset is not declared in such return or no such return has been made and the value of the asset, in the opinion of the <sup>2</sup>[Assessing Officer], falls within the aforesaid limits, the functions shall be performed by the Valuation Officer; and

(iii) if the value of the asset as declared in the return made by the assessee under section 14 or section 15 does not exceed <sup>3</sup>[Rs. 10 lakhs], or if the asset is not disclosed or the value of the asset is not declared in such return or no such return has been made and the value of the asset, in the opinion of the <sup>2</sup>[Assessing Officer], does not exceed the aforesaid amount, the functions shall be performed by the Assistant Valuation Officer:]

<sup>8</sup>[Provided that the District Valuation Officer referred to in clause (i) having jurisdiction in respect of the area may, if he considers it necessary or expedient so to do for the purpose of proper and efficient management of the work of valuation, himself perform such functions in relation to any asset referred to in clause (ii):] <sup>9</sup>[<sup>10</sup>[Provided further that] the Valuation Officer referred to in clause (ii) having jurisdiction in respect of the area may, if he considers it necessary or expedient so to do for the purpose of proper and efficient management of the work of valuation, himself perform such functions in relation to any asset referred to in clause (iii).]

**11**[(4) Where the valuation of any asset, being building or land or any right in

(i) the District Valuation Officer shall transfer the reference to the Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 does not exceed Rs. 50 lakhs;

(ii) the Valuation Officer shall transfer the reference to the Assistant Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 does not exceed Rs. 10 lakhs.]

**12** [(5) For the purposes of sub-rules (3) and (4), the value of the assets referred to therein shall be in respect of the asset as a whole, whether owned by the assessee individually or jointly.]

1. Substituted for "Rs. 20 lakhs by the Wealth-tax (First Amendment) Rules, 1996, w.e.f. 12-7-1996. Earlier "Rs. 20 lakhs was substituted for Rs. 10 lakhs" by the Wealth-tax (Amendment) Rules, 1987, w.e.f. 4.11-1987 and "Rs. 10 lakhs" was substituted for Rs. 5 lakhs" by the Wealth-tax (Fourth Amendment) Rules, 1976, w.e.f. 15-12-1976.

2. Substituted for Wealth-tax Officer by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 14-1988.

3. Substituted for "Rs. 5 lakhs by the Wealth-tax (First Amendment) Rules, 1996, w.e.f. 12-7-1996. Earlier Rs. 5 lakhs" was substituted for "Rs. 2 lakhs by the Wealth-tax (Amendment) Rules, 1987, w.e.f. 4-11-1987.

8. Inserted by the Wealth-tax (Amendment) Rules, 1987, w.e.f. 4-11-1987.

9. Inserted by the Wealth-tax (Third Amendment) Rules, 1973, w.e.f. 4-6-1973.

10. Substituted for "Provided that by the Wealth-tax (Fourth Amendment) Rules, 1976, w.e.f. 15-12.1976.

11. Substituted by the Wealth-tax (First Amendment) Rules, 1996, w.e.f. 12-7-1996. Prior to its substitution, sub-rule (4) was amended by the Wealth-tax (Amendment) Rules, 1987, w.e.f. 4-11-1987 and the Wealth-tax (Fourth Amendment) Rules, 1976, w.e.f. 15-12-1976, read as under: (4) Where the valuation of any asset, being building or land or any right in any building or land, referred to the District Valuation Officer, the Valuation Officer or the Assistant Valuation Officer, as the case may be, is pending with him on the 4th day of November, 1987, being the date of commencement of the Wealth-tax (Amendment) Rules, 1987- (i)



the District Valuation Officer shall transfer the reference to the Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 does not exceed Rs. 20 lakhs, (ii) the Valuation Officer shall transfer the reference to- (a) the District Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 exceeds Rs. 20 lakhs, (b) the Assistant Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 exceeds Rs. 20 lakhs, (iii) the Assistant Valuation Officer shall transfer the reference to- (a) the District Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 exceeds Rs. 20 lakhs, (b) the Valuation Officer, if the value of the asset as declared in the return made by the assessee under section 14 or section 15 exceeds Rs. 5 lakhs but does not exceed Rs. 20 lakhs, or, if the asset is not disclosed or the value of the asset is not declared in such return or no such return has been made, the value of the asset, in the opinion of the District Valuation Officer, does not exceed the said amount"

12. Inserted by the Wealth-tax (Amendment) Rules, 1987, w.e.f. 4-11 -1987.

### **3B. Conditions for reference to Valuation Officers :-**

. [. The percentage of the value of the asset as returned and the amount referred to in sub-clause (i) of clause (b) of sub-section (1) of section 16A shall, respectively, be 33 1/3 per cent and Rs. 50,000.]

### **3C. Inspection :-**

. [. The Valuation Officer or any overseer, surveyor or assessor authorised by him by order in writing in this behalf may enter any land referred to in clause (a), or any land, building or other place referred to in clause (b), of sub-section ( 1 ) of section 38A , or inspect any asset referred to in clause (c), of that sub-section, on any day, excluding Sundays and holidays under the Negotiable Instruments Act, 1881 (26 of 1881) at any time between 6 a.m. and 6 p.m.]

### **4. Notice of demand :-**

Every notice of demand under section 30 shall be in Form C : Provided that a notice of demand relating to payment of wealth-tax provisionally assessed under section 15C shall be in Form D.

#### **4A. Form of application for settlement of case :-**

. [.

(1) An application for settlement of a case under sub-section (1) of section 22C shall be made in quintuplicate in Form DA <sup>1</sup>[and shall be verified in the manner indicated therein].

<sup>2</sup> [(2) The application referred to in sub-ruled), the verification appended there- to, the Annexure to the said application and the statements and documents accompanying the Annexure shall be signed by the person specified in section 15A .]

(3) Every application in connection with the settlement of a case shall be accompanied by a fee of five hundred rupees.]

1. Inserted by the Wealth-tax (Second Amendment) Rules, 1984, w.e.f. 1 -10- 1984.

2. Substituted, Inserted by the Wealth-tax (Second Amendment) Rules, 1984, w.e.f. 1 -10- 1984.

#### **4AA. Disclosure of information in the application for settlement of cases :-**

. [.

(1) The Settlement Commission may, while calling for a report from the Commissioner under sub-section (1) of section 22D , forward a copy of the application filed in Form DA (other than the Annexure and the statements and other documents accompanying such Annexure).

