

~~X~~ REPEALED

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TABLE SHOWING EFFECT OF PARLIAMENTARY LEGISLATION OF 1975

PART I—Central Acts amended, replaced or otherwise affected

Year of Act	No. of Act	Short title of Act	How affected	No. and section of 1975 Act by which affected
1	2	3	4	5
1860	45	Indian Penal Code, 1860	s. 171-A(amended) s. 405 amended (w.e.f. 1-9-1975)	40, s. 9. 38, s. 9.
1882	2	Indian Trusts Act, 1882	s. 20 amended (w.e.f. 7-1-1975)	16, s. 2.
1906	3	Indian Coinage Act, 1906	Ss. 1, 6 and 21 amended	47, Ss. 2 to 4.
1925	19	Provident Funds Act, 1925	S. 6-A inserted s. 8 amended	46, s. 2. <i>Ibid.</i> , s. 3.
1934	2	Reserve Bank of India Act, 1934	s. 54AA amended	52, s. 20
1934	32	Indian Tariff Act, 1934	First Sch. amended (w.e.f. 1-1-1975) Repealed	1, s. 2. 51, s. 12.
1944	1	Central Excises and Salt Act, 1944	s. 2 amended First Sch. (partly w.e.f. 1-3-1975)	25, s. 33. <i>Ibid.</i> , s. 33 and Second Schedule.
1947	14	Industrial Disputes Act, 1947	S. 2 amended	42, s. 29.
1948	15	Industrial Finance Corporation Act, 1948	Ss. 10A and amended	42 52, ss. 22 and 23.
1948	31	National Cadet Corps Act, 1948	Ss. 12 and 13 amended	50, ss. 2 and 3.
1948	34	Employees' State Insurance Act, 1948	Ss. 2 and First Sche- dule amended (w.e.f. 30-11-1975) Ss. 17, 85 and 95 amended (w.e.f. 1-9-1975)	38, ss. 2 and 8. <i>Ibid.</i> , ss. 3, 4 and 7.
1949	1	Indian Tariff (Amendment) Act, 1949	Ss. 85A, 85-B 85-C & 93-A inserted (w.e.f. 1-9-1975)	<i>Ibid.</i> , ss. 5 and 6.
			Ss. 4 and 5 amended Repealed	25, s. 32. 51, s. 12.
1950	43	Representation of the People Act, 1950	Ss. 4 and 27 amended	29, s. 11.
1950	45	Air Force Act, 1950	Ss. 4 and 72 amended (w.e.f. 25-1-1975)	13, s. 2.
1950	46	Army Act, 1950	Ss. 3 and 70 amended (w.e.f. 25-1-1975)	13, s. 3.

1	2	3	4	5
1950	74	Telegraph Wires (Unlawful Possession) Act, 1950	Ss. 2, 5, 7 and 8 amended Ss. 6-A and 6-B (inserted)	44, ss. 2, 3, 5 add 6. <i>Ibid.</i> , s. 4.
1951	43	Representation of the People Act, 1951	S. 4 amended S. 8-A (subs.) Ss. 11, 11-A and 11-B amended Ss. 77, 79 and 123 (amended retrospectively)	29, s. 12. 40, s. 2. <i>Ibid.</i> , ss. 3, 4 and 5. <i>Ibid.</i> , ss. 6, 7 and 8.
1951	61	All-India Services Act, 1951	S. 3 amended	19, s. 3. 23, s. 2.
1951	63	State Financial Corporations Act, 1951	Ss. 3A, 4, 4A, 5, 7, 8, 10, 17, 18, 23, 25, 35A, 37, 38, 39, 46A and 48 amended Ss. 4B, 4C and 49 inserted	52, ss. 24 to 26—28 to 38. <i>Ibid.</i> , ss. 27 and 39.
1952	30	Requisitioning and Acquisition of Immovable Property Act, 1952.	Ss. 6 and 8 amended	2, ss. 2 and 3.
1954	30	Salaries and Allowances of Members of Parliament Act, 1954.	Ss. 8 and 9 amended	48, ss. 2 and 3.
1956	31	Life Insurance Corporation of India Act, 1956.	Ss. 4, 19 and 48 amended S. 6A inserted	52, ss. 40, 42 and 43. <i>Ibid.</i> , s. 41.
1956	74	Central Sales Tax Act, 1956	Ss. 6, 8 and 13 amended (w.e.f. 1-7-1975)	25, s. 38.
1957	27	Wealth-tax Act, 1957	Ss. 2 and 4 amended (w.e.f. 1-4-1975) S. 5 amended (partly w.e.f. 1-4-1975 and partly w.e.f. 1-4-1976) S. 45 amended retrospectively. Ss. 4, 5, 8, 8B, 11B, 15A, 15B, 18, 23, 24, 26, 34A, 35, 42A and 46 amended Ss. 8AA, 17A, 18A, 18B, Chapter VA (ss. 22 to 22M), 35A to 35N, 42C, inserted Ss. 34B, 37A, 42C, substituted S. 36 omitted	25, ss. 25 and 26. <i>Ibid.</i> , s. 27. <i>Ibid.</i> , s. 28. 41, ss. 83, 82, 84, 86, 87, 88, 89, 91, 94, 95, 96, 97, 99, 103 and 105. <i>Ibid.</i> , ss. 85, 90, 92, 93, 100 and 104. <i>Ibid.</i> , ss. 98 and 102. <i>Ibid.</i> , s. 101.

1	2	3	4	5
1957	58	Additional Duties of Excise (Goods of Special Importance) Act, 1957.	First Schedule amended	25, s. 35 and Third Schedule.
1958	18	Gift-tax Act, 1958	S. 4 amended (w.e.f. 1-4-1974)	25, s. 29.
			Ss. 6A, 7AA, 16A, 17A, 35A, 35B, 35C and 41C inserted	41, ss. 106, 108, 112, 114, 120 and 122.
			Ss. 7, 7B, 11AA, 14A, 17, 23, 25, 33A, 35, 41A and 46 amended	<i>Ibid.</i> , 107, 109, 110, 111, 113, 116, 117, 118, 119, 121 and 123
			S. 18 subs.	<i>Ibid.</i> , s. 115.
1961	43	Income-tax Act, 1961	Ss. 10, 32, 43, 80K, 80QQ, 155, 194A, 195 amended (w.e.f. 1-4-1975) S. 33A amended retrospectively.	25, ss. 3, 4, 7, 14, 16, 20, 21, and 24(i). <i>Ibid.</i> , s. 5.
			S. 40A amended (w.e.f. 1-4-1973)	<i>Ibid.</i> , s. 6.
			Ss. 44B, 80RRA inserted (w.e.f. 1-4-1975)	<i>Ibid.</i> , Ss. 8 and 17.
			S. 52 amended (w.e.f. 1-4-1974)	<i>Ibid.</i> , s. 9.
			17, 80A, 80C, 80J, 80M, 80P and Ninth Schedule amended (w.e.f. 1-4-1976).	<i>Ibid.</i> , ss. 10, 12, 15, 22 and 24.
			Ss. 80FF, 80JJ, and Tenth Schedule inserted (w. e. f. 1-4-1976)	<i>Ibid.</i> , ss. 11, 13 and 23.
			S. 106, subs. (w.e.f. 1-4-1975)	<i>Ibid.</i> , s. 18.
			S. 172 amended (w.e.f. 1-6-1975)	<i>Ibid.</i> , s. 19.
1961	43	Income-tax Act, 1961	Ss. 2, 10 11, 13 23, 26 32, 35C, 37, 49, 64, 73, 80A, 80B, 80G, 80HH, 80J, 80L, 80P, 80QQ, 104, 109, 124, 125, 127 — 130A, 131, 132, 139, 140, 140A, 141A, 142, 144, 146, 153, 154, 176, 179, 185, 189, 221, 222, 223, 244, 246, 249, 253, 271, 274, 275, 276D, 279, 285A, 287, 295 and Second Schedule amended (w.e.f. 1-4-1976).	41, ss. 2 to 10, 12, 13, 15, to 18, 21, to 25, 27, to 30, 32 to 35, 38, 40 to 44, 46, to 56, 58 to 61, 65, 66, 69, 71, 75, 77, 79 and 81.
			Ss. 44AA, 69C, 69D, 80GG, 80V, 80VV, 125A, 132A, 139A, 144A, 144B, Chapter XIXA (ss. 245 to 245M), 271A, 272A, 272B, 273A, 279A, 281B, 285B, 292A and 292B inserted	41, ss. 11, 14, 19, 26, 31, 36, 39, 45, 57, 62, 63, 64, 70, 74, 76, and 78.

1	2	3	4	5
1961	43	Income-tax Act, 1961— <i>Contd.</i>	<p>Ss. 80H (w.e.f. 1-4-41, ss. 20 and 67. and 1976) and 276 omitted</p> <p>S. 132A renumbered as s. 132B 41, s. 36.</p> <p>Ss. 133A, 276B, 41, 276C, 277, 278, 281 and 296 substituted (w.e.f. 1-4-1976) ss. 37, 68, 70, 73 and 80.</p>	
1962	52	Customs Act, 1962	Ss. 12 and 14 amended	51, s. 13.
1963	10	Agricultural Refinance Corporation Act, 1963.	Ss. 1, 2, heading to Chapter II, ss. 4, 5, 7, 10, 17, 20, 22, 30 and 46 amended	45, ss. 2, 3, 4, 6 to 12, 14 and 15.
			S. 3-A inserted	<i>Ibid.</i> , s. 5.
			S. 23 omitted	<i>Ibid.</i> , s. 13.
1963	20	Government of Union Territories Act, 1963.	Ss. 1, 2, 26, 33, 38 and 44 amended.	29, ss. 2, 3, 5, 6, 7 and 9.
			S. 21 substituted.	<i>Ibid.</i> , s. 4.
			Ss. 43B, 43C and 54A inserted.	<i>Ibid.</i> , ss. 8 and 10.
1963	52	Union Trust of India Act, 1963	<p>Ss. 14 and 21 amended (w.e.f. 29-3-1975)</p> <p>S. 32 amended (w.e.f. 1-4-1975)</p> <p>S. 43 amended (w.e.f. 7-1-1975)</p> <p>S. 3A inserted (w.e.f. 29-3-1975)</p> <p>S. 39 substituted (w.e.f. 7-1-1975)</p>	16, ss. 4 to 6 and 8.
1963	52	Unit Trust of India Act, 1963	Ss. 2, 3, 10 to 15, 18, 20A, 25, 27, 30, 31, 37, 41 and 43 amended.	52, ss. 44, 45, 47, 49, 50 to 52, 54, 56 and 57.
			Ss. 4A, 4B, 10A, 19A and 45 inserted.	<i>Ibid.</i> , ss. 46, 48 and 53.
			S. 29 substituted	<i>Ibid.</i> , s. 55.
1964	7	Companies (Profits) Surtax Act, 1964	Ss. 18 and 25 amended (w.e.f. 1-4-1976)	41, ss. 124 and 125.
1964	18	Industrial Development Bank of India Act, 1964.	Long title, ss. 2, 3, 5, 7, 8, 9, 16, 18, 22, 23, 26, 29 and 37 amended	52, ss. 2 to 4, 6 and 9 to 18.
			Ss. 4 and 6 substituted	<i>Ibid.</i> , ss. 5 and 7.
			Ss. 6A and 39 inserted	<i>Ibid.</i> , ss. 8 and 19.

I	2	3	4	5
1965	34	Press Council Act, 1965	S. 5 amended (w.e.f. 30-12-1974)	12, s. 2.
1971	26	Maintenance of Internal Security Act, 1971	Ss. 4, 7, 14 and 15 amended (w.e.f. 29-6-1975) S. 16A inserted (w.e.f. 29-6-1975) S. 18 renumbered as s. 19 and new s. 18 inserted (w.e.f. 25-6-1975)	39, ss. 2 to 5. <i>Ibid.</i> , s. 6. <i>Ibid.</i> , s. 7.
1971	42	Defence of India Act, 1971	Long title, ss. 1, 2, 3, 6, 16, 23 and 38 amended tempora- rily.	32, ss. 2 to 10.
1971	81	North-Eastern Areas (Reorganisation) Act, 1971	S. 53 amended (w.e.f. 20-1-1975)	3, s. 2.
1971	84	North-Eastern Council Act, 1971	S. 3 amended	29, s. 14.
1972	59	Former Secretary of State Service Officers (Conditions of Service) Act, 1972.	S. 8 amended S. 10A inserted	24, s. 2. <i>Ibid.</i> , s. 3.
1974	20	Finance Act, 1974	S. 16 amended (w.e.f. 1-4-1975)	25, s. 30.
1974	35	Companies (Temporary Restrictions on Dividends) Act, 1974.	Ss. 4 and 5 amended (w.e.f. 1-3-1975) S. 5A inserted (w.e.f. 1-3-1975)	28, ss. 2 and 3. <i>Ibid.</i> , s. 4.
1974	52	Conservation of Foreign Exchange and Pre- vention of Smuggling Activities Act, 1974.	Ss. 5A and 12A inserted (w.e.f. 1-7-1975) s. 12 amended (w.e.f. 1-7-1975)	35, ss. 2 and 4. <i>Ibid.</i> , s. 3.
1975	25	Finance Act, 1975	S. 2 and First Sched- ule amended (w.e.f. 1-4-1975)	34, ss. 2 and 3.

PART II

CENTRAL REGULATIONS

1971	4	Union territory of Arunachal Pradesh, the North-East Frontier Agency (Adminis- tration) Supplementary Regulation, 1971.	Repealed	29, s. 15.
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PART III

CENTRAL ORDINANCES REPEALED

1974	14	Press Council (Second Amendment) Ordi- nance, 1974.	Repealed (w.e.f. 30-12-1974)	12, s. 3
1974	15	Indian Tariff (Amendment) Ordinance, 1974.	Repealed (w.e.f. 1-1-1975)	1, s. 3.
1975	1	Trust Laws (Amendment) Ordinance, 1975	Repealed (w.e.f. 7-1-1975)	16, s. 9.
1975	2	North-Eastern Areas (Reorganisation) Amendment Ordinance, 1975.	Repealed (w.e.f. 20-1-1975)	3, s. 3.