(2) Where an order under sub-section (1) of section 22D allowing the application to be proceeded with is made by the Settlement Commission, the information contained in the Annexure to the application in Form DA and in the statements and documents accompanying such Annexure shall be sent to the Commissioner along with a copy of the said order.]

#### **4B. Fee for furnishing copy of report :-**

. [.

(1) The following scale of fees shall be levied by the Settlement Commission for furnishing under section 22G a copy of any report or part of any report made by any wealth-tax authority to the Settlement Commission - For the first two hundred words or less 80 paise; For every additional hundred words or fraction thereof 40

paise.

(2) The fee referred to in sub-rule (1) shall be recovered in advance in cash.]

#### **4C. Avoidance of repetitive appeals :-**

. [.

(1) The declaration referred to in sub-section (1) of section 18C shall be in Form DB and shall be verified in the manner indicated therein.

(2) The declaration and the verification referred to in sub-rule ( 1 ) shall be signed by the person specified in section 15A .

(3) The declaration referred to in sub-rule (1) shall-

(a) in a case where it is furnished to the <sup>1</sup> [Deputy Commissioner (Ap- peals)] or the Commissioner (Appeals), be in duplicate, and

(b) in a case where it is furnished to the Appellate Tribunal, be in triplicate.]

1. Substituted for Appellate Assistant Commissioner by the Wealth-tax (Second Amend- ment) Rules. 1989, w.e.f. 1-4-1988.

#### **5. Appeal to the 4449[\*\*\*]Commissioner (Appeals)] :-**

<sup>1</sup>(1) An appeal under Section 23-A to the Commissioner (Appeals) shall be in Form E and shall be verified in the manner provided therein.

<sup>2</sup> [(2) In any appeal preferred in Form E, the memorandum of appeal, the grounds of appeal and the verification shall be signed by the person who is authorised to sign the return of net wealth as provided in section 15A of the Wealth-tax Act, 1957.]

1. Substituted for " (1) An appeal under section 23 to the 44 [Deputy Commissioner (Appeals)], 45 [or, as the case may be. Commissioner (Appeals)] shall be in Form E and shall be verified in the manner provided therein. ", vide " THE WEALTH-TAX RULES, 1957" Dt.22nd October, 1998 Published in Ministry of Finance (Deptt. of Revenue) (Central Board of Direct Taxes), Noti. No. S.O. 918(E), dated October 22, 1998, published in the Gazette of India, Extra., Part II, Section 3(ii), dated 22nd October, 1998, pp. 2-3, No. 691 {Notification No. 10731/F.No. 142/54/98-TPL}

2. Substituted by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 9-5-1989. Prior to substitution, sub-rule (2) read as under: "(2) In any appeal preferred in Form E, the memorandum of

appeal, the grounds of appeal and the verification shall be signed--- (a) in the case of an individual by the individual himself; where the 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 any other person competent to act on his behalf; and where for any other reason it is impossible for the individual to sign, by any person competent to act on his behalf; (b) in the case of 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; and (c) in the case of a company, by the principal officer thereof.

**5A. 47 [Production of additional evidence before the 44 [Deputy Commissioner (Appeals)] 45 [and Commissioner (Appeals)] :-**

(1) The appellant shall not be entitled to produce before the <sup>1</sup>[Deputy Commissioner (Appeals)], <sup>2</sup>[or, as the case may be, the Commissioner (Appeals)] any evidence, whether oral or documentary, other than the evidence produced by him during the course of proceedings before the <sup>3</sup>[Assessing Officer], except in the following circumstances, namely:-

(a) where the <sup>3</sup>[Assessing Officer] has refused to admit evidence which ought to have been admitted; or

(b) where the appellant was prevented by sufficient cause from producing the evidence which he was called upon to produce by the <sup>3</sup>[Assessing Officer]; or

(c) where the appellant was prevented by sufficient cause from producing before the <sup>6</sup>[Assessing Officer] any evidence which is relevant to any ground of appeal; or

(d) where the <sup>4</sup>[Assessing Officer] has made the order appealed against without giving sufficient opportunity to the appellant to adduce evidence relevant to any ground of appeal.

(2) No evidence shall be admitted under sub-rule (1) unless the <sup>8</sup>[Deputy Commissioner (Appeals)] <sup>9</sup>[or, as the case may be, the Commissioner (Appeals)] records in writing the reasons for its admission.

(3) The <sup>5</sup>[Deputy Commissioner (Appeals)] <sup>6</sup>[or, as the case may be, the Commissioner (Appeals)] shall not take into account any evidence produced under sub-rule (1) unless the <sup>4</sup>[Assessing Officer] has been allowed a reasonable opportunity-

(a) to examine the evidence or document or to cross-examine the witness produced by the appellant, or  
(b) to produce any evidence or document or any witness in rebuttal of the additional evidence produced by the appellant.  
(4) Nothing contained in this rule shall affect the power of the <sup>5</sup>[Deputy Commissioner (Appeals)] <sup>6</sup>[or, as the case may be, the Commissioner (Appeals)] to direct the production of any document, or the examination of any witness, to enable him to dispose of the appeal, or for any other substantial cause including the enhancement of the assessment or penalty (whether on his own motion or on the request of the <sup>4</sup> [Assessing Officer]) under sub-section (5) of section 23 or the imposition of penalty under section 18 .]

1. Substituted for Appellate Assistant Commissioner by the Wealth-tax (Second Amendment) Rules, 1989, w.e.f. 1-4-1988.

2. Inserted by the Wealth-tax (Amendment) Rules, 1978, w.e.f. 10-7-1978.

3. Substituted for "Wealth-tax Officer by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

6. Substituted for Wealth-tax Officer by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

8. Substituted for Appellate Assistant Commissioner by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

9. Inserted by the Wealth-tax (Amendment) Rules, 1978, w.e.f. 10-7-1978.

## **6. Form of appeal to Appellate Tribunal :-**

(1) An appeal under section 24 or section 26 to the Appellate Tribunal shall be in Form F and shall be verified in the manner provided therein.

(2) The memorandum of cross-objections under sub-section (2A) of section 24 shall be in Form G and shall be verified in the manner provided therein.

## **7. Application for reference to High Court :-**

An application under sub-section (1) of section 27 requiring the Appellate Tribunal to refer to the High Court any question of law

shall be in Form H.