PART III

CENTRAL ORDINANCES REPEALED—Contd.

I	2	3	4	5
1975	3	Air Force and Army Laws (Amendment) Ordinance, 1975.	Repealed (w.e.f. 25-1-1975)	13, s.4.
1975	4	The Maintenance of Internal Security (Amendment) Ordinance, 1975.	Repealed (w.e.f. 29-6-1975)	39, s. 8.
1975	5	The Defence of India (Amendment) Ordinance, 1975.	Repealed (w.e.f. 30-6-1975)	32, s. 11.
1975	6	Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Ordinance, 1975.	Repealed (w.e.f. 1-7-1975)	35, s. 5.
1975	7	The Maintenance of Internal Security (Second Amendment) Ordinance, 1975.	Repealed (w.e.f. 29-6-1975)	39, s.8.

PART IV

CONSTITUTION OF INDIA AMENDED

Article 2A inserted w.e.f. 1-3-1975	Constitution (35th Amendment) Act, 1975	S. 2.
Article 2A, omitted	Constitution (36th Amendment) Act, 1975	S. 5.
Article 71 substituted	Constitution (39th Amendment) Act, 1975	S. 2.
Articles 80 and 81 amended (w.e.f. 1-3-1975)	Constitution (35th Amendment) Act, 1975	Ss. 3 and 4.
Articles 80 and 81 amended (w.e.f. 26-4-1975)	Constitution (36th Amendment) Act, 1975	S. 5.
Articles 123 and 213 amended retrospectively	Constitution (38th Amendment) Act, 1975	Ss. 2 and 3.
Article 239A amended	Constitution (37th Amendment) Act, 1975	S.2.
Article 239B amended retrospectively	Constitution (38th Amendment) Act, 1975	S. 4.
Article 240 amended	Constitution (37th Amendment) Act, 1975	S. 3.
Article 319 amended	Constitution (39th Amendment) Act, 1975	S. 3.
Article 329A inserted	Constitution (39th Amendment) Act, 1975	S. 4.
Articles 352, 356, 359 and 360 amended retrospectively.	Constitution (38th Amendment) Act, 1975	Ss. 5 to 8.
Article 371F inserted (w.e.f. 26-4-1975)	Constitution (36th Amendment) Act, 1975	S. 3.
First Schedule amended (w.e.f. 26-4-1975)	Constitution (36th Amendment) Act, 1975	S. 2.
Fourth Schedule amended (w.e.f. 26-4-1975)	Constitution (36th Amendment) Act, 1975	S. 4.
Ninth Schedule amended (w.e.f.)	Constitution (39th Amendment) Act, 1975	S. 5.
Tenth Schedule inserted (w.e.f. 1-3-1975)	Constitution (35th Amendment) Act, 1975	S. 5.
Tenth Schedule omitted (w.e.f. 26-4-1975)	Constitution (36th Amendment) Act, 1975	S. 5.

PART V

STATE ACTS

I	2	3	4	5
1941	Bengal Act VI	Bengal Finance (Sales Tax) Act, 1941— as in force in Delhi,	Repealed (w.e.f.)	43, s. 73.

by Act.....38.....78, S. 2 + Sch. I

THE INDIAN TARIFF (AMENDMENT) ACT, 1975

No. 1 OF 1975

[6th March, 1975]

An Act further to amend the Indian Tariff Act, 1934.

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

1. (1) This Act may be called the Indian Tariff (Amendment) Act, 1975. Short title and commencement.

(2) It shall be deemed to have come into force on the 1st day of January, 1975.

32 of 1934. 2. In the First Schedule to the Indian Tariff Act, 1934 (hereinafter referred to as the principal Act),— Amendment of First Schedule.

(a) in Items Nos. 28(35), 28(38), 28(38A), 28(39), 28(40), 28(40A) and 28(41), in the last column headed "Duration of protective rates of duty", for the figures "1974", wherever they occur, the figures "1977" shall be substituted;

(b) in Item No. 28(38B),—

(i) in the third column headed "Nature of duty", for the word "Revenue", wherever it occurs, the word "Protective" shall be substituted;

(ii) in the last column headed "Duration of protective rates of duty", against (a) and (b), the word, figures and letters "December 31st, 1977" shall be inserted;

(c) for Item No. 28(40B), the following Items shall be substituted, namely:—

1	2	3	4	5	6	7
28(40B)	The following dye-intermediates, namely,— (1) 2:6 diamino-anthraquinone, (2) O-nitro anisole, (3) 1-chloro anthraquinone, (4) Anthraquinone-1-sulphonic acid sodium salt— (a) of British manufacture; (b) not of British manufacture.	Revenue Revenue	50 per cent. <i>ad valorem.</i> 60 per cent. <i>ad valorem.</i>	.. ..	.. ..	.. ..
28(40C)	The following dye-intermediates, namely,— (1) 1-amino-anthraquinone, (2) O-chloro aniline, (3) P-chloro aniline, (4) P-nitro anisole, (5) 5-Chloro-o-toluidine, (6) 1:4 diamino anthraquinone, (7) Peri acid, (8) 2:5 dimethyl-4-chlorophenyl thioglycolic acid, (9) Amino Iso G-acid— (a) of British manufacture; (b) not of British manufacture.	Protective Protective	50 per cent. <i>ad valorem.</i> 60 per cent. <i>ad valorem.</i>	.. ..	.. ..	December 31st, 1977, December 31st, 1977. ¹¹

(d) after Item No. 28(41), the following Item shall be inserted, namely:—

1	2	3	4	5	6	7
28(42)	The following dye-intermediates, namely,— (1) M-chloro-para-xylene, (2) Ortho nitro-toluene, (3) Ortho tolidine, (4) Para nitro-toluene— (a) of British manufacture; (b) not of British manufacture.	Protective Protective	50 per cent. <i>ad valorem.</i> 60 per cent. <i>ad valorem.</i>	.. ..	.. ..	December 31st, 1977, December 31st, 1977. ¹¹

REPEALED

OF 1975]

Indian Tariff (Amendment)

3

(e) in Items Nos. 46(a), 46(b), 46(1), 47 and 48, in the last column headed "Duration of protective rates of duty", for the figures "1974", wherever they occur, the figures "1979" shall be substituted.

Ordinance 15 of 1974. 3. (1) The Indian Tariff (Amendment) Ordinance, 1974 is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

Act... 38... 78, 52 + Sch. I

THE REQUISITION AND ACQUISITION OF IMMOVABLE
PROPERTY (AMENDMENT) ACT, 1975

No. 2 OF 1975

[7th March, 1975]

An Act further to amend the Requisitioning and Acquisition of
Immovable Property Act, 1952.

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

Short
title.

1. This Act may be called the Requisitioning and Acquisition of
Immovable Property (Amendment) Act, 1975.

Amend-
ment of
section 6.

2. In section 6 of the Requisitioning and Acquisition of Immovable
Property Act, 1952 (hereinafter referred to as the principal Act), in sub-
section (1A), for the words "five years", wherever they occur, the words
"ten years" shall be substituted. 30 of 1952,

Amend-
ment of
section 8.

3. In section 8 of the principal Act,—

(a) in sub-section (2), for the words "The amount of compensa-
tion payable for the requisitioning of any property shall consist of—",
the words, brackets, figures and letters "The amount of compen-
sation payable for the requisitioning of any property shall, subject
to the provisions of sub-sections (2A) and (2B), consist of—" shall
be substituted;

(b) after sub-section (2), the following sub-sections shall be
inserted, namely:—

"(2A) The recurring payment, referred to in clause (a) of
sub-section (2), in respect of any property shall, unless the pro-

~~REPEALED~~

[ACT 2 OF 1975]

*Requisitioning and Acquisition of immovable
Property (Amendment)*

5

perty is sooner released from requisition under section 6 or acquired under section 7, be revised in accordance with the provisions of sub-section (2B)—

(a) in a case where such property has been subject to requisition under this Act for the period of five years or a longer period immediately preceding the commencement of the Requisitioning and Acquisition of Immovable Property (Amendment) Act, 1975—

(i) first with effect from the date of such commencement, and

(ii) again with effect from the expiry of five years from such commencement;

(b) in a case where such property has been subject to requisition under this Act immediately before such commencement for a period shorter than five years and the maximum period within which such property shall, in accordance with the provisions of sub-section (1A) of section 6, be released from requisition or acquired, extends beyond five years from such commencement,—

(i) first with effect from the date of expiry of five years from the date on which possession of such property has been surrendered or delivered to, or taken by, the competent authority under section 4, and

(ii) again with effect from the date of expiry of a period of five years from the date on which the revision made under sub-clause (i) takes effect;

(c) in any other case, with effect from the date of expiry of five years from the date on which possession of such property has been surrendered or delivered to, or taken by, the competent authority under section 4.

(2B) The recurring payment in respect of any property shall be revised by re-determining such payment in the manner and in accordance with the principles set out in sub-section (1), read with clause (a) of sub-section (2), as if such property had been requisitioned under this Act on the date with effect from which the revision has to be made under sub-section (2A)."

Rep. by Act.... 38... 78, 5, 2 + Sch. I

THE NORTH-EASTERN AREAS (REORGANISATION)
AMENDMENT ACT, 1975

NO. 3 OF 1975

[19th March, 1975]

An Act further to amend the North-Eastern Areas (Reorganisation)
Act, 1971

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

Short
title and
com-
mence-
ment.

1. (1) This Act may be called the North-Eastern Areas (Reorgani-
sation) Amendment Act, 1975.

(2) It shall be deemed to have come into force on the 20th day of
January, 1975.

Amend-
ment of
section 53.

2. In section 53 of the North-Eastern Areas (Reorganisation) Act,
1971 (hereinafter referred to as the principal Act), in sub-section (3), 81 of 1971.
for the words "three years", the words "thirty-eight months" shall be
substituted.

Repeal
and
saving.

3. (1) The North-Eastern Areas (Reorganisation) Amendment Ordi-
nance, 1975 is hereby repealed. 2 of 1975.

(2) Notwithstanding such repeal, anything done or any action taken
under the principal Act, as amended by the said Ordinance, shall be
deemed to have been done or taken under the principal Act as amended
by this Act.

THE TOBACCO BOARD ACT, 1975

ARRANGEMENT OF SECTIONS

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THE TOBACCO BOARD ACT, 1975

No. 4 OF 1975

[19th March, 1975]

An Act to provide for the development under the control of the Union of the tobacco industry.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Tobacco Board Act, 1975.

(2) It extends to the whole of India.

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

Short title, extent and commencement.

Provided that different dates may be appointed for different provisions of this Act and for different States or different parts thereof.

2. It is hereby declared that it is expedient in the public interest that the Union should take under its control the tobacco industry.

Declaration as to expediency of control by the Union.

28.8.1976:—Vide Notifn. No.S.O.3141 dated 20.8.1976 (Extended to the States of Andhra Pradesh and Karnataka in respect of sections 10 and 11 and Sections 12, 14 and 15 in the whole of India).

Definitions.

3. In this Act, unless the context otherwise requires,—

- (a) "Board" means the Tobacco Board established under section 4;
- (b) "Chairman" means Chairman of the Board;
- (c) "curing" shall have the meaning assigned to it in the Central Excises and Salt Act, 1944 and all its grammatical variations and cognate expressions shall be construed accordingly;
- (d) "dealer" means a dealer in tobacco;
- (e) "Executive Director" means the Executive Director appointed under section 6;
- (f) "export" and "import" mean, respectively, taking out of, or bringing into, India, by land, sea or air;
- (g) "member" means a member of the Board and includes the Chairman;
- (h) "prescribed" means prescribed by rules made under this Act;
- (i) "registered" means, except in the expression "registered grower", registered under Chapter III of this Act and the rules made thereunder;
- (j) "registered grower" means a person who has obtained a certificate of registration under section 10 for growing virginia tobacco.

1 of 1944.

CHAPTER II

THE TOBACCO BOARD

Establishment and constitution of the Board.

4. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established for the purposes of this Act, a Board to be called the Tobacco Board.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(3) The head office of the Board shall be at Guntur in the State of Andhra Pradesh and the Board may, with the previous approval of the Central Government, establish offices or agencies at other places in or outside India.

(4) The Board shall consist of the following members, namely:—

- (a) a Chairman to be appointed by the Central Government;
- (b) three members of Parliament, of whom two shall be elected by the House of the People and one by the Council of States;
- (c) ^(eight) ~~seven~~ members to be appointed by the Central Government to represent respectively:—
- (i) the Ministry of the Central Government dealing with Agriculture;
- (ii) the Ministry of the Central Government dealing with Commerce;

1. Amended by Act 36 of 1978, S. 2.

(iii) the Ministry of the Central Government dealing with Finance;

(iv) the Ministry of the Central Government dealing with Industrial Development;

(v) the Indian Council of Agricultural Research;

(vi) the Government of Andhra Pradesh; and ~~(G X X X)~~

~~4~~ ~~4~~ [(via) the Government of Gujarat; and]

(d) two members to be appointed by the Central Government, by rotation in the alphabetical order, to represent the Governments of tobacco-growing States ~~other than the States of Andhra Pradesh~~

~~4~~ ~~4~~ ~~Andhra Pradesh and Karnataka~~, the words ~~other than the States of Andhra Pradesh, Gujarat and Karnataka~~ shall be appointed by the Central Government from amongst growers of tobacco, dealers and exporters (including packers) of tobacco and tobacco products, manufacturers of tobacco products and from amongst persons who, in the opinion of the Central Government, are experts in tobacco marketing or agricultural economics.

(5) The Board shall elect, from amongst its members, a Vice-Chairman who shall exercise such of the powers and perform such of the functions of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(6) The term of office of the members and the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, the members shall be such as may be prescribed.

(7) The Executive Director and any such officer of the Central Government (not being a member of the Board) as is deputed by the Central Government in this behalf, shall have the right to attend the meetings of the Board and take part in the proceedings thereof, but shall not have the right to vote.

(8) The Board may associate with itself, in such manner and for such purposes as may be prescribed, any persons whose assistance or advice it may desire in complying with any of the provisions of this Act and a person so associated shall have the right to take part in the discussions of the Board relevant to the purposes for which he has been associated, but shall not have the right to vote.

(9) No act or proceeding of the Board or any committee appointed by it under section 7 shall be invalidated merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Board or such committee; or

(b) any defect in the appointment of a person acting as a member of the Board or such committee; or

(c) any irregularity in the procedure of the Board or such committee not affecting the merits of the case.

4. Omitted, Ins & subs. by Act 36 of 1978, S. 2.

Salary and allowances and other conditions of service of Chairman.

5. The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.

Officers of the Board and other staff.

6. (1) The Central Government shall appoint an Executive Director to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(3) The Executive Director and the Secretary shall be entitled to such salaries and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

(4) Subject to such control, restrictions and conditions (including conditions as to appointment of the officers and other employees of the Tobacco Export Promotion Council, in the event of the said Council being wound up) as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions.

(5) The Chairman, the Executive Director, the Secretary and other officers and employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

Committees of the Board.

7. (1) The Board may appoint such committees as may be necessary for the efficient discharge of its duties and performance of its functions under this Act.

(2) The Board shall have the power to co-opt as members of any committee appointed under sub-section (1) such number of persons who are not members of the Board as it may think fit and the persons so co-opted shall have the right to attend the meetings of the committee and take part in the proceedings of the committee but shall not have the right to vote.

Functions of the Board.

8. (1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the development under the control of the Central Government of the tobacco industry.

(2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may provide for—

(a) regulating the production and curing of virginia tobacco having regard to the demand therefor in India and abroad;

(b) keeping a constant watch on the virginia tobacco market, both in India and abroad, and ensuring that the growers get a fair and remunerative price for the same and that there are no wide fluctuations in the prices of the commodity;

(c) maintenance and improvement of existing markets, and development of new markets outside India for Indian virginia tobacco and its products and devising of marketing strategy in consonance with demand for the commodity outside India, including group marketing under limited brand names;

(d) recommending to Central Government the minimum prices which may be fixed for purposes of export of virginia tobacco with a view to avoiding unhealthy competition amongst the exporters;

(e) regulating in other respects virginia tobacco marketing in India and export of virginia tobacco having due regard to the interests of growers, manufacturers and dealers and the nation;

(f) propagating information useful to the growers, dealers and exporters (including packers) of virginia tobacco and manufacturers of virginia tobacco products and others concerned with virginia tobacco and products thereof;

(g) purchasing virginia tobacco from growers when the same is considered necessary or expedient for protecting the interests of the growers and disposal of the same in India or abroad as and when considered appropriate;

(h) promoting the grading of tobacco at the level of growers;

(i) sponsoring, assisting, co-ordinating or encouraging scientific, technological and economic research for the promotion of tobacco industry;

(j) such other matters as may be prescribed.

(3) Without prejudice to the generality of the provisions of sub-section (1) and subject to priority being given to matters specified in sub-section (2), the measures referred to in sub-section (1) may also provide in relation to tobacco, other than virginia tobacco, for all or any of the matters specified in clauses (c) to (g) of sub-section (2) and for this purpose any reference in those clauses to virginia tobacco shall be construed as including a reference to tobacco other than virginia tobacco.

(4) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government and such rules may in particular make provisions for ensuring that the Board functions in close liaison with Union agencies, institutions and authorities concerned with the tobacco industry (including growing of tobacco) and avoids duplication of effort.

9. (1) The Central Government may, by notification in the Official Gazette and for reasons to be specified therein, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification:

Dissolution
of the
Board.

Provided that before issuing any such notification, the Central Government shall give a reasonable opportunity to the Board to make representations against the proposed dissolution and shall consider the representations, if any, of the Board.

Am. by Act 36 of 1978, S. 3.

(2). When the Board is dissolved under the provisions of sub-section (1),—

(a) all members, notwithstanding that their term of office has not expired, shall, from the date of dissolution, vacate their offices as such members;

(b) all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf;

(c) all funds and other properties vested in the Board shall, during the period of dissolution, vest in the Central Government; and

(d) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

CHAPTER III

REGULATION OF PRODUCTION AND DISPOSAL OF VIRGINIA TOBACCO

Registra-
tion of
growers
of virginia
tobacco.

10. (1) No person shall grow virginia tobacco except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the rules made under this Act.

(2) In granting or refusing a certificate of registration, the Board shall have regard to the demand for virginia tobacco in India and abroad, and the suitability of the land in relation to which the certificate is applied for and such other factors as may, having regard to the needs of the virginia tobacco industry, be prescribed.

(3) A certificate of registration granted in pursuance of this section shall be valid for such period as may be prescribed.

(4) Every application for such certificate of registration shall be accompanied by such fees (not exceeding one rupee for 0.4 hectare of the land in relation to which such application has been made) as may be prescribed.

Registra-
tion of
curers of
virginia
tobacco.

11. No person other than a registered curer shall cure or undertake the curing of virginia tobacco unless he registers himself as a curer with the Board in accordance with the rules made under this Act.

Registra-
tion of
exporters,
packers,
auction-
eers and
dealers.

12. No person shall export tobacco or any tobacco products or function as a packer, auctioneer of, or dealer in, tobacco unless he registers himself with the Board in accordance with the rules made under this Act.

Virginia
tobacco
to be sold
at register-
ed auc-
tion plat-
forms.

13. No registered grower or curer shall sell or cause to be sold virginia tobacco elsewhere than at an auction platform registered with the Board in accordance with the rules made under this Act.

4. Ins. by Act 36 of 1978, S. 4.

14. The form of application and the form of certificate of registration under section 10, the form of application for registration of curers for the purposes of section 11, for registration of exporters, packers or auctioneers of, or dealers in, tobacco, for the purposes of section 12, and for registration of auction platforms for the purposes of section 13, the time within which and the manner in which such applications shall be made, the fees payable on such applications, the particulars to be specified therein, the principles and the procedure to be followed in granting and cancelling certificates of registration or the registration of auction platforms or, as the case may be, the registration as curers, exporters, packers or auctioneers of, or dealers in, virginia tobacco, the returns to be submitted by registered growers and registered curers, exporters, packers or auctioneers of, or dealers in, tobacco, and the registers to be kept by the Board shall be such as may be prescribed.

Applica-
tion,
cancell-
ation, fees
and
other
matters
relating
to regist-
ration.

15. The Board may authorise any of its members, officers or other employees to inspect in such manner as may be prescribed any land or premises to verify the accuracy of any particulars mentioned in any application or any return referred to in section 14.

Power of
inspection.

CHAPTER IV

FINANCE, ACCOUNTS AND AUDIT

16. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may think fit for being utilised for the purposes of this Act.

Grants
and
loans by
the Cent-
ral Govern-
ment.

17. (1) There shall be formed a Fund to be called the Tobacco Fund and there shall be credited thereto—

Constitu-
tion of
the
Tobacco
Fund.

(a) the fees levied and collected under this Act or the rules made thereunder;

(b) any sums of money paid or any loans granted by the Central Government for the purposes of this Act;

(c) any grants or loans that may be made by any person for the purposes of this Act;

(d) the sums, if any, realised by the Board in carrying out the measures referred to in section 8.

(2) The Fund shall be applied—

(a) for meeting the cost of the measures referred to in section 8;

(b) for meeting the salaries, allowances and other remuneration of the officers and other employees of the Board;

(c) for meeting the other administrative expenses of the Board;

(d) for repayment of any loans.

18. Subject to such rules as may be made in this behalf, the Board shall have the power to borrow on the security of the Tobacco Fund or any other asset for carrying out the purposes of this Act.

Borrow-
ing
powers of
the
Board.

19. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account, and the balance-sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

Accounts
and
audit.

(2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

CHAPTER V

CONTROL BY CENTRAL GOVERNMENT

Power to prohibit or control import and export of tobacco and tobacco products.

20. (1) The Central Government may, by order published in the Official Gazette, make provision for prohibiting, restricting or otherwise controlling the import or export of tobacco and tobacco products, either generally or in specified classes of cases.

(2) All tobacco and tobacco products to which any order under sub-section (1) applies, shall be deemed to be goods of which the import or export has been prohibited under section 11 of the Customs Act, 1962, and all the provisions of that Act shall have effect accordingly.

52 of 1962,

(3) If any person contravenes any order made under sub-section (1), he shall, without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Customs Act, 1962, as applied by sub-section (2), be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

52 of 1962.

Directions by Central Government.

21. The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

Returns and reports.

22. (1) The Board shall furnish to the Central Government at such time and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to any proposed or existing programme for the promotion and development of the tobacco industry, as the Central Government may, from time to time, require.

(2) Without prejudice to the provisions of sub-section (1), the Board shall, as soon as possible, after the end of each financial year, submit to the Central Government a report in such form and before such date, as may be prescribed, giving a true and full account of its activities, policy and programmes during the previous financial year.

(3) A copy of the report received under sub-section (2) shall be laid, as soon as may be after it is received, before each House of Parliament.

CHAPTER VI

MISCELLANEOUS

23. Any person who, being required under this Act to furnish any return, fails to furnish such return or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true, shall be punishable with fine which may extend to five hundred rupees.

Penalties.

24. Any person who—

(a) obstructs any member or any officer or other employee of the Board or any other person in the exercise of any power conferred, or in the discharge of any duty imposed, on him by or under this Act; or

(b) having control over or custody of any account book or other record, fails to produce such book or record when required to do so by or under this Act,

Penalties for obstructing a member, officer or other employee of the Board in the discharge of his duties and for failure to produce books and records.

shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

25. Whoever contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules made thereunder other than the provisions, punishment for the contravention whereof has been provided for in section 20 or section 23 or section 24, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both and in the case of a continuing contravention with an additional fine which may extend to fifty rupees for every day during which such contravention continues after conviction for the first such contravention.

Other penalties.

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

Offences by companies.

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

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

Explanation.—For the purposes of this section—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Jurisdiction of court.

27. No court inferior to that of a Metropolitan Magistrate or a Magistrate of the first class shall try any offence punishable under this Act.

Previous sanction of Central Government.

28. No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

Protection of action taken in good faith.

29. No suit, prosecution or other legal proceedings shall lie against the Central Government, or the Board or any committee appointed by it, or any member of the Board or such committee, or any officer or other employee of the Central Government or of the Board or any agent of or any other person authorised by the Board, for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Suspension of operation of Act.

30. (1) If the Central Government is satisfied that circumstances have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so to do in the public interest, the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent, for such period as may be specified in the notification, the operation of all or any of the provisions of this Act, in all or any of the territories to which this Act extends.

(2) Where the operation of any provision of this Act has, under subsection (1), been suspended or relaxed, such suspension or relaxation may, at any time while this Act remains in force, be removed by the Central Government by notification in the Official Gazette.

(3) Every notification issued under this section shall be laid, as soon as may be after it is issued, 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 notification or both Houses agree that the notification should not be issued, the notification 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 previous operation of the notification.

Application of other laws not barred.

31. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

Power of Central Government to make rules

32. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the powers and functions of the Vice-Chairman of the Board;

(b) the term of office and other conditions of service of members, the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, members;

(c) the powers which may be exercised and the duties which shall be performed by the Executive Director and the Secretary;

(d) the circumstances in which and the authority by which a member may be removed;

(e) the holding of a minimum number of meetings of the Board every year;

(f) the procedure to be followed at the meetings of the Board for the conduct of business and the number of members which shall form a quorum at a meeting;

(g) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government;

(h) the matters referred to in section 14;

(i) the powers of the Board, its Chairman, the Executive Director and committees of the Board with respect to the incurring of expenditure;

(j) the conditions subject to which the Board may incur expenditure outside India;

(k) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(l) the form and manner in which the accounts should be maintained by the Board;

(m) the deposit of the funds of the Board in banks and the investment of such funds;

(n) the conditions to be observed by the Board in borrowing money;

(o) the conditions subject to which, and the manner in which, contracts may be entered into by or on behalf of the Board;

(p) the additional matters in respect of which the Board may undertake measures in the discharge of its functions;

(q) the remuneration and other allowances payable to the person or persons referred to in clause (b) of sub-section (2) of section 9;

(r) the form and manner of, and the particulars to be contained in, any returns or reports to be made to the Board under this Act;

(s) the collection of any information or statistics in respect of tobacco or tobacco products;

(t) any other matter which has to be, or may be, prescribed by, or provided for by rules under, this Act.

(3) Every rule made under this section shall 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

C. Ins. Act 26 of 1978. S.B.

be without prejudice to the validity of anything previously done under that rule.

Power to
make
regula-
tions.

33. (1) The Board may make regulations not inconsistent with this Act and the rules made thereunder for enabling it to discharge its functions under this Act.

(2) Without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the procedure to be followed at meetings of the committees appointed by the Board and the number of members which shall form a quorum at a meeting;

(b) the delegation to the Chairman, members, Executive Director, Secretary or other officers of the Board, of any of the powers and duties of the Board under this Act;

(c) the travelling and other allowances payable to persons associated under sub-section (8) of section 4 or co-opted under sub-section (2) of section 7;

(d) the pay and allowances and leave and other conditions of service of officers (other than those appointed by the Central Government) and other employees of the Board;

(e) the maintenance of the accounts of the Board;

(f) the maintenance of the registers and other records of the Board and its various committees;

(g) the appointment by the Board of agents to discharge, on its behalf, any of its functions;

(h) the persons by whom, and the manner in which, payments, deposits and investments may be made on behalf of the Board.