### **8. Authorised representatives :-**

.. Any person, not being a legal practitioner, a chartered accountant or a person regularly employed by an assessee, shall be entitled to appear on behalf of an assessee before any wealth-tax authority or the Appellate Tribunal as provided in section 44 of the Act, if he-

- (i) has at any time before the 1st day of October, 1957, appeared before any income-tax authority in the capacity of an income-tax practitioner; and
- (ii) has not been disqualified to represent an assessee in any income-tax proceeding by reason of any direction made under sub-section (5) of Section 288 of the Income tax Act, 1961 .

### **8A. Qualifications of registered valuers :-**

. [. .

(1) For the purposes of sub-section (2) of section 34AB , the qualifications for registration as valuers of different classes of asset shall be as specified in sub-rules (2) to (11).

(2) A valuer of immovable property (other than agricultural lands, plantations, forests, mines and quarries) shall have the following qualifications, namely :-

<sup>1</sup>[(i) he must-

(A) be a graduate in civil engineering, architecture or town planning of a recognised university; or

(B) be a post-graduate in valuation of real estate from a recognised university; or

(C) possess a qualification recognised by the Central Government for recruitment to superior services or posts under the Central Government in the field of civil engineering, architecture or town planning; and]

(ii)

(A) he must be a person formerly employed-

(a) in a post under Government as a gazetted officer; or

(b) in a post under any other employer carrying a remuneration of not less than Rs. <sup>2</sup>[2,000] per month, and, in either case, must have retired or resigned from such employment after having rendered service for not less than <sup>3</sup>[ten] years as a valuer, architect or town planner, or in the field of construction of buildings, designing of structures, or development of land; or

(c) as a professor, reader or lecturer in a university, college or any other institution preparing students for a degree in civil engineering, architecture or town planning, or for <sup>4</sup>[any qualification] referred to in clause (i), and must have retired or resigned from such employment after having taught for not less than <sup>5</sup>[ten] years any of the subjects of valuation, quantity surveying, building construction, architecture, or town planning;

<sup>6</sup>[(B) he must have been in practice as a consulting engineer [, valuer of real estate], surveyor or architect for a period of not less than ten years and must have acquired experience in any of the following four fields:-

(a) valuation of buildings and urban lands; or

(b) quantity surveying in building construction; or

(c) architectural or structural designing of buildings or town planning; or

(d) construction of buildings or development of land; and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years :]

<sup>7</sup>[Provided that in the case of a person possessing a post-graduate degree in valuation of real estate from a recognised university, the provisions of this sub-rule shall have effect as if,-

(a) for the words ten years, the words two years had been substituted;

(b) for the words fifty thousand rupees in any three of five preceding years, the words fifty thousand rupees in any one of the two preceding years had been substituted.]

(3) A valuer of agricultural lands [other than plantations referred to in sub-rule (4)] shall have the following qualifications, namely :-

(i) he must be a graduate in agricultural science of a recognised university and must have worked as a farm valuer for a period of not less than five years; and

(ii) he must be a person formerly employed in a post under Government as a Collector, Deputy Collector, Settlement Officer, Land Valuation Officer, Superintendent of Land Records, Agricultural Officer, Registrar under the Registration Act, 1908 (16 of 1908), or any other officer of equivalent rank performing similar functions and must have retired or resigned from such employment after having rendered service in any one or more of the posts aforesaid for an aggregate period of not less than five years.

(4) A valuer of coffee plantation, tea plantation, rubber plantation or, as the case may be, cardamom plantation shall have the

following qualifications, namely:-

(i) he must have, for a period of not less than five years, owned, or acted as manager of a coffee, tea, rubber or, as the case may be, cardamom plantation having an area under plantation of not less than four hectares in the case of a cardamom plantation or forty hectares in the case of any other plantation; or

(ii) he must be a person formerly employed in a post under Government as a Collector, Deputy Collector, Settlement Officer, Land Valuation Officer, Superintendent of Land Records, Agricultural Officer, Registrar under the Registration Act, 1908 (16 of 1908), or any other officer of equivalent rank performing similar functions and must have retired or resigned from such employment after having rendered service in any one or more of the posts aforesaid for an aggregate period of not less than five years, out of which not less than

(5) A valuer of forest must be a person formerly employed in a post under Government and must have retired or resigned from such employment after having rendered service for not less than five years in a gazetted post requiring specialised knowledge in forestry.

(6) A valuer of mines and quarries shall have the following qualifications, namely:-

<sup>8</sup>[(i) he must be a graduate in mining of a recognised university, or must possess a qualification recognised by the Central Government for recruitment to superior services or posts under the Central Government in the field of mining; and]

(ii) he must be a person formerly employed-

(a) in a post under Government as a gazetted officer, or

(b) in a post under any other employer carrying a remuneration of not less than Rs. <sup>9</sup>[2,000] per month, and, in either case, must have retired or resigned from such employment after having rendered service as a mining engineer for not less than <sup>10</sup>[ten] years.

(7) A valuer of stocks, shares, debentures, securities, shares in partnership firms and of business assets, including goodwill but excluding those referred to in sub-rules (2) to (6) and (8) to (11), shall have the following qualifications, namely:-

(i) he must be a member of the Institute of Chartered Accountants of India or the Institute of Cost and Works Accountants of India <sup>11</sup>[or the Institute of Company Secretaries of India]; and

(ii)



**12**[(A) he must have been in practice as a chartered accountant or a cost and works accountant or a company secretary for a period of not less than ten years and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years, or]

(B) he must be a person formerly employed-

(a) in a post under Government as a gazetted officer, or

(b) in a post under any other employer carrying a remuneration of not less than Rs. **13**[2,000] per month, and, in either case, must have retired or resigned from such employment after having rendered service for a period of not less than **14**[ten] years in the field of audit and accounts or taxation work **15**[, or]

**15**[(c) as a Company Secretary **17**[or a Deputy Company Secretary] or an Assistant Company Secretary in a post carrying a remuneration **18**[2,000] per month and must have retired or resigned from such employment after having rendered service for a period of not less than **19**[ten] years.]