(3) No regulation made by the Board shall have effect until it has been approved by the Central Government and published in the Official Gazette, and the Central Government, in approving a regulation, may make any change therein which appears to it to be necessary.

(4) The Central Government may, by notification in the Official Gazette, cancel any regulation which it has approved and, thereupon, the regulation shall cease to have effect.

THE APPROPRIATION (VOTE ON ACCOUNT) ACT, 1975

No. 5 OF 1975

[25th March, 1975]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1975-76.

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

1. This Act may be called the Appropriation (Vote on Account) Act, 1975. Short title.

2. From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three thousand and eight hundred crores, twenty-three lakhs and ninety thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76. Withdrawal of Rs. 38,00,23,90,000 from and out of the Consolidated Fund of India for the financial year 1975-76.

3. The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sumis not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Department of Agriculture . Revenue	30,32,000	..	30,32,000
2	Agriculture Revenue Capital	9,47,10,000 185,25,99,000	.. 10,02,57,000	9,47,10,000 195,28,56,000
3	Fisheries Revenue Capital	1,35,08,000 22,96,000	.. 2,57,000	1,35,08,000 25,53,000
4	Animal Husbandry and Dairy Development Revenue Capital	5,13,03,000 53,27,000	.. 5,000 6,58,000	5,13,08,000 59,85,000
5	Forest Revenue Capital	1,38,95,000 22,99,000	.. 37,50,000	1,38,95,000 60,49,000
6	Department of Food . . . Revenue Capital	51,64,52,000 1,55,92,000	.. 1,42,000	51,64,52,000 1,57,34,000
7	Department of Rural Development Revenue Capital	9,72,29,000 1,00,05,000	.. 37,46,000	9,72,29,000 1,37,51,000
8	Department of Agricultural Research and Education . Revenue	1,73,000	..	1,73,000
9	Payments to Indian Council of Agricultural Research . Revenue	6,56,00,000	..	6,56,00,000
10	Department of Irrigation . Revenue Capital	2,11,86,000 74,27,000	.. 1,61,50,000	2,11,86,000 2,35,77,000
11	Ministry of Commerce . Revenue	14,64,000	..	14,64,000
12	Foreign Trade and Export Production Revenue Capital	33,28,62,000 47,79,38,000	.. ..	33,28,62,000 47,79,38,000
13	Ministry of Communications Revenue Capital	16,64,000 35,83,000	.. ..	16,64,000 35,83,000
14	Overseas Communications Service Revenue Capital	1,30,50,000 80,97,000	.. 3,000	1,30,50,000 81,00,000
15	Posts and Telegraphs— Working Expenses . . . Revenue	77,59,74,000	1,000	77,59,75,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
16	Posts and Telegraphs— Dividend to General Revenues, Appropriations to Reserve Funds and Repayment of Loans from General Revenues Revenue	5,91,86,000	..	5,91,86,000
17	Capital Outlay on Post- and Telegraphs Capital	28,75,67,000	..	28,75,67,000
18	Ministry of Defence Revenue Capital	26,82,000 2,66,36,000	.. 11,16,000	26,82,000 2,77,52,000
19	Defence Services—Army. Revenue	250,11,47,000	1,50,000	250,12,97,000
20	Defence Services—Naval Revenue	22,43,29,000	7,000	22,43,36,000
21	Defence Services—Air Force Revenue	74,06,13,000	25,000	74,06,38,000
22	Defence Services— Pensions Revenue	18,83,33,000	2,000	18,83,35,000
23	Capital Outlay on De- fence Services Capital	39,57,71,000	5,00,000	39,62,71,000
24	Department of Education Revenue	23,42,000	..	23,42,000
25	Education Revenue Capital	21,83,55,000 8,48,000	.. 69,35,000	21,83,55,000 67,83,000
26	Department of Social Welfare Revenue	2,37,81,000	..	2,37,81,000
27	Ministry of Energy Revenue	7,58,000	..	7,58,000
28	Power Development Revenue Capital	4,04,02,000 13,97,32,000	.. 2,03,33,000	4,04,02,000 16,00,65,000
29	Coal and Lignite Revenue Capital	3,14,20,000 38,65,33,000	2,000 ..	3,14,22,000 38,65,33,000
30	Ministry of External Affairs Revenue Capital	16,54,52,000 5,05,00,000	4,000	16,54,56,000 5,05,00,000
31	Ministry of Finance Revenue	5,32,93,000	6,000	5,32,99,000
32	Customs Revenue	4,04,14,000	7,000	4,04,21,000
33	Union Excise Duties Revenue	5,39,70,000	4,000	5,39,84,000
34	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax Revenue	5,88,90,000	20,000	5,89,10,000
35	Stamps Revenue Capital	1,56,94,000 13,66,000	.. ..	1,56,94,000 13,66,000

1 No. of Vote	2 Services and purposes		3		
			Sums not exceeding		
			Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.	
36	Audit	Revenue	10,67,01,000	13,71,000	10,80,72,000
37	Currency, Coinage and Mint	Revenue Capital	5,86,20,000 3,49,63,000	..	5,86,20,000 3,49,63,000
38	Pensions	Revenue	5,65,00,000	10,00,000	5,75,00,000
39	Opium and Alkaloid Factories	Revenue Capital	13,31,98,000 9,18,000	1,000	13,31,99,000 9,18,000
40	Transfers to State and Union Territory Governments	Revenue Capital	50,06,33,000 17,000	320,65,25,000 168,69,33,000	370,71,58,000 168,69,50,000
	CHARGED.— <i>Interest Payments</i>	Revenue	..	197,97,36,000	197,97,36,000
41	Other Expenditure of the Ministry of Finance	Revenue Capital	6,68,05,000 42,43,83,000	54,000	6,68,59,000 42,43,83,000
42	Loans to Government Servants, etc.	Capital	8,94,45,000	..	8,94,45,000
	CHARGED.— <i>Repayment of Debt</i>	Capital	..	1420,90,49,000	1420,90,49,000
43	Ministry of Health and Family Planning	Revenue	10,76,000	..	10,76,000
44	Medical and Public Health	Revenue Capital	12,12,07,000 5,33,99,000	.. 16,000	12,12,07,000 5,34,15,000
45	Family Planning	Revenue Capital	11,18,41,000 21,67,000	..	11,18,41,000 21,67,000
46	Ministry of Home Affairs	Revenue	42,40,000	..	42,40,000
47	Cabinet	Revenue	19,90,000	..	19,90,000
48	Department of Personnel and Administrative Reforms	Revenue Capital	1,02,24,000 ..	1,000 4,17,000	1,02,25,000 4,17,000
49	Police	Revenue Capital	29,02,86,000 32,50,000	.. 1,16,67,000	29,02,86,000 1,49,17,000
50	Census	Revenue	56,43,000	..	56,43,000
51	Other Expenditure of the Ministry of Home Affairs	Revenue Capital	17,41,85,000 3,00,13,000	6,42,05,000 14,17,000	23,83,90,000 3,14,30,000
52	Delhi	Revenue Capital	16,49,11,000 6,64,80,000	8,75,000 33,33,000	16,57,86,000 6,98,13,000
53	Chandigarh	Revenue Capital	2,35,94,000 1,76,91,000	7,47,000 1,00,000	2,43,41,000 1,77,91,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding			
		Voted by Parliament	Charged on the Consoli- dated Fund	Total	
		Rs.	Rs.	Rs.	
54	Andaman and Nicobar Islands	Revenue	2,95,65,000	1,000	2,95,66,000
		Capital	1,40,19,000	..	1,40,19,000
55	Arunachal Pradesh	Revenue	3,89,50,000	..	3,89,50,000
		Capital	1,17,33,000	..	1,17,33,000
56	Dadra and Nagar Haveli	Revenue	21,39,000	..	21,39,000
		Capital	24,04,000	..	24,04,000
57	Lakshadweep	Revenue	38,21,000	..	38,21,000
		Capital	17,50,000	..	17,50,000
58	Ministry of Industry and Civil Supplies	Revenue	50,40,000	..	50,40,000
59	Industries	Revenue	2,04,02,000	..	2,04,02,000
		Capital	31,25,58,000	..	31,25,58,000
60	Village and Small Industries	Revenue	4,66,80,000	10,00,000	4,76,80,000
		Capital	6,21,94,000	45,83,000	6,67,77,000
61	Civil Supplies and Co-operation	Revenue	88,27,000	..	88,27,000
		Capital	4,46,12,000	15,00,000	4,61,12,000
62	Ministry of Information and Broadcasting	Revenue	5,85,000	..	5,85,000
63	Information and Publicity	Revenue	2,49,41,000	..	2,49,41,000
		Capital	37,42,000	..	37,42,000
64	Broadcasting	Revenue	4,87,41,000	..	4,87,41,000
		Capital	3,52,33,000	..	3,52,33,000
65	Ministry of Labour	Revenue	10,94,000	..	10,94,000
66	Labour and Employment	Revenue	6,03,82,000	1,000	6,03,83,000
		Capital	96,000	..	96,000
67	Ministry of Law, Justice and Company Affairs	Revenue	3,67,60,000	..	3,67,60,000
68	Administration of Justice	Revenue	4,44,000	8,67,000	13,11,000
69	Ministry of Petroleum and Chemicals	Revenue	11,29,000	..	11,29,000
70	Petroleum and Petro- chemicals Industries	Revenue	12,08,64,000	..	12,08,64,000
		Capital	29,72,86,000	..	29,72,86,000
71	Fertilizer and Chemicals Industries	Revenue	3,01,000	..	3,01,000
		Capital	60,74,72,000	..	60,74,72,000
72	Ministry of Planning	Revenue	2,06,000	..	2,06,000

I No. of Vote	2 Services and purposes		3 Sums not exceeding		
			Voted by Parliament	Charged on the Consolidat- ed Fund	Total
73	Statistics	Revenue	1,51,09,000	..	1,51,09,000
74	Planning Commission	Revenue	56,60,000	..	56,60,000
75	Ministry of Shipping and Transport	Revenue	37,82,000	..	37,82,000
76	Roads	Revenue Capital	11,52,85,000 11,69,10,000	2,000 1,21,17,000	11,52,87,000 12,90,27,000
77	Ports, Lighthouses and Shipping	Revenue Capital	2,54,61,000 32,32,93,000	7,000 40,67,000	2,54,68,000 32,73,60,000
78	Road and Inland Water Transport	Revenue Capital	8,16,000 3,49,33,000	.. 25,00,000	8,16,000 3,74,33,000
79	Department of Steel	Revenue Capital	6,50,02,000 32,80,22,000	.. 40,00,000	6,50,02,000 33,20,22,000
80	Department of Mines	Revenue	4,52,000	..	4,52,000
81	Mines and Minerals	Revenue Capital	4,22,53,000 13,96,67,000	.. 10,17,000	4,22,53,000 14,06,84,000
82	Department of Supply	Revenue	3,95,000	..	3,95,000
83	Supplies and Disposals	Revenue	1,42,59,000	..	1,42,59,000
84	Department of Rehabilitation	Revenue Capital	3,88,91,000 1,56,04,000	5,000 2,11,67,000	3,88,96,000 13,67,71,000
85	Ministry of Tourism and Civil Aviation	Revenue	7,39,000	..	7,39,000
86	Meteorology	Revenue Capital	1,58,23,000 33,50,000	.. ..	1,58,23,000 33,50,000
87	Aviation	Revenue Capital	2,95,76,000 4,07,44,000	.. 2,58,000	2,95,76,000 4,10,02,000
88	Tourism	Revenue Capital	55,58,000 97,24,000	.. ..	55,58,000 97,24,000
89	Ministry of Works and Housing	Revenue	8,37,000	..	8,37,000
90	Public Works	Revenue Capital	9,08,76,000 2,48,78,000	3,000 2,50,000	9,08,79,000 2,51,28,000
91	Water Supply and Sewerage	Revenue	17,84,000	..	17,84,000
92	Housing and Urban Development	Revenue Capital	1,19,10,000 1,81,30,000	7,92,000 3,47,00,000	1,27,02,000 5,28,30,000
93	Stationery and Printing	Revenue	3,93,56,000	4,000	3,93,57,000
94	Department of Atomic Energy	Revenue	6,69,000	..	6,69,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding			
		Voted by Parliament	Charged on the Consolidated Fund	Total	
		Rs.	Rs.	Rs.	
95	Atomic Energy Research, De- velopment and Industrial Projects	Revenue	7,33,01,000	..	7,33,01,000
		Capital	11,62,71,000	..	11,62,71,000
96	Nuclear Power Schemes	Revenue	5,36,15,000	..	5,36,15,000
		Capital	6,94,11,000	4,33,000	6,98,44,000
97	Department of Culture	Revenue	1,13,07,000	..	1,13,07,000
98	Archaeology	Revenue	98,39,000	..	98,39,000
99	Department of Electronics	Revenue	1,23,11,000	..	1,23,11,000
		Capital	36,50,000	..	36,50,000
100	Department of Science and Technology	Revenue	1,43,97,000	..	1,43,97,000
		Capital	25,00,000	..	25,00,000
101	Survey of India	Revenue	2,60,01,000	..	2,60,01,000
102	Grants to Council of Scientific and Industrial Research	Revenue	6,24,86,000	..	6,24,86,000
103	Department of Space	Revenue	4,43,10,000	..	4,43,10,000
		Capital	1,38,58,000	..	1,38,58,000
104	Lok Sabha	Revenue	70,34,000	17,000	70,51,000
105	Rajya Sabha	Revenue	26,32,000	15,000	26,47,000
106	Department of Parliamentary Affairs	Revenue	3,22,000	..	3,22,000
		CHARGED.— <i>Staff, Household and Allowances of the President</i>	Revenue	..	10,43,000
107	Secretariat of the Vice- President	Revenue	83,000	..	83,000
		CHARGED.— <i>Union Public Service Commission</i>	Revenue	..	28,02,000	28,02,000
	TOTAL		1658,87,05,000	2141,36,85,000	3800,23,90,000

THE APPROPRIATION (RAILWAYS) ACT, 1975

No. 6 OF 1975

[25th March, 1975]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1975-76 for the purposes of Railways.

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

Short
title.

1. This Act may be called the Appropriation (Railways) Act, 1975.

Issue of Rs.
2,803,80,
91,000
out of the
Consoli-
dated
Fund of
India for
the
financial
year
1975-76.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of two thousand eight hundred and three crores, eighty lakhs and ninety-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76, in respect of the services relating to railways specified in column 2 of the Schedule.

Appro-
priaion.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	2,26,90,000	..	2,26,90,000
2	Miscellaneous expenditure	10,11,63,000	3,00,000	10,14,63,000
3	Payments to Worked Lines and Others	19,44,000	..	19,44,000
4	Working Expenses—Administration	137,86,69,000	20,000	137,86,89,000
5	Working Expenses—Repairs and Maintenance	513,83,41,000	43,000	513,83,84,000
6	Working Expenses—Operating Staff	292,34,01,000	45,22,000	292,79,23,000
7	Working Expenses—Operation (Fuel)	247,15,26,000	..	247,15,26,000
8	Working Expenses—Operation other than Staff and Fuel	78,55,31,000	1,31,66,000	79,86,97,000
9	Working Expenses—Miscellaneous Expenses	51,72,59,000	7,38,000	51,79,97,000
10	Working Expenses—Staff Welfare	46,94,72,000	..	46,94,72,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund	115,00,00,000	..	115,00,00,000
11A	Working Expenses—Appropriation to Pension Fund	17,00,00,000	..	17,00,00,000
12	Dividend to General Revenues and Contribution for Grants to States in lieu of Passenger Fare Tax	197,88,49,000	..	197,88,49,000
13	Open Line Works (Revenue)	7,50,29,000	..	7,50,29,000
14	Construction of New Lines—Capital and Depreciation Reserve Fund	47,10,55,000	..	47,10,55,000
15	Open Line Works—Capital, Depreciation Reserve Fund and Development Fund	869,65,54,000	..	869,65,54,000
16	Pensionary Charges—Pension Fund	18,07,29,000	..	18,07,29,000
17	Repayment of Loans from General Revenues and interest thereon—Development Fund	6,77,02,000	..	6,77,02,000
18	Appropriation to Development Fund	18,00,00,000	..	18,00,00,000
19	Appropriation to Revenue Reserve Fund	5,02,79,000	..	5,02,79,000

I Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs
20	Payments towards Amortisation of Over-capitalisation, Repayment of Loans from General Revenues and interest thereon—Revenue Reserve Fund	109,23,77,000	..	109,23,77,000
21	Appropriation to Accident Compensation, Safety and Passenger Amenities Fund	7,53,20,000	..	7,53,20,000
22	Accident Compensation, Safety and Passenger Amenities Fund	2,11,62,000	2,50,000	2,14,12,000
	TOTAL	2,801,90,52,000	1,90,39,000	2,803,80,91,000

THE APPROPRIATION (RAILWAYS) No. 2 ACT, 1975

No. 7 OF 1975

[25th March, 1975]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1974-75 for the purposes of Railways.

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

1. This Act may be called the Appropriation (Railways) No. 2 Act, 1975. Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of forty-five crores, eighty-three lakhs and fourteen thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1974-75, in respect of the services relating to railways specified in column 2 of the Schedule. Issue of Rs. 45,83,14,000 out of the Consolidated Fund of India for the financial year 1974-75.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE

(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	7,97,000	..	7,97,000
4	Working Expenses—Administration	78,08,000	48,000	78,56,000
5	Working Expenses—Repairs and Main- tenance	..	1,76,000	1,76,000
7	Working Expenses—Operation Fuel	..	30,000	30,000
8	Working Expenses—Operation other than Staff and Fuel.	6,77,46,000	27,35,000	7,04,81,000
9	Working Expenses—Miscellaneous Expenses	8,68,03,000	..	8,68,03,000
10	Working Expenses—Staff Welfare	..	8,000	8,000
12	Dividend to General Revenues and Con- tribution for Grants to States in lieu of Passenger Fare Tax	23,44,12,000	..	23,44,12,000
13	Open Line Works (Revenue)	..	4,000	4,000
14	Construction of New Lines—Capital and Depreciation Reserve Fund	..	3,70,000	3,70,000
15	Open Line Works—Capital, Depreciation Reserve Fund and Development Fund.	1,000	19,57,000	19,58,000
16	Pensionary Charges—Pension Fund	4,99,85,000	..	4,99,85,000
20	Payments towards Amortisation of Over- capitalisation, Repayment of Loans from General Revenues and Interest thereon— Revenue Reserve Fund	49,86,000	..	49,86,000
22	Accident Compensation, Safety and Pas- senger Amenities Fund	..	4,48,000	4,48,000
	TOTAL	45,25,38,000	57,75,000	45,83,14,000

THE APPROPRIATION (RAILWAYS) No. 3 ACT, 1975

No. 8 OF 1975

[25th March, 1975]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1973, in excess of the amounts granted for those services and for that year.

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

1. This Act may be called the Appropriation (Railways) No. 3 Act, 1975.

Short
title.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of ten crores, thirty-one lakhs, forty-two thousand, one hundred and thirty-seven rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services relating to Railways specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1973, in excess of the amounts granted for those services and for that year.

Issue of
Rs.
10,31,42,137
out of the
Consoli-
dated
Fund
of India
to meet
certain
expen-
diture
for the
year
ended on
the 31st
March,
1973.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1973.

Appro-
priation.

THE SCHEDULE
(See sections 2 and 3)

I No. of vote	2 Services and purposes	3		
		Sums aggregating to		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
5	Working Expenses—Repairs and Main- tenance.	89,01,866	..	89,01,866
6	Working Expenses—Operating Staff.	..	9,178	9,178
10	Working Expenses—Staff Welfare	10,81,574	..	10,81,574
13	Open Line Works (Revenue)	7,79,949	..	7,79,949
15	Open Line Works—Capital, Depreciation Reserve Fund and Development Fund	9,23,69,570	..	9,23,69,570
	TOTAL	10,31,32,959	9,178	10,31,42,137

THE PONDICHERRY APPROPRIATION ACT, 1975

No. 9 OF 1975

[29th March, 1975]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1974-75.

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

1. This Act may be called the Pondicherry Appropriation Act, 1975. Short title.
2. From and out of the Consolidated Fund of the Union territory of Pondicherry there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of fifty-seven lakhs and seventy thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1974-75, in respect of the services specified in column 2 of the Schedule. Issue of Rs. 57,70,000 out of the Consolidated Fund of the Union territory of Pondicherry for the financial year 1974-75.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the Union territory of Pondicherry by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
2	Administrator Revenue	..	12,000	12,000
4	Administration of Justice Revenue	64,000	..	64,000
5	Elections Revenue	2,000	..	2,000
6	Revenue Revenue	24,78,000	..	24,78,000
7	Sales Tax Revenue	30,000	..	30,000
8	Taxes on Vehicles . . Revenue	7,000	..	7,000
9	Secretariat Revenue	76,000	..	76,000
10	District Administration . Revenue	39,000	..	39,000
11	Treasury and Accounts Ad- ministration Revenue	58,000	..	58,000
12	Police Revenue	2,89,000	..	2,89,000
13	Jails Revenue	13,000	..	13,000
14	Stationery and Printing . Revenue	22,000	..	22,000
15	Miscellaneous Administra- tive General Services . Revenue	8,000	..	8,000
17	Public Works Revenue	7,73,000	..	7,73,000
	Capital .	1,63,000	..	1,63,000
18	Education Revenue	13,27,000	..	13,27,000
19	Medical Revenue	3,32,000	..	3,32,000
20	Information and Publicity . Revenue	17,000	..	17,000
21	Labour and Employment . Revenue	34,000	..	34,000
30	Food and Nutrition . . Revenue	13,000	..	13,000
32	Ports and Pilotage . . Revenue	13,000	..	13,000
	TOTAL	57,58,000	12,000	57,70,000

THE PONDICHERRY APPROPRIATION (VOTE ON
ACCOUNT) ACT, 1975

No. 10 OF 1975

[29th March, 1975]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of a part of the financial year 1975-76.

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

1. This Act may be called the Pondicherry Appropriation (Vote on Account) Act, 1975.

Short title.

2. From and out of the Consolidated Fund of the Union territory of Pondicherry there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of eight crores, twenty-five lakhs and twenty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76.

Withdrawal of Rs. 8,25,20,000 from and out of the Consolidated Fund of the Union territory of Pondicherry for the financial year 1975-76. Appropriation.

3. The sums authorised to be withdrawn from and out of the Consolidated Fund of the Union territory of Pondicherry by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Legislative Assembly . Revenue	2,06,000	17,000	2,23,000
2	Administrator . . . Revenue	4,000	1,65,000	1,69,000
3	Council of Ministers . Revenue	2,33,000	..	2,33,000
4	Administration of Justice Revenue	6,08,000	..	6,08,000
5	Elections Revenue	1,84,000	..	1,84,000
6	Revenue Revenue	20,02,000	..	20,02,000
7	Sales Tax Revenue	3,19,000	..	3,19,000
8	Taxes on Vehicles . . Revenue	68,000	..	68,000
9	Secretariat Revenue	8,73,000	..	8,73,000
10	District Administration . Revenue Capital	18,20,000 4,29,000	.. ..	18,20,000 4,29,000
11	Treasury and Accounts Administration . . . Revenue	5,86,000	..	5,86,000
12	Police Revenue	32,92,000	..	32,92,000
13	Jails Revenue	1,68,000	..	1,68,000
14	Stationery and Printing Revenue	5,21,000	..	5,21,000
15	Miscellaneous Adminis- trative General Services Revenue	3,65,000	..	3,65,000
16	Retirement Benefits . Revenue	9,24,000	..	9,24,000
17	Public Works Revenue Capital	87,69,000 56,88,000	4,000 ..	87,73,000 56,88,000
18	Education Revenue Capital	1,38,22,000 13,000	.. ..	1,38,22,000 13,000
19	Medical Revenue	71,14,000	..	71,14,000
20	Information and Publicity Revenue	3,59,000	..	3,59,000
21	Labour and Employment Revenue	5,22,000	..	5,22,000
22	Social Welfare Revenue Capital	22,76,000 13,000	.. ..	22,76,000 13,000
23	Co-operation Revenue Capital	7,50,000 5,32,000	.. ..	7,50,000 5,32,000
24	Miscellaneous General Economic Services . . Revenue	3,33,000	..	3,33,000
25	Agriculture Revenue Capital	37,00,000 2,44,000	.. ..	37,00,000 2,44,000
26	Animal Husbandry . . Revenue Capital	7,19,000 83,000	.. ..	7,19,000 83,000

I No. of Vote	2 Services and purposes	3		
		Sums not exceeding		Total
		Voted by Parliament	Charged on the Consoli- dated Fund	
		Rs.	Rs.	Rs.
27	Fisheries Revenue	18,75,000	..	18,75,000
	Capital	21,000	..	21,000
28	Community Development Revenue	15,22,000	..	15,22,000
	Capital	35,000	..	35,000
29	Industries Revenue	3,78,000	..	3,78,000
	Capital	5,22,000	..	5,22,000
30	Food and Nutrition . Revenue	1,23,000	..	1,23,000
31	Electricity Revenue	84,83,000	..	84,83,000
	Capital	38,16,000	..	38,16,000
32	Ports and Pilotage . . Revenue	1,89,000	..	1,89,000
	Capital	1,22,000	..	1,22,000
33	Public Debt Revenue	..	31,45,000	31,45,000
	Capital	..	33,70,000	33,70,000
34	Loans to Government Ser- vants Capital	11,94,000	..	11,94,000
	TOTAL	7,58,19,000	67,01,000	8,25,20,000

THE APPROPRIATION ACT, 1975

No. II OF 1975

[29th March, 1975]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1974-75.

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

Short
title.

1. This Act may be called the Appropriation Act, 1975.

Issue of
Rs. 1761,
43,60,000
out
of the
Conso-
lidated
Fund of
India for
the year
1974-75.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand seven hundred and sixty-one crores, forty-three lakhs and sixty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1974-75, in respect of the services specified in column 2 of the Schedule.