(8) A valuer of machinery and plant shall have the following qualifications, namely:-

**20**[(i) he must-

(A) be a graduate in mechanical or electrical engineering of a recognised university; or

(B) possess post-graduate degree in valuation of machinery and plant from a recognised university; or

(C) possess a qualification recognised by the Central Government for recruitment to superior services or posts under the Central Government in the field of mechanical or electrical engineering; and]

(ii)

(A) he must be a person formerly employed-

(a) in a post under Government as a gazetted officer; or

(b) in a post under any other employer carrying a remuneration of not less than Rs. **17**[2,000] per month, and, in either case, must have retired or resigned from such employment after having rendered service as a mechanical or electrical engineer **22**[or valuer of machinery and plant\\ for a period of not less than **18**[ten] years, or

(c) as a professor, reader or lecturer in a university, college or institution preparing students for a degree in mechanical or electrical engineering or for **24**[any qualification] referred to in clause (i), and must have retired or resigned from such employ-

ment after having taught for a period of not less than **18**[ten] years; or

**26**[(B) he must have been in practice as a consulting engineer **27**[or valuer of machinery and plant] for a period of not less than ten years and must have acquired experience in the valuation of machinery and plant and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years:] **28**[Provided that in the case of a person, possessing a post-graduate degree in valuation of machinery and plant from a recognised university, the provisions of this sub-rule shall have effect as if,-

(a) for the words "ten years ", the words two years had been substituted;

(b) for the words "fifty thousand rupees in any three of five preceding years", the words "fifty thousand rupees in any one of the two preceding years had been substituted.]

**29**[(9) A valuer of jewellery must have been, for a period of not less than five years, a sole proprietor or partner in a partnership firm carrying on jewellery business which has on an average an annual turnover of not less than rupees 15 lakhs **30**[or profit (including fees for valuation of not less than rupees fifty thousand)] in the last three accounting years immediately preceding the year in which the application for registration as a valuer is made by him.]

(10) A valuer of works of art shall have the following qualifications, namely-

(i) he must have specialised by virtue of his academic and professional pursuits in the particular line of art, for the works of which he seeks to be registered as a valuer, and

(ii) he must have served in any one or more of the following capacities, namely:-

(a) Director General or Superintending Archaeologist of the Archaeological Survey of India;

(b) Director of National Museum, New Delhi, Salar Jung Museum, Hyderabad, Prince of Wales Museum, Bombay, Indian Museum, Calcutta, Asutosh Museum, Calcutta, Madras Museum, Madras or Bharat Kala Bhavan, Varanasi;

(c) principal of a Government School of Art;

(d) member of the Art Purchase Committee of any of the museums referred to in sub-clause (b), or of the Lalit Kala Akademi.

(11) A valuer of life interest, reversions and interest in expectancy

shall have the following qualifications, namely:-

(i) he must be a graduate of a recognised university; and

(ii)

(a) he must have been in practice as an actuary under the Insurance Act, 1938 (4 of 1938), for a period of not less than **31**[ten] years; or

(b) he must have rendered continuous service for a period of not less than **27**[ten] years as an actuary under Government or in the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956); or

(c) he must have practised as an actuary or served as such under Government or in the Life Insurance Corporation of India referred to in sub-clause (b) for an aggregate period of not less than **27**[ten] years.

(12) No person shall qualify for registration as a valuer, other than as a valuer of works of art, if he is employed under Government or any other employer.

(13) Notwithstanding anything contained in sub-rules (1) to (12), no person shall qualify for registration as a valuer if,-

(a) he has been dismissed or removed from Government service; or

(b) he has been convicted of an offence connected with any proceeding under the Income-tax Act, 1961 (43 of 1961), or the Wealth-tax Act, 1957 (27 of 1957), or the Gift-tax Act, 1958 (18 of 1958), or a penalty has been imposed on him under clause (iii) of sub-section (1) of section 271 or clause (i) of S.273 of the Income tax Act, 1961, 1961, or under clause (iii) of sub-section (1) of section 18 of the Wealth-tax Act, 1957, or under clause (iii) of sub-section (1) of Section 17 of the Gift tax Act, 1958 ; or

(c) he is an undischarged insolvent; or

**34**[(d) he has been convicted of any offence and sentenced to a term of imprisonment; or

(e) he has been found guilty of misconduct in his professional capacity,-

(i) in a case where he is a member of any association or institution established in India having as its object the control, supervision, regulation or encouragement of the profession of engineering, architecture, accountancy, or company secretaries or such other profession as the Board may specify in this behalf by notification in the Official Gazette, by such association or institution; or

**35**[(ii) in any other case, by the Chief Commissioner or the Director General in accordance with the procedure laid down in rule 8F and

rule 8H to rule 8K, which in the opinion of the Chief Commissioner or the Director General, renders him unfit to be registered as a valuer.]]

**36**[( 13A) Notwithstanding anything contained in sub-rules (2), (6), (7), (8) and (11) as amended by the Wealth-tax (Second Amendment) Rules, 1988, the provisions of the said sub-rules, as they stood immediately before such amendment, shall continue to apply in the case of a person whose name is included in the Register of Valuers immediately before the 1st day of June, 1988, and who makes an application for continuation of his registration as a valuer under sub-section ( 1 ) or section 34AE , subject to the modification that in addition to the requirement that such person should have, for a period of not less than five years, rendered service in any capacity or taught any subject or practised any profession, such person should also have an experience of not less than five years as a valuer registered under section 34AB .]

**37**[(14) The requirement laid down in any of the foregoing sub-rules that the

(i) rendered service in any capacity, or

(ii) taught any subject, or

(iii) practised any profession, or

(iv) gained experience in any other capacity or field, as specified therein, shall be deemed to have been fulfilled if the period for which the applicant has rendered such service, taught such subject, practised such profession or otherwise gained experience in such other capacity or field, taken either singly or collectively, is not less than ten years or five years, as the case may be, in the foregoing sub-rules.]

Explanation **38**[1]-In this rule, "recognised University" means any of the universities specified below, namely:-

I. Indian Universities : Any Indian University incorporated by any law for the time being in force.

II. Rangoon University.

III. English and Welsh Universities : The Universities of Birmingham, Bristol, Cambridge, Durham, Leeds, Liverpool, London, Manchester, Oxford, Reading, Sheffield and Wales.

IV. Scottish Universities : The Universities of Aberdeen, Edinburgh, Glasgow and St. Andrews.

V. Irish Universities: The Universities of Dublin (Trinity College), the Queens University, Belfast and the National University of Dublin.

VI. Pakistan Universities: Any Pakistan university incorporated by

any law for the time being in force.