Appro-
priation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Department of Agriculture . Revenue	5,65,000	..	5,65,000
3	Agriculture Capital	481,74,00,000	15,29,00,000	497,03,00,000
8	Department of Food . Revenue	66,00,00,000	..	66,00,00,000
11	Ministry of Commerce . Revenue	6,52,000	..	6,52,000
12	Foreign Trade and Export Production Revenue	8,00,00,000	..	8,00,00,000
	. . . . Capital	21,00,00,000	..	21,00,00,000
15	Posts and Telegraphs— Working Expenses . Revenue	36,92,29,000	38,000	36,92,67,000
17	Capital Outlay on Posts and Telegraphs Capital	6,57,00,000	..	6,57,00,000
18	Ministry of Defence . . Revenue	2,85,000	..	2,85,000
19	Defence Services—Army . Revenue	171,75,85,000	6,50,000	171,82,35,000
21	Defence Services—Air Force Revenue	22,23,78,000	50,000	22,24,28,000
22	Defence Services—Pensions Revenue	34,58,00,000	..	34,58,00,000
24	Department of Education . Revenue	6,50,000	..	6,50,000
25	Education Revenue	1,71,74,000	..	1,71,74,000
27	Ministry of External Affairs Revenue	1,75,00,000	..	1,75,00,000
28	Ministry of Finance . Revenue	5,62,46,000	..	5,62,46,000
29	Customs Revenue	41,20,000	..	41,20,000
30	Union Excise Duties . . Revenue	1,63,70,000	..	1,63,70,000
31	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax Revenue	2,00,34,000	..	2,00,34,000
32	Stamps Revenue	2,20,37,000	..	2,20,37,000
33	Audit Revenue	5,66,37,000	3,38,000	5,69,75,000
34	Currency, Coinage and Mint Revenue	62,40,000	..	62,40,000
37	Transfers to State and Union Territory Governments . Revenue	55,82,50,000	30,14,03,000	85,96,53,000
	. . . . Capital	11,00,000	53,00,00,000	53,11,00,000
	Interest Payments . . Revenue	..	47,20,57,000	47,20,57,000
38	Other Expenditure of the Ministry of Finance . Capital	61,90,01,000	..	61,90,01,000
	Repayment of Debt . . Capital	..	343,24,21,000	343,24,21,000
40	Ministry of Health and Family Planning . . Revenue	5,07,000	..	5,07,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
41	Medical and Public Health	8,58,66,000	..	8,58,66,000
	Capital	32,39,000	..	32,39,000
42	Family Planning	4,75,89,000	..	4,75,89,000
43	Ministry of Heavy Indus- try	2,86,000	..	2,86,000
44	Heavy Industries	66,92,41,000	..	66,92,41,000
45	Ministry of Home Affairs	15,61,000	..	15,61,000
46	Cabinet	13,51,000	..	13,51,000
47	Department of Personnel and Administrative Re- forms	44,97,000	..	44,97,000
48	Police	3,25,53,000	..	3,25,53,000
50	Other Expenditure of the Ministry of Home Affairs	5,60,41,000	5,31,00,000	10,91,41,000
51	Delhi	3,75,20,000	2,97,000	3,78,17,000
	Capital	25,80,000	..	25,80,000
52	Chandigarh	1,82,52,000	6,00,000	1,88,52,000
	Capital	39,14,000	2,00,000	41,14,000
53	Andaman and Nicobar Is- lands	43,18,000	..	43,18,000
	Capital	19,51,000	..	19,51,000
54	Arunachal Pradesh	1,70,50,000	..	1,70,50,000
55	Dadra and Nagar Haveli	14,70,000	..	14,70,000
56	Lakshadweep	19,95,000	..	19,95,000
57	Ministry of Industrial Development	1,28,000	..	1,28,000
58	Industries	2,96,77,000	17,000	2,96,94,000
	Capital	64,74,000	..	64,74,000
60	Ministry of Information and Broadcasting	2,91,000	..	2,91,000
62	Broadcasting	4,59,11,000	..	4,59,11,000
63	Ministry of Irrigation and Power	..	2,55,00,000	2,55,00,000
65	Power Schemes	13,42,000	..	13,42,000
	Capital	5,13,00,000	..	5,13,00,000
66	Ministry of Labour	2,61,000	..	2,61,000
68	Ministry of Law, Justice and Company Affairs	14,25,000	..	14,25,000
69	Administration of Justice	..	6,72,000	6,72,000
70	Ministry of Petroleum and Chemicals	16,19,75,000	..	16,19,75,000
	Capital	1,000	..	1,000
74	Ministry of Shipping and Transport	28,82,000	..	28,82,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
75	Roads Revenue Capital	1,51,06,000 8,99,89,000	21,000 ..	1,51,27,000 8,99,89,000
76	Ports, Lighthouses and Shipping . . . Revenue Capital	20,00,000 9,82,52,000	.. ..	20,00,000 9,82,52,000
77	Road and Inland Water Transport . . . Capital	..	17,66,63,000	17,66,63,000
78	Department of Steel . Revenue Capital	1,000 27,93,15,000	.. ..	1,000 27,93,15,000
79	Department of Mines . Revenue	6,79,000	..	6,79,000
80	Mines and Minerals . Revenue Capital	1,69,00,000 65,83,65,000	.. 1,00,00,000	1,69,00,000 66,83,65,000
81	Department of Supply . Revenue	45,000	..	45,000
82	Supplies and Disposals . Revenue	48,64,000	..	48,64,000
84	Ministry of Tourism and Civil Aviation . Revenue	1,27,000	..	1,27,000
86	Aviation Revenue	25,00,000	..	25,00,000
87	Tourism Revenue	37,38,000	..	37,38,000
88	Ministry of Works and Housing . . . Revenue	14,44,000	..	14,44,000
89	Public Works Revenue	3,68,24,000	..	3,68,24,000
91	Housing and Urban Development . . . Revenue Capital	21,76,000 61,00,000	11,59,000 ..	33,35,000 61,00,000
92	Stationery and Printing . Revenue	3,35,79,000	..	3,35,79,000
94	Atomic Energy Research, Development and Industrial Projects . . . Capital	6,000	..	6,000
95	Nuclear Power Schemes . Capital	1,000	8,00,000	8,01,000
101	Grants to Council of Scientific and Industrial Research . . . Revenue	2,99,90,000	..	1,99,90,000
102	Department of Space . Revenue	17,76,000	..	17,76,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
104	Rajya Sabha . . . Revenue	Rs. 3,06,000	Rs. ..	Rs. 3,06,000
	Staff, Household and Allow- ances of the President . . Revenue	..	3,80,000	3,80,000
	Union Public Service Com- mission . . . Revenue	..	26,10,000	26,10,000
	TOTAL .	1245,24,84,000	516,18,76,000	1761,43,60,000

THE PRESS COUNCIL (AMENDMENT) ACT, 1975

No. 12 OF 1975

[29th March, 1975]

An Act further to amend the Press Council Act, 1965.

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

1. (1) This Act may be called the Press Council (Amendment) Act, 1975.

Short
title
and
com-
mence-
ment.

(2) It shall be deemed to have come into force on the 30th day of December, 1974.

34 of 1965.

2. In section 5 of the Press Council Act, 1965 (hereinafter referred to as the principal Act), for sub-section (1A), the following sub-section shall be substituted, namely:—

Amend-
ment of
section
5.

‘(1A) Notwithstanding the expiry of the period of office specified in sub-section (1), the Chairman and other members holding office as such on the 29th day of December, 1974 shall continue to hold such office until the appointed day:

Provided that nothing in this sub-section shall apply to a member—

(a) who ceases to be a member before the appointed day, by reason of the provisions of sub-section (2); or

(b) whose term of office expires before the appointed day, by reason of the provisions of sub-section (3); or

(c) who is deemed to have vacated his seat before the appointed day, by reason of the provisions of sub-section (3A); or

(d) who is deemed to have vacated his office before the appointed day, by reason of the provisions of sub-section (4).

Explanation.—In this sub-section, “appointed day” means the 31st day of December, 1975, or, where the Central Government, by notification in the Official Gazette, appoints an earlier date, such earlier date.

Repeal
and
saving.

3. (1) The Press Council (Second Amendment) Ordinance, 1974, is hereby repealed.

Ordinance
No 14 of
1974.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

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THE AIR FORCE AND ARMY LAWS (AMENDMENT)
ACT, 1975

No. 13 of 1975

[29th March, 1975]

An Act further to amend the Air Force Act, 1950 and the Army Act, 1950.

Enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. This Act may be called the Air Force and Army Laws (Amendment) Act, 1975. Short title.

2. In the Air Force Act, 1950,—

(a) in section 4,—

(i) in clause (xvii), the words “, other than the State of Jammu and Kashmir” shall be omitted;

(ii) in clause (xxx), for the words “all words”, the words and brackets “all words (except the word “India”)” shall be substituted;

(b) the *Explanation* below section 72 shall be omitted.

Amendment of Act 45 of 1950.

Amend-
ment of
Act 46 of
1950.

3. In the Army Act, 1950,—

(a) in section 3,—

(i) in clause (vii), the words “, other than the State of Jammu and Kashmir” shall be omitted;

(ii) in clause (xxv), for the words “all words”, the words and brackets ‘all words (except the word “India”)’ shall be substituted;

(b) the *Explanation* below section 70 shall be omitted.

Repeal
and
saving.

4. (1) The Air Force and Army Laws (Amendment) Ordinance, 1975 3 of 1975.
is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Air Force Act, 1950 or the Army Act, 1950, as amended by the said Ordinance shall be deemed to have been done or taken under the Air Force Act, 1950 or, as the case may be, the Army Act, 1950, as amended by this Act, as if this Act had come into force on the 25th day of January, 1975.

THE GUJARAT APPROPRIATION (VOTE ON ACCOUNT)
ACT, 1975

No. 14 OF 1975

[29th March, 1975]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Gujarat for the services of a part of the financial year 1975-76.

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

1. This Act may be called the Gujarat Appropriation (Vote on Account) Act, 1975. Short title.

2. From and out of the Consolidated Fund of the State of Gujarat there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of four hundred and twelve crores, twenty-nine lakhs and sixteen thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76. Withdrawal of Rs. 4,12,29,16,000 from and out of the Consolidated Fund of the State of Gujarat for the financial year 1975-76.

3. The sums authorised to be withdrawn from and out of the Consolidated Fund of the State of Gujarat by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE

(See sections 2 and 3)

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on - the Consol- idated Fund	Total
No. of Vote/ Appropria- tion	Services and purposes	Rs.	Rs.	Rs.
1	Governor Revenue	..	3,45,000	3,45,000
2	Council of Ministers . . . Revenue	3,48,000	..	3,48,000
3	Elections Revenue	9,11,000	..	9,11,000
4	Public Service Commission . Revenue	..	2,45,000	2,45,000
5	General Administration Department Revenue	22,80,000	..	22,80,000
6	Economic Advice and Statistics Revenue	18,48,000	..	18,48,000
7	Other Expenditure pertaining to General Administration Department Revenue	7,71,000	16,000	7,87,000
		Capital	..	5,61,000
8	Finance Department . . . Revenue	9,85,000	..	9,85,000
9	Tax Collection Charges (Finance Department) . . Revenue	1,08,10,000	50,90,000	1,59,00,000
10	Treasury and Accounts Administration . . . Revenue	54,74,000	..	54,74,000
11	Pensions and Other Retirement Benefits Revenue	1,96,65,000	21,38,000	2,18,03,000
12	Other Expenditure pertaining to Finance Department . . Revenue	7,42,14,000	..	7,42,14,000
		Capital	83,000	16,97,000
13	Repayment of Debt pertaining to Finance Department and its servicing . . . Revenue	..	12,16,89,000	12,16,89,000
		Capital	66,71,17,000	66,71,17,000
14	Legal Department . . . Revenue	6,52,000	..	6,52,000
15	Administration of Justice . . Revenue	1,04,40,000	12,83,000	1,17,23,000
16	Other Expenditure pertaining to Legal Department . . Revenue	6,85,000	..	6,85,000
		Capital	11,51,000	11,51,000
17	Food and Civil Supplies Department Revenue	2,36,000	..	2,36,000
18	Civil Supplies Revenue	6,69,000	..	6,69,000
19	Food and Nutrition Revenue	61,53,000	..	61,53,000
		Capital	68,35,42,000	68,35,42,000
20	Other Expenditure pertaining to Food and Civil Supplies Department Capital	6,15,000	..	6,15,000

1	2	3			
		Sums not exceeding			
		Voted by Parliament	Charged on the Consolidated Fund	Total	
No. of Vote/ Appropriation	Services and purposes	Rs.	Rs.	Rs.	
21	Repayment of Debt pertaining to Food and Civil Supplies Department and its servicing	Revenue Capital	.. ..	45,00,000 62,50,00,000	45,00,000 62,50,00,000
22	State Legislature	Revenue	11,92,000	12,000	12,04,000
23	Loans and Advances to Government Servants in Gujarat Legislature Secretariat	Capital	94,000	..	94,000
24	Agriculture, Forests and Co-operation Department	Revenue	6,08,000	..	6,08,000
25	Co-operation	Revenue Capital	1,16,74,000 55,03,000	.. ..	1,16,74,000 55,03,000
26	Agriculture	Revenue Capital	3,13,84,000 63,78,000	.. ..	3,13,84,000 63,78,000
27	Minor Irrigation, Soil Conservation and Area Development	Revenue Capital	4,16,90,000 30,88,000	.. ..	4,16,90,000 30,88,000
28	Animal Husbandry and Dairy Development	Revenue Capital	1,51,25,000 6,67,000	.. ..	1,51,25,000 6,67,000
29	Fisheries	Revenue	51,62,000	..	51,62,000
30	Forests	Revenue Capital	86,13,000 31,86,000	.. ..	86,13,000 31,86,000
31	Other Expenditure pertaining to Agriculture, Forests and Co-operation Department	Capital	40,38,000	..	40,38,000
32	Repayment of Debt pertaining to Agriculture, Forests and Co-operation Department and its servicing	Revenue Capital	.. ..	22,80,000 32,65,000	22,80,000 32,65,000
33	Education and Labour Department	Revenue	6,91,000	..	6,91,000
34	State Excise	Revenue	10,81,000	..	10,81,000
35	Education	Revenue Capital	35,07,43,000 12,50,000	2,50,000 ..	35,09,93,000 12,50,000
36	Labour and Employment	Revenue	66,29,000	..	66,29,000
37	Social Security and Welfare	Revenue Capital	3,38,95,000 4,89,000	.. ..	3,38,95,000 4,89,000
38	Other Expenditure pertaining to Education and Labour Department	Revenue Capital	24,09,000 37,63,000	.. ..	24,09,000 37,63,000
39	Home Department	Revenue	5,45,000	..	5,45,000
40	Tax Collection Charges, (Home Department)	Revenue	7,23,21,000	..	7,23,21,000
41	Police	Revenue	8,88,00,000	4,000	8,88,04,000

1 No. of Vote/ Ap- pro- pri- ation	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
42	Jails Revenue	30,72,000	..	30,72,000
43	Information, Publicity and Tourism Revenue	36,51,000	..	36,51,000
44	Other Expenditure pertaining to Home Department . Revenue Capital	39,53,000 82,27,000	.. ..	39,53,000 82,27,000
45	Industries, Mines and Power Department Revenue	3,95,000	..	3,95,000
46	Tax Collection Charges (Indus- tries, Mines and Power De- partment) Revenue	6,59,000	..	6,59,000
47	Stationery and Printing . . Revenue	1,34,77,000	..	1,34,77,000
48	Industries Revenue Capital	78,42,000 24,94,000	.. ..	78,42,000 24,94,000
49	Mines and Minerals Revenue	29,06,000	..	29,06,000
50	Power Projects Revenue	36,43,000	..	36,43,000
51	Other Expenditure pertaining to Industries, Mines and Power Department . . . Revenue Capital	10,66,000 16,02,000	.. ..	10,66,000 16,02,000
52	Panchayats and Health Depart- ment Revenue	8,60,000	..	8,60,000
53	Community Development . Revenue	3,31,52,000	..	3,31,52,000
54	Medical Revenue	6,76,39,000	..	6,76,39,000
55	Family Planning Revenue	2,27,43,000	..	2,27,43,000
56	Public Health Revenue Capital	5,12,25,000 63,25,000	.. ..	5,12,25,000 63,25,000
57	Urban Development Revenue Capital	73,57,000 42,000	.. ..	73,57,000 42,000
58	Panchayati Raj Revenue	1,57,42,000	43,000	1,57,85,000
59	Other Expenditure pertaining to Panchayats and Health De- partment Revenue Capital	82,29,000 64,67,000	.. ..	82,29,000 64,67,000
60	Repayment of Debt pertaining to Pachayats and Health Depart- ment and its servicing . Revenue Capital	.. ..	7,08,000 2,75,000	7,08,000 2,75,000
61	Public Works Department . . Revenue	11,97,000	..	11,97,000
62	Non-Residential Buildings . Revenue Capital	3,78,46,000 65,80,000	22,000 ..	3,78,68,000 65,80,000
63	Housing Revenue Capital	1,31,93,000 98,98,000	.. ..	1,31,93,000 98,98,000
64	Irrigation and Soil Conservation Revenue Capital	15,21,91,000 20,47,83,000	.. ..	15,21,91,000 20,47,83,000

1 No. of Vote/ Ap- pro- pria- tion	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
65	Ports Revenue	1,80,10,000	..	1,80,10,000
		Capital	1,29,20,000	..	1,29,20,000
66	Roads and Bridges Revenue	7,53,38,000	..	7,53,38,000
		Capital	2,76,94,000	..	2,76,94,000
67	Gujarat Capital Construction Scheme Capital	56,67,000	..	56,67,000
68	Other Expenditure pertaining to Public Works Department Revenue	9,28,000	..	9,28,000
		Capital	52,01,000	..	52,01,000
69	Repayment of Debt pertaining to Public Works Department and its servicing Revenue	..	22,24,000	22,24,000
		Capital	..	9,69,000	9,69,000
70	Revenue Department Revenue	16,05,000	..	16,05,000
71	Tax Collection Charges (Revenue Department) Revenue	98,49,000	37,63,000	1,36,12,000
72	District Administration Revenue	1,26,43,000	..	1,26,43,000
73	Relief on account of Natural Calamities Revenue	24,30,00,000	..	24,30,00,000
		Capital	2,30,00,000	..	2,30,00,000
74	Dangs District Revenue	94,00,000	..	94,00,000
		Capital	2,81,000	..	2,81,000
75	Compensations and Assignments Revenue	33,96,000	2,71,000	36,67,000
		Capital	8,34,000	..	8,34,000
76	Other Expenditure pertaining to Revenue Department Revenue	14,83,000	..	14,83,000
		Capital	58,78,000	4,000	58,82,000
77	Repayment of Debt pertaining to Revenue Department and its servicing Revenue	..	2,92,000	2,92,000
		Capital	..	8,03,000	8,03,000
TOTAL		2,68,02,25,000	1,44,26,91,000	4,12,29,16,000

THE GUJARAT APPROPRIATION ACT, 1975

No. 15 of 1975

[29th March, 1975]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Gujarat for the services of the financial year 1974-75.

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

Short
title.

1. This Act may be called the Gujarat Appropriation Act, 1975.

Issue of
Rs.
57,70,17,000
from and
out of the
Consoli-
dated
Fund of the
State of
Gujarat
for the
financial
year
1974-75.

2. From and out of the Consolidated Fund of the State of Gujarat there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of fifty-seven crores, seventy lakhs and seventeen thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1974-75, in respect of the services specified in column 2 of the Schedule.

Appro-
priation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Gujarat by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote/ Appropriation	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Governor Revenue	..	1,42,000	1,42,000
4	Public Service Commission . Revenue	..	63,000	63,000
8	Miscellaneous General Services (General Administration Department) Revenue	72,000	..	72,000
11	Social Security and Welfare (General Administration Department) Revenue	40,000	..	40,000
14	Economic Advice and Statistics . Revenue	22,89,000	..	22,89,000
17	Sales Tax Revenue	28,84,000	..	28,84,000
21	Finance Department Revenue	1,70,000	..	1,70,000
22	Treasury and Accounts Administration Revenue	11,07,000	..	11,07,000
23	Pensions and other Retirement Benefits Revenue	44,95,000	..	44,95,000
25	Collection of Education Cess . . Revenue	10,74,000	..	10,74,000
27	Finance Department—Planning Machinery Revenue	5,000	..	5,000
28	Administration of Indian Partnership Act and General Insurance Revenue	6,000	..	6,000
30	Repayment of Loans and Advances from the Central Government Capital	..	91,71,000	91,71,000
32	Inter-State Settlement, Maharashtra and Gujarat Capital	..	11,79,000	11,79,000
33	Administration of Justice . . Revenue	13,43,000	39,000	13,82,000
35	Other Administrative Services (Legal Department) Revenue	3,000	..	3,000
38	Loans and Advances to Government Servants in Legal Department Capital	1,55,000	..	1,55,000
39	Interest on Debt pertaining to Food and Civil Supplies Department Revenue	..	1,47,000	1,47,000

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
No. of Vote/ Appropriation	Services and purposes	Rs.	Rs.	Rs.
40	Civil Supplies Revenue	1,37,75,000	..	1,37,75,000
41	Food and Civil Supplies Department Revenue	81,000	..	81,000
42	Food and Nutrition (Food and Civil Supplies Department) . Revenue Capital	8,26,000 5,63,000	.. ..	8,26,000 5,63,000
53	Co-operation (Agriculture, Forests and Co-operation Department) Capital	1,77,000	..	1,77,000
55	Agriculture (Agriculture, Forests and Co-operation Department) Revenue Capital	12,000 8,18,13,000	.. ..	12,000 8,18,13,000
56	Minor Irrigation, Soil Conservation and Area Development (Agriculture, Forests and Co-operation Department) . Revenue Capital	4,75,00,000 1,33,00,000	.. ..	4,75,00,000 1,33,00,000
58	Dairy Development Revenue	94,000	..	94,000
59	Fisheries Revenue	1,000	..	1,000
60	Forests Revenue Capital	8,45,000 1,000	.. ..	8,45,000 1,000
63	State Excise Revenue	80,000	..	80,000
65	Education and Labour Department Revenue	83,000	..	83,000
66	Education Revenue	3,39,88,000	..	3,39,88,000
69	Housing Capital	10,00,000	..	10,00,000
71	Social Security and Welfare (Education and Labour Department) Revenue Capital	17,30,000 15,00,000	2,000 ..	17,32,000 15,00,000
72	Education and Labour Department—Planning Machinery Revenue	8,000	..	8,000
74	Taxes on Vehicles Revenue	3,43,21,000	..	3,43,21,000
75	Other Taxes and Duties on Commodities and Services (Home Department) . . Revenue	27,000	..	27,000
76	Home Department Revenue	1,05,000	..	1,05,000
77	Police Revenue	2,88,97,000	..	2,88,97,000
78	Jails Revenue	12,19,000	1,000	12,20,000

1 No. of Vote/ Ap- pro- pria- tion	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolida- ted Fund	Total
		Rs.	Rs.	Rs.
79	Other Administrative Services (Home Department) . . . Revenue	11,16,000	..	11,16,000
82	Social Security and Welfare (Home Department) . . . Revenue	32,000	..	32,000
84	Tourism Revenue	1,000	..	1,000
86	Other Taxes and Duties on Com- modities and Services (Indus- tries, Mines and Power Depart- ment) Revenue	90,000	..	90,000
87	Stationery and Printing . . . Revenue	22,14,000	..	22,14,000
88	Pensions and other Retirement Benefits (Industries, Mines and Power Department) . . . Revenue	1,03,000	..	1,03,000
90	Industries, Mines and Power Department Revenue	93,000	..	93,000
94	Industries Revenue Capital	43,32,000 17,40,000	.. ..	43,32,000 17,40,000
97	Power Projects Capital	5,00,00,000	..	5,00,00,000
105	Panchayats and Health Depart- ment Revenue	1,43,000	..	1,43,000
107	Medical Revenue	1,11,50,000	..	1,11,50,000
108	Family Planning Revenue	1,000	..	1,000
110	Urban Development (Panchayats and Health Department) . . Revenue Capital	.. 6,00,000	1,000 ..	1,000 6,00,000
113	Panchayats and Health Depart- ment—Planning Machinery . . Revenue	3,000	..	3,000
115	Repayment of Debt pertaining to Panchayats and Health Department Capital	..	1,78,000	1,78,000
116	Loans and Advances to Govern- ment Servants in Panchayats and Health Department . . Capital	15,48,000	..	15,48,000
117	Interest payment pertaining to Debt raised by Public Works Department . . . Revenue	..	80,000	80,000
119	Other Administrative Services (Public Works Department) . Capital	30,00,000	..	30,00,000
120	Housing (Public Works Depart- ment) Capital	1,06,34,000	1,000	1,06,35,000
122	Public Works Department . . Revenue	3,60,000	..	3,60,000
124	Irrigation Revenue Capital	1,53,46,000 12,76,76,000	1,000 5,000	1,53,47,000 12,76,81,000
125	Ports Revenue Capital	9,50,000 1,00,000	.. ..	9,50,000 1,00,000
126	Gliding Clubs Revenue	1,18,000	..	1,18,000
127	Roads and Bridges Revenue Capital	1,000 2,35,00,000	.. 38,000	1,000 2,35,38,000

I	2	3			
		Services and purposes	Sums not exceeding		
			Voted by Parliament	Charged on the Consolidated Fund	Total
No. of Vote/ Appropriation		Rs.	Rs.	Rs.	
128	Gujarat Capital Construction Scheme Capital	1,33,00,000	..	1,33,00,000	
131	Loans and Advances to Government Servants in Public Works Department Capital	10,15,000	..	10,15,000	
132	Land Revenue Revenue	44,50,000	..	44,50,000	
137	District Administration Revenue	42,23,000	..	42,23,000	
138	Miscellaneous General Services (Revenue Department) Revenue	4,15,000	..	4,15,000	
139	Urban Development (Revenue Department) Revenue	1,50,000	..	1,50,000	
140	Social Security and Welfare (Revenue Department) Revenue	28,99,000	20,00 0	29,19,000	
141	Relief on account of Natural Calamities (Revenue Department) Capital	35,00,000	..	35,00,000	
142	Dangs District Revenue	33,57,000	..	33,57,000	
144	Compensations and Assignments (Revenue Department) Capital	10,00,000	..	10,00,000	
145	Repayment of Debt pertaining to Revenue Department Capital	..	10,00,000	10,00,000	
146	Loans and Advances to Government Servants in Revenue Department Capital	2,00,000	..	2,00,000	
	TOTAL	56,49,49,000	1,20,68,000	57,70,17,000	

Rep. by Act. 38... 1978, S. 2 + Sch. I

THE TRUST LAWS (AMENDMENT) ACT, 1975

No. 16 OF 1975

[29th March, 1975.]

An Act further to amend the Indian Trusts Act, 1882 and the Unit Trust of India Act, 1963.

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

1. (1) This Act may be called the Trust Laws (Amendment) Act, 1975. Short title and commencement.

(2) Sections 3, 4 and 5 shall come into force at once; section 6 shall come into force on the 1st day of April, 1975; and the remaining provisions of this Act shall be deemed to have come into force on the 7th day of January, 1975.

2 of 1882.

2. In section 20 of the Indian Trusts Act, 1882,—

(a) in clause (e), the word “or”, occurring at the end, shall be omitted;

Amendment of section 20.

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

52 of 1963.

“(ee) in units issued by the Unit Trust of India under any unit scheme made under section 21 of the Unit Trust of India Act, 1963; or”;

(c) in clause (f), after the words “expressly authorized by the instrument of trust,” the words “or by the Central Government by notification in the Official Gazette,” shall be inserted.

Insertion
of new
section
3A.

Prohibi-
tion
against
the use of
the words
"Unit
Trust",
"Unit" or
"Units" as
a part of
the name
of any
person
other
than
the Trust.

3. In the Unit Trust of India Act, 1963 (hereinafter referred to as the Unit Trust Act), after section 3, the following section shall be inserted, namely:—

52 of 1963.

'3A. (1) No individual or group of individuals, or company, other than the Trust, who or which accepts money by way of any loan, deposit, investment or similar other transaction, shall use the word or words "Unit Trust", "Unit" or "Units" as a part of his or its name.

Explanation.—For the removal of doubts it is hereby declared that nothing in this sub-section shall be deemed to prevent any individual or group of individuals, or company from describing any scrip or other security issued by him or it for any amount which has been received and repayable by him or it in the course of transaction of any business which is of the nature of a unit trust or mutual fund, as a unit certificate or units, as the case may be.