VII. Bangladesh Universities : Any Bangladesh University incorporated by any law for the time being in force.]

**32** [Explanation 2.-Where the membership of any institution is recognised by the Central Government as a qualification for the purpose of recruitment to superior services or posts under the Central Government in any field, such membership shall not be regarded as a requisite qualification for the purposes of this rule, unless the membership has been granted on the basis of passing the examinations conducted by the institution.]

1. Substituted by the Wealth-tax (First Amendment), Rules, 1995, w.e.f. 21-1-1995. Prior to its substitution, clause (i) was substituted by the Wealth-tax (Amendment) Rules, 1977, w.e.f. 12-1-1977, read as under: "(i) he must either be a graduate in civil engineering, architecture or town planning of a recognised university, or possess a qualification recognised by the Central Government for recruitment to superior services or posts under the Central Government in the field of civil engineering, architecture or town planning; and

2. Substituted for "1,000" by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

3. Substituted for "five", Substituted for "1,000" by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

4. Substituted by the Wealth-tax (Amendment) Rules, 1977, w.e.f. 12-1-1977.

5. Substituted for "five" by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988,

6. Substituted by the Wealth-tax (Amendment) Rules, 1993, w.e.f. 8-2-1993. Prior to its substitution, sub-clause (B), as amended by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988, read as under: (B) he must have been in practice as a consulting engineer, surveyor or architect for a period of not less than ten years and must have, in the opinion of the Board, acquired sufficient experience in any of the following fields - (a) valuation of buildings and urban lands: (b) quantity surveying in building construction; (c) architectural or structural designing of buildings or town planning; or (d) construction of buildings or development of land.

7. Inserted by the Wealth-tax (First Amendment) Rules, 1997, w.e.f. S-3-1997.

8. Substituted by the Wealth-tax (Amendment) Rules, 1977, w.e.f.

12-1-1977.

9. Substituted for 1,000 by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

10. Substituted for five, Substituted for 1,000 by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

11. Inserted by the Wealth-tax (Second Amendment) Rules, 1974, w.e.f. 8-10-1974.

12. Substituted by the Wealth-tax (Amendment) Rules, 1993, w.e.f. 8-2-1993. Prior to its substitution, sub-clause (A), as amended by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988, read as under: (A) he must have been in practice as a chartered accountant or a cost and works accountant or a Company Secretary for a period of not less than ten years, or"

13. Substituted for "1,000 by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

14. Substituted for "five, Substituted for "1,000 by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

15. Inserted by the Wealth-tax (Second Amendment) Rules, 1974, w.e.f. 8-10-1974.

17. Inserted by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1 -6-1988.

18. Substituted for 1,000 by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

19. Substituted for "five, Substituted for 1,000 by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

20. Substituted by the Wealth-tax (First Amendment) Rules, 1997, w.e.f. 5-3-1997. Prior to its substitution, clause (i), as substituted by the Wealth-tax (Amendment) Rules, 1977, w.e.f. 12-1-1977, read as under: "(i) he must either be a graduate in mechanical or electrical engineering of a recognised university, or possess a qualification recognised by the Central Government for recruitment to superior services or posts under the Central Government in the field of mechanical or electrical engineering: and"

22. Inserted by the Wealth-tax (First Amendment) Rules, 1997, w.e.f. 5-3-1997.

24. Substituted by the Wealth-tax (Amendment) Rules, 1977, w.e.f. 12-1-1977.

26. Substituted by the Wealth-tax (Amendment) Rules. 1993,

w.e.f. 8-2-1993. Prior to its substitution, sub-clause (B), as amended by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988, read as under: (B) he must have been in practice as a consulting engineer for a period of not less than ten years and must have, in the opinion of the Board, acquired sufficient experience in the valuation of machinery and plant

27. Inserted by the Wealth-tax (First Amendment) Rules, 1997, w.e.f. 5-3-1997.

28. Inserted by the Wealth-tax (First Amendment) Rules, 1997, w.e.f. 5-3-1997.

29. Substituted for the following sub-rule (9) by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988: "(9) A valuer of jewellery must have been, for a period of not less than five years, a sole proprietor or partner in a partnership firm carrying on jewellery business which has a turnover of not less than Rs. 1 lakh or profits of not less than Rs. 15,000 in two out of the three accounting years immediately preceding the year in which the application for registration as a valuer is made by him.

30. Inserted by the Wealth-tax (Fourth Amendment) Rules, 1988, w.r.e.f. 1-6-1988.

31. Substituted for "five by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

34. Substituted for clause (d) by the Wealth-tax (Second Amendment) Rules, 1980, w.e.f. 28-1-1980.

35. Substituted for the following clause (ii) by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988: "(ii) in any other case, by the Board in accordance with the procedure laid down in rules 8F to 8L, which, in the opinion of the Board, renders him unfit to be registered as a valuer."

36. Inserted, Substituted for the following clause (ii) by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988: "(ii) in any other case, by the Board in accordance with the procedure laid down in rules 8F to 8L, which, in the opinion of the Board, renders him unfit to be registered as a valuer."

37. Substituted by the Wealth-tax (Amendment) Rules, 1993. w.e.f. 8-2-1993. Prior to its substitution, sub-rule (14), as inserted by the Wealth-tax (Amendment) Rules, 1974, w.e.f. 8-10-1974, read as under "(14) The requirement laid down in any of the foregoing sub-rules that the applicant should have, for a period of not less than five years, (i) rendered service in any capacity, or (ii) taught any subject, or (iii) practised any profession, or (iv) gained experience in any other capacity or field, as specified therein, shall

be deemed to have been fulfilled if the period for which the applicant has rendered such service, taught such subject, practised such profession or otherwise gained experience in such other capacity or field, taken either singly or collectively, is not less than five years and the Board is of opinion that the applicant has acquired sufficient experience in the valuation of the class of assets of which he seeks to be registered as a valuer.

38. Inserted by the Wealth-tax (Amendment) Rules, 1977, w.e.f. 12-1-1977.

**8B. Application for registration as valuer :-**

. [.

(1) An application for registration as a valuer under section 34AB shall be in Form N and shall be verified in the manner specified therein and shall be accompanied by a fee of Rs. 1,000 which shall not be refunded if the application is rejected.

(2) In the case of a person whose name has been included in the Register of Valuers on or after the 1st day of June, 1985, but before the 1st day of June, 1988, and who makes an application for continuation of his registration as a valuer under sub-section ( 1 ) of section 34AE , such application need not be accompanied by any fee.

(3) Where an application for registration as a valuer is pending before the Board immediately before the 1st day of June, 1988, and such application includes the details of the revised qualifications specified in sub-rules (2), (6), (7), (8), (9) and (11) of rule 8A, such application may be treated as valid if the applicant remits a further fee of Rs. 750 to the Chief Commissioner or the Director General within a period of three months from the 1st day of June, 1988: Provided that where such application does not include the revised qualifications as specified in the aforesaid provisions of rule 8A, a fresh application for registration as a valuer shall be made and the fee already paid by the applicant shall be adjusted towards the payment of fee of Rs. 1,000 : Provided further that where any person has become ineligible for making an application for registration as a valuer in view of the revised qualifications specified in the aforesaid provisions of rule 8A, the fee already paid by the applicant shall be refunded on an application made by him to the Chief Commissioner or Director General.]

**8BB. Furnishing of particulars in certain cases :-**



[Omitted by the Wealth-tax (Second Amendment) Rules, 1980, w.e.f. 28-1-1980. Original rule was inserted by the Wealth-tax (Second Amend- ment) Rules, 1974, w.e.f. 8-10-1974.]

**8C. Scale of fees to be charged by a registered valuer :-**

. [.

(1) Subject to the provisions of sub-rules (2) and (3), the fees to be charged by a registered valuer for valuation of any asset shall not exceed the amount calculated at the following rates, namely:-  
On the first Rs. 50,000 of the asset as valued 1/2 per cent of the value; On the next Rs. 1 lakh of the asset as valued 1/2 per cent of the value; On the balance of the asset as valued 1/8 per cent of the value.

(2) Where two or more assets are required to be valued by a registered valuer at the instance of an assessee, all such assets shall be deemed to constitute a single asset for the purposes of calculating the fees payable to such registered valuer.

(3) Where the amount of fees calculated in accordance with sub-rules ( 1 ) and (2) is less than Rs. 50, the registered valuer may charge Rs. 50 as his fees.]

**8D. Form of report of valuation by registered valuer :-**

. [. The report of valuation by a registered valuer in respect of any asset specified in column (1) of the Table below shall be in the Form specified in the corresponding entry in column (2) thereof and shall be verified in the manner indicated in such Form :-

**8E. 86 [Registered valuer when to be guilty of misconduct in his professional capacity for purposes of section 34AD :-**

For the purposes of section 34AD of the Act, a registered valuer shall be deemed to have been guilty of misconduct in his professional capacity if he has been found so guilty,-

(i) in a case where he is a member of any association or institution established in India having as its object the control, supervision, regulation or encouragement of the profession of engineering, archi- tecture, accountancy, or company secretaries or such other profes- sion as the Board may specify in this behalf by notification in the Official Gazette, by such association or institution; or

<sup>1</sup> [(ii) in any other case, by the Chief Commissioner or the Director

General, in accordance with the procedure laid down in rule 8F and rule 8H to rule 8K.]

1. Substituted by the Wealth-tax (Amendment) Rules, 1993, w.e.f. 8-2-1993. Prior to its substitution, clause (ii), as amended by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988, read as under: "(ii) in any other case, by the Board, in accordance with the procedure laid down in rule 8F and rules 8H to 8K."

#### **8F. Charge sheet :-**

. [. ]

(1) Where the <sup>1</sup>[Chief Commissioner or the Director General], on the basis of information in its possession, is of the opinion that any registered valuer, or any other person, not being a person referred to in sub-clause (i) of clause (e) of sub-rule (13) of rule 8A, who has made an application for registration as a valuer under rule 8B, is guilty of professional misconduct in connection with any proceeding under any law for the time being in force, <sup>2</sup>[he] shall frame definite charges against such person and shall communicate them in writing to him together with a statement of the allegations in support of the charges.

(2) On receipt of the charge sheet and the statement referred to in sub-rule (1), the person shall be required to submit <sup>3</sup>[within thirty days of the receipt of the said charge sheet and the statement or, within such further time as the <sup>4</sup> [Chief Commissioner or the Director General] may, on an application made by that person allow in this behalf,] a written statement of his defence and also to state whether he desires to be heard in person.]

1. Substituted for Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

2. Substituted for "it, Substituted for Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

3. Substituted for within such time as may be specified by the Board" by the Wealth-tax (Fourth Amendment) Rules, 1984, w.e.f. 1-1-1985.

4. Substituted for Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

#### **8G. Inquiry Officer :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988. Original rule was inserted by the Wealth-tax (Second Amendment) Rules, 1980, w.e.f. 28-1-1980.]

#### **8H. Proceedings before Inquiry Officer :-**

. [. ]

(1) On receipt of the written statement of defence, or if no such statement is received within the time specified, the Inquiry Officer shall inquire into such of the charges as are not admitted.

(2) The Inquiry Officer shall, in the course of the inquiry, consider such documentary evidence and take such oral evidence as may be relevant or material in regard to the charges.

(3) The person who has made an application for registration as a valuer, or, as the case may be, the registered valuer, shall be entitled to cross-examine the witnesses examined in support of the charges and to give evidence in person.

(4) If the Inquiry Officer declines to examine any witness on the ground that his evidence is not relevant or material, he shall record his reasons in writing.

(5) At the conclusion of the inquiry, the inquiry Officer shall prepare a report of the inquiry, recording his findings on each of the charges together with the reasons therefor.]

#### **8I. Order of the Chief Commissioner or the Director General] :-**

. [ [.

<sup>1</sup>[(1) The Chief Commissioner or the Director General shall consider the report of the Inquiry Officer and record his findings on each charge and, where he does not agree with the finding of the Inquiry Officer shall record the reasons for his disagreement.]

(2) If the <sup>2</sup>[Chief Commissioner or the Director General] is satisfied on the basis of <sup>3</sup>[his] findings on the Inquiry Officers report that the registered valuer or, as the case may be, the person who has made an application for registration as a valuer, is guilty of misconduct in connection with any proceeding under any law for the time being in force, <sup>4</sup>[he] shall pass an order under section 34AD of the Act removing the name of the registered valuer from the register of valuers or, as the case may be, directing that the person shall not be registered as a valuer.

(3) The <sup>5</sup>[Chief Commissioner or the Director General] shall, while

communicating <sup>6</sup>[his] order under sub-rule (2), furnish to the registered valuer, or, as the case may be, the person, a copy of the report of the Inquiry Officer and a statement of <sup>6</sup> [his] findings together with the reasons for disagreement, if any. with the findings of the Inquiry Officer.]

1. Substituted for the following sub-rule (1) by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988: (1) The Board shall consider the report of the Inquiry Officer and record its findings on each charge and, where it does not agree with the finding of the Inquiry Officer, shall record the reasons for its disagreement

2. Substituted for the Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

3. Substituted for its, Substituted for the Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

4. Substituted for "it, Substituted for its, Substituted for the Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

5. Substituted for "Board, Substituted for "it, Substituted for its, Substituted for the Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

6. Substituted for "its, Substituted for "Board, Substituted for "it, Substituted for its, Substituted for the Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

### **8J. Procedure if no Inquiry Officer appointed :-**

. [.. The procedure prescribed in the aforesaid rules shall, mutatis mutandis, apply when the <sup>1</sup> [Chief Commissioner or the Director General himself] conducts the inquiry without appointing an Inquiry Officer.]

1. Substituted for "the Board itself" by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

### **8K. Change of Inquiry Officer :-**

. [. If a change of an Inquiry Officer becomes necessary in the midst of an inquiry, the <sup>1</sup>[Chief Commissioner or the Director General] may appoint any other Inquiry Officer not below the rank of a <sup>2</sup> [Chief Commissioner or Commissioner] and the proceedings

shall be continued by the succeeding Inquiry Officer from the stage at which they were left by his predecessor.]

1. Substituted for "Board by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988.

2. Substituted for "Commissioner of Wealth-tax by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

### **8L. Powers of Board and Inquiry Officer :-**

[Omitted by the Wealth-tax (Second Amendment) Rules, 1988, w.e.f. 1-6-1988. Original rule 8L was inserted by the Wealth-tax (Second Amend- ment) Rules, 1980, w.e.f. 8-10-1980.]

### **8M. Furnishing of particulars in certain cases :-**

[Omitted by the Wealth-tax (Third Amendment) Rules, 1984, w.e.f. 1-4-1985. Original rule was inserted by the Wealth-tax (Second Amend- ment) Rules, 1980, w.e.f. 28-1-1980.]

### **9. Disclosure of Information respecting assessee :-**

(1) The application to the <sup>1</sup>[Chief Commissioner or Commissioner] under section 42B for information relating to an assessee in respect of any assessment made under the Act shall be made in Form I.

(2) The information under section 42B shall be furnished by the <sup>2</sup>[Chief Commissioner or Commissioner] in Form J.

(3) Where it is not possible for the <sup>2</sup>[Chief Commissioner or Commissioner] to furnish the information asked for by the applicant under section 42B owing to the fact that the relevant assessment has not been completed, he shall inform the applicant in Form K.

(4) Where the <sup>2</sup> [Chief Commissioner or Commissioner] is satisfied that it is not in the public interest to furnish or cause to be furnished the information asked for, he shall intimate the fact to the applicant in Form L.

1. Substituted for "Commissioner by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

2. Substituted for "Commissioner, Substituted for "Commissioner by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

## **10. Search and seizure :-**

. [.

(1) The powers of search and seizure under section 37A shall be exercised in accordance with sub-rules (2) to (13).

(2)

(a) The authorisation under sub-section (1) of section 37A (other than an authorisation under the proviso thereto) by the <sup>1</sup>[Director General or Director], or the <sup>2</sup>[Chief Commissioner or Commissioner] or any such <sup>3</sup>[Deputy Director], or <sup>4</sup>[Deputy Commissioner] as is empowered by the Board in this behalf shall be in Form M;

(b) the authorisation under the proviso to sub-section ( 1 ) of section 37A by a <sup>5</sup>[Chief Commissioner or Commissioner] shall be in Form M-1;

(c) the authorisation under sub-section (2) of section 37A by a <sup>5</sup>[Chief Commissioner or Commissioner] shall be in Form M-2.

(3) Every authorisation referred to in sub-rule (2) shall be in writing under the signature of the officer issuing the authorisation and shall bear his seal.

(4) Any person in charge of or in any building, place, vessel, vehicle or aircraft authorised to be searched shall, on demand by the officer authorised to exercise the powers of search and seizure under section 37A (hereinafter referred to as the authorised officer) and on production of the authority, allow him free ingress thereto and afford all reasonable facilities for a search therein.

(5) If ingress into such building or place cannot be so obtained, it shall be lawful for the authorised officer, with such assistance of police officers or of officers of the Central Government, or of both, as may be required, to enter such building or place and search therein and in order to effect an entrance into such building or place, to break open any outer or inner door or window of any building or place, whether that of the person to be searched or of any other person, if, after notification of his authority and purpose and demand of admittance duly made, he cannot otherwise obtain admittance: Provided that, if any such building or place is an apartment in the actual occupancy of a woman, who, according to custom, does not appear in public, the authorised officer shall, before entering such apartment, give notice to such woman that she is at liberty to withdraw and shall afford her every reasonable facility for withdrawing and then break open the apartment and enter it.

(6) If ingress into any vessel, vehicle or aircraft authorised to be searched cannot be obtained because such vessel, vehicle or aircraft is moving or for any other reason, it shall be lawful for the authorised officer with such assistance of police officers or of officers of the Central Government, or of both, as may be required, to stop any such vessel or vehicle or, in the case of an aircraft, compel it to stop or land, and search any part of the vessel, vehicle or aircraft; and in order to effect an entrance into such vessel, vehicle or aircraft, to break open any outer or inner

(7) Any person referred to in clause (ii) of sub-section (1) of section 37A may be searched by the authorised officer with such assistance as he may consider necessary. If such person is a woman, the search shall be made by another woman with a strict regard to decency.

(8) Before making a search, the authorised officer shall,-

(a) where a building or place is to be searched, call upon two or more respectable inhabitants of the locality in which the building or place to be searched is situate, and

(b) where a vessel, vehicle or aircraft is to be searched, call upon two or more respectable persons, to attend and witness the search and may issue an order in writing to them or any of them so to do.

(9) The search shall be made in the presence of the witnesses aforesaid and a list of things seized in the course of such search and of the places in which they were respectively found shall be prepared by the authorised officer and signed by such witnesses; but no person witnessing a search shall be required to attend as a witness of the search in any proceeding under the Act unless specially sum- moned.

(10) The occupant of the building, place, vessel, vehicle or aircraft searched, including the person in charge of such vessel, vehicle or aircraft, or some person on his behalf, shall be permitted to attend during the search and a copy of the list prepared under sub-rule (9) shall be delivered to such occupant or person. A copy thereof shall be forwarded to the <sup>7</sup>[Chief Commissioner or Commissioner] and, where the authorisation has been issued by any officer other than the <sup>6</sup>[Chief Commissioner or Commissioner], also to that officer.

(11) Where any person is searched under clause (ii) of sub-section (1) of section 37A , a list of all things taken possession of shall be prepared and a copy thereof shall be delivered to such person. A copy thereof shall be forwarded to the <sup>6</sup>[Chief Commissioner or Commissioner] and, where the authorisation has been issued by

any officer other than the <sup>6</sup>[Chief Commissioner or Commissioner], also to that officer.

(12) The authorised officer may convey the books of account and other documents, if any, seized by him in the course of the search made by him to the <sup>11</sup>[Deputy Commissioner] or to any other authority not below the rank of Wealth-tax Officer employed in the execution of the Act.

(13) The <sup>12</sup> [Assessing Officer] to whom the books of account or other documents have been handed over under sub-section (8) of section 37A shall have the power conferred on the authorised officer under sub-rule (12)].

1. Substituted for Director of Inspection by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

2. Substituted for Commissioner, Substituted for Director of Inspection by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

3. Substituted for Deputy Commissioner of Inspection, Substituted for Commissioner, Substituted for Director of Inspection by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

4. Substituted for "Inspecting Assistant Commissioner, Substituted for Deputy Commissioner of Inspection, Substituted for Commissioner, Substituted for Director of Inspection by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

5. Substituted for "Commissioner", Substituted for "Inspecting Assistant Commissioner, Substituted for Deputy Commissioner of Inspection, Substituted for Commissioner, Substituted for Director of Inspection by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

7. Substituted for "Commissioner" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

11. Substituted for "Inspecting Assistant Commissioner" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

12. Substituted for Wealth-tax Officer, Substituted for "Inspecting Assistant Commissioner" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

#### **10A. Requisition of books of account, etc :-**

. [.

(1) The authorisation under sub-section (1) of section 37B by the



<sup>1</sup>[Director General or Director] or the <sup>2</sup>[Chief Commissioner or Commis- sioner] shall be in Form M-3, shall be in writing under the signature of the officer issuing the authorisation and shall bear his seal.

(2) The officer authorised to make requisition under sub-section (1) of section 37B (hereinafter referred to as the requisitioning officer) shall make the requi- sition in writing to the officer or authority referred to in clause (a) or clause (b) or, as the case may be, clause (c) of the said sub-section (hereinafter referred to as the delivering officer or authority) calling upon the delivering officer or authority to deliver the books of account or other documents or, as the case may be, to furnish a note or inventory of the articles or things including money, specified in the requisition to him. The requisition shall be accompanied by a copy of the authorisation in Form M-3. A copy of the requisition, along with a copy of the authorisation in Form M-3, shall be forwarded to the person referred to in clause (a) or clause (b) or, as the case may be, clause (c) of sub-section (1) of section 37B .

(3) The delivering officer or authority shall prepare a list of the books of account or other documents delivered to the requisitioning officer. A copy of the list of the books of account or other documents and of the note or inventory of articles or things, if any, furnished by the delivering officer to the requisitioning officer shall be delivered to the person referred to in clause (a) or clause (b) or, as the case may be, clause (c) of sub-section (1) of section 37B ; and a copy thereof shall also be forwarded by the delivering officer to the <sup>3</sup>[Chief Commissioner or Commissioner] and also to the <sup>4</sup>[Director General or Director] where the authorisation under sub-rule (1) has been issued by him.

(4) The requisitioning officer may convey the books of account and other documents, if any, delivered to him to the <sup>5</sup> [Deputy Commissioner] or to any other authority not below the rank of Wealth-tax Officer employed in the execution of the Act.]

1. Substituted for Director of Inspection" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

2. Substituted for "Commissioner", Substituted for Director of Inspection" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

3. Substituted for "Commissioner", Substituted for "Commissioner", Substituted for Director of Inspection" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

4. Substituted for "Director of Inspection", Substituted for "Commissioner", Substituted for "Commissioner", Substituted for "Director of Inspection" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

5. Substituted for "Inspecting Assistant Commissioner", Substituted for "Director of Inspection", Substituted for "Commissioner", Substituted for "Commissioner", Substituted for "Director of Inspection" by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

### **11. Prescribed authority :-**

The "prescribed authority" for the purposes of clause (ii) of sub-section (2) of section 44 shall be the <sup>1</sup> [Chief Commissioner or Commissioner] having jurisdiction over the case in the proceedings connected with which the person concerned is alleged to be guilty of misconduct.

1. Substituted for Commissioner by the Wealth-tax (Second Amendment) Rules, 1989, w.r.e.f. 1-4-1988.

### **12. Procedure to be followed in calculating interest :-**

[ In calculating the interest payable by the assessee or the interest payable by the Central Government to the assessee under any provision of the Act,-

(a) where interest is to be calculated on annual basis, the period for which such interest is to be calculated shall be rounded off to a whole month or months and for this purpose any fraction of a month shall be ignored; and the period so rounded off shall be deemed to be the period in respect of which the interest is to be calculated;

(b) where the interest is to be calculated for every month or part of a month comprised in a period, any fraction of a month shall be deemed to be a full month and the interest shall be so calculated;

(c) the amount of tax, penalty or other sum in respect of which such interest is to be calculated shall be rounded off to the nearest multiple of one hundred rupees and for this purpose any fraction of one hundred rupees shall be ignored; and the amount so rounded off shall be deemed to be the amount in respect of which the interest is to be calculated.]

**13. Forms for certificate of valuation of shares/jewellery, etc :-**

[ Under the Schedule III to the Wealth-tax Act, 1957-

(a) the form for certificate of quoted shares or debentures of a company to be issued by a stock exchange under sub-rule (9) of rule 2 shall be in Form O-11;

(b) the form for certificate of valuation of unquoted shares in an invest- ment company by the auditors of the company as per sub-rule (5) of rule 12 shall be in Form O-12;

(c) the form in which a statement of valuation of jewellery is to be filed by an assessee as per rule 18 shall be in Form O-8A.]