(2) If any provision of sub-section (1) is contravened, any person guilty of such contravention shall be punished with fine which may extend to two thousand rupees, and where the contravention is a continuing one, with a further fine which may extend to one hundred rupees for every day after the first during which the contravention continues.

(3) Where any provision of sub-section (1) has been contravened by a company, every person who at the time of such contravention was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

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

(4) Notwithstanding anything contained in sub-section (3), where any offence under this section has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(5) No court shall take cognizance of any offence punishable under this section except upon a complaint in writing made by an officer of the Trust generally or specially authorized in writing in this behalf by the Trust and no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try such offence.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.'

4. In section 14 of the Unit Trust Act, in sub-section (2), in clause (a), the words "and shall be eligible for re-appointment" shall be, and shall be deemed always to have been, inserted at the end. Amendment of section 14.

5. In section 21 of the Unit Trust Act,—

Amendment of section 21.

(i) in sub-section (2), after clause (g), the following clause shall be inserted, namely:—

“(ga) the application for, and the holding of, or dealing with, units by any parent of a minor;”;

(ii) after sub-section (2), the following sub-sections shall be inserted, namely:—

‘(2A) Where any parent of a minor holds, deals with or makes any application for the purchase of a unit on behalf of the minor, the provisions of the scheme, in pursuance of which the unit had been issued, shall be binding on the minor.

(2B) Where the payment of any sum becomes due on, or in respect of, any unit held on behalf of a minor, such payment shall, subject to the provisions of the scheme, be made to the parent by whom the purchase of such unit was applied for or by whom such unit was acquired, as the case may be, and such parent shall be entitled to receive such payment for and on behalf of the minor; and in the event of the death of the said parent, such payment shall be made to the lawful guardian of the minor.

Explanation.—References in this section to “parent” shall be construed as including references to step-parent.’

6. In section 32 of the Unit Trust Act,—

Amendment of section 32.

(i) in sub-section (1)—

(a) after the words “anything contained in”, the words and figures “the Wealth-tax Act, 1957” shall be inserted;

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

‘(b) in the case of an assessee being—

(i) an individual, or

(ii) a Hindu undivided family, or

(iii) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu,

there shall be allowed, in computing the total income of the assessee, for the purposes of the Income-tax Act, 1961, a further deduction of an amount equal to so much of the income in respect of units received by the assessee during the previous year as has not been allowed by way of deduction

under section 80L of the Income-tax Act, 1961, so, however, that the amount to be deducted under the provisions of this clause shall not exceed two thousand rupees. 43 of 1961.

Explanation.—In this clause, the expressions “assessee”, “previous year” and “total income” shall have the meanings respectively assigned to them in the Income-tax Act, 1961; 43 of 1961.

(ba) in the case of an assessee, being an individual or a Hindu undivided family, wealth-tax shall not be payable by the assessee in respect of, and there shall not be included in, the net wealth of the assessee computed under the Wealth-tax Act, 1957, so much of the assets in the form of units as have not been excluded from the net wealth of the assessee under section 5 of that Act; so, however, that the value of the assets excluded under this clause shall not exceed twenty-five thousand rupees. 27 of 1957.

Explanation.—In this clause, the expressions “assessee” and “net wealth” shall have the meanings respectively assigned to them in the Wealth-tax Act, 1957; 27 of 1957.

(ii) in sub-section (2), in clause (c), for the words “three thousand rupees”, wherever they occur, the words “five thousand rupees” shall be substituted.

7. For section 39 of the Unit Trust Act, the following sections shall be substituted, namely:—

Substitution of new sections for section 39.

No trust to be taken notice of.

“39. Except to the extent provided in, and except in accordance with the regulations made under this Act, no notice of a trust, express, implied or constructive, shall be receivable by the Trust.

Nomination by unit holders and agents.

39A. (1) Notwithstanding anything contained in any other law for the time being in force,—

(a) where a nomination in respect of any units has been made in accordance with the regulations made under this Act, the amount payable to the unit holder in respect of the said units shall, on the death of the unit holder but subject to any right, title, claim or other interest of any other person to or in respect of the said units as provided in such regulations, and subject to any charge or encumbrance over the said units, vest in, and be payable to, the nominee;

(b) where any person appointed by the Trust as an agent for soliciting or procuring any business, including the sale of units, has nominated, in accordance with the regulations made under this Act, any person or a social or charitable institution, to receive the commission or other remuneration payable to him after his death, such commission or other remuneration shall, on the death of the person making the nomination, be payable to his nominee:

Provided that nothing contained in this section shall affect any nomination made before the date on which the Trust Laws (Amendment) Act, 1975, receives the assent of the President.

(2) A payment by the Trust under sub-section (1) shall be a full discharge to the Trust, from all liability in respect of the units, or, as the case may be, the commission or other remuneration.

39B. Notwithstanding anything contained in any other law for the time being in force, the amount standing to the credit of a contributing institution shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the contributing institution." Protection of certain amounts from attachment.

8. In section 43 of the Unit Trust Act, in sub-section (2),—

Amendment of section 43.

(i) in clause (n), the word "and" occurring at the end shall be omitted;

(ii) after clause (n), the following clause shall be inserted, namely:—

"(nn) the extent to which and the circumstances under which nominations may be recognized and trusts may be taken notice of; and".

1 of 1975.

9. (1) The Trust Laws (Amendment) Ordinance, 1975, is hereby repealed.

Repeal and saving.

2 of 1882.

(2) Notwithstanding such repeal, anything done or any action taken under the Indian Trusts Act, 1882, or the Unit Trust Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the Indian Trusts Act, 1882 or Unit Trust Act, as amended by this Act.

THE NAGALAND APPROPRIATION ACT, 1975

No. 17 of 1975

[29th March, 1975.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Nagaland for the services of the financial year 1974-75.

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

Short
title.

1. This Act may be called the Nagaland Appropriation Act, 1975.

Issue of
Rs.
10,66,64,000
from and
out of the
Consoli-
dated
fund
of the
State of
Nagaland
for the
financial
year
1974-75.

2. From and out of the Consolidated Fund of the State of Nagaland there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of ten crores, sixty-six lakhs and sixty-four thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1974-75, in respect of the services specified in column 2 of the Schedule.

Appro-
priation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Nagaland by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote/ Appropriation	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	State Legislature . . . Revenue	12,14,000	3,80,000	15,94,000
2	Head of State . . . Revenue	..	5,45,000	5,45,000
3	Council of Ministers . . Revenue	26,62,000	..	26,62,000
5	Elections . . . Revenue	2,51,000	..	2,51,000
7	State Excise . . . Revenue	20,000	..	20,000
9	Taxes on Vehicles . . . Revenue	65,000	..	65,000
11	Public Service Commission Revenue	..	45,000	45,000
12	Civil Secretariat . . . Revenue	7,58,000	..	7,58,000
15	Special Expenditure on Maintenance of Law and Order including Contri- bution for Pension and Gratuities . . . Revenue	46,32,000	..	46,32,000
16	Village Guards . . . Revenue	3,00,000	..	3,00,000
17	Civil Police and Fire Service Unit . . . Revenue	95,00,000	..	95,00,000
18	Jails . . . Revenue	5,80,000	..	5,80,000
20	Public Works, Housing, Roads and Bridges] . Revenue	3,50,58,000	..	3,50,58,000
22	Workshop Organisation . Revenue	5,00,000	..	5,00,000
23	Nagaland Houses . . . Revenue	50,000	..	50,000
24	Administrative Training Institute . . . Revenue	1,31,000	..	1,31,000
27	Education . . . Revenue	6,71,000	..	6,71,000
29	Medical and Public Health Revenue	51,83,000	..	51,83,000
30	Water Supply Schemes . Revenue	38,50,000	..	38,50,000
31	Urban Development . Revenue	50,000	..	50,000
37	Relief, Social Security and Welfare Services . . . Revenue	17,18,000	..	17,18,000
45	Soil Conservation . . . Revenue	70,000	..	70,000
46	Grain Supply Scheme . Capital	1,50,40,000	..	1,50,40,000
49	Industries . . . Capital	18,84,000	..	18,84,000
51	Power Projects . . . Revenue Capital	1,07,50,000 92,80,000	.. ..	1,07,50,000 92,80,000
52	Road Transport Schemes Revenue	12,00,000	..	12,00,000
54	Housing Loans and Loans to Government Servants Capital	2,77,000	..	2,77,000
	TOTAL	10,56,94,000	9,70,000	10,66,64,000

**THE NAGALAND APPROPRIATION (VOTE ON ACCOUNT)
ACT, 1975**

No. 18 of 1975

[29th March, 1975.]

An Act to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Nagaland for the services of a part of the financial year 1975-76.

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

**Short
title.**

1. This Act may be called the Nagaland Appropriation (Vote on Account) Act, 1975.

**Withdrawal
of Rs.
16,99,68,500
from and
out of the
Consoli-
dated
Fund
of the
State of
Nagaland
for the
financial
year
1975-76.**

2. From and out of the Consolidated Fund of the State of Nagaland there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of sixteen crores, ninety-nine lakhs, sixty-eight thousand and five hundred rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76.

**Appro-
priation.**

3. The sums authorised to be withdrawn from and out of the Consolidated Fund of the State of Nagaland by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote/ Appropriation	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consol- idated Fund	Total
		Rs.	Rs.	Rs.
1	State Legislature . . . Revenue	5,75,000	75,000	6,50,000
2	Head of State . . . Revenue	..	1,73,500	1,73,500
3	Council of Ministers . . Revenue	12,50,000	..	12,50,000
4	Administration of Justice Revenue	3,37,500	50,000	3,87,500
5	Elections . . . Revenue	4,88,700	..	4,88,700
6	Land revenue, stamps and registration . . . Revenue	4,26,500	..	4,26,500
7	State Excise . . . Revenue	1,87,500	..	1,87,500
8	Sales Tax . . . Revenue	1,50,000	..	1,50,000
9	Taxes on Vehicles . . Revenue	1,15,000	..	1,15,000
10	Servicing of debt . . . Revenue Capital	.. ..	39,62,600 4,87,400	39,62,600 4,87,400
11	Public Service Commission Revenue	..	1,37,500	1,37,500
12	Civil Secretariat . . . Revenue	26,75,000	..	26,75,000
13	District administration special welfare scheme and Tribal Council . . Revenue	42,00,000	..	42,00,000
14	Treasury and accounts administration . . . Revenue	3,87,500	..	3,87,500
15	Special expenditure on maintenance of law and order including contri- bution for pensions and gratuities . . . Revenue	17,00,000	..	17,00,000
16	Village Guards . . . Revenue	9,37,500	..	9,37,500
17	Civil Police and Fire Service Unit . . . Revenue	1,30,75,000	..	1,30,75,000
18	Jails . . . Revenue	9,55,000	..	9,55,000
19	Stationery and Printing Revenue	6,62,500	..	6,62,500
20	Vigilance Commission . Revenue	25,000	..	25,000
21	Workshop Organisation . Revenue	4,12,500	..	4,12,500
22	Nagaland Houses . . . Revenue	1,55,000	..	1,55,000
23	Administrative Training Institute . . . Revenue	1,37,500	..	1,37,500

1	2	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
No. of Vote/ Appropriation	Services and purposes	Rs.	Rs.	Rs.
24	State Lotteries . . . Revenue	2,26,200	..	2,26,200
25	Pensions and Other Retirement Benefits . . . Revenue	1,41,000	..	1,41,000
26	Education . . . Revenue	1,32,94,500	..	1,32,94,500
27	Art and Culture and Gazetteers Unit . . . Revenue	2,71,300	..	2,71,300
28	Medical, Public Health and Family Planning . . . Revenue	76,71,000	..	76,71,000
29	Urban Development . . . Revenue	3,62,500	..	3,62,500
30	Information, Publicity and Tourism . . . Revenue	8,20,000	..	8,20,000
31	Employment Exchange Revenue	53,700	..	53,700
32	Labour . . . Revenue	32,700	..	32,700
33	Tribal Development Blocks, Community Project, etc. Revenue	20,95,000	..	20,95,000
34	Social Welfare . . . Revenue	8,81,200	..	8,81,200
35	Soldiers, Sailors and Airmen's Board . . . Revenue	16,200	..	16,200
36	Social Security, Welfare and Community Services Revenue	2,75,700	..	2,75,700
37	Evaluation Unit . . . Revenue	40,000	..	40,000
38	Co-operation . . . Revenue Capital	6,20,000 3,17,500	.. ..	6,20,000 3,17,500
39	Statistics . . . Revenue	3,62,500	..	3,62,500
40	Weights and Measures . . . Revenue	92,700	..	92,700
41	Supply Office at Calcutta Revenue	44,200	..	44,200
42	Agriculture, Minor Irrigation, Fisheries, etc. Revenue	56,08,700	..	56,08,700
43	Soil Conservation . . . Revenue	10,12,500	..	10,12,500
44	Grain Supply Scheme . . . Revenue Capital	13,37,500 75,00,000	.. ..	13,37,500 75,00,000
45	Animal Husbandry and Dairy Development . . . Revenue Capital	26,83,200 35,000	.. ..	26,83,200 35,000
46	Forest . . . Revenue	19,97,500	..	19,97,500
47	Industries . . . Revenue Capital	13,67,500 55,62,500	.. ..	13,67,500 55,62,500
48	Mineral Development . . . Revenue	6,31,200	..	6,31,200
49	Power Projects . . . Revenue Capital	71,07,800 39,81,600	.. ..	71,07,800 39,81,600
50	Road Transport . . . Revenue Capital	15,75,000 8,75,000	.. ..	15,75,000 8,75,000
51	Financial Corporation Cell . . . Revenue	1,25,000	..	1,25,000

1	2	3
No. of Vote/ Appo- pration	Services and purposes	Sums not exceeding
	Voted by Parliament	Charged on the Conso- dated Fund
S2	Housing Loans and Loans to Government Servants Capital	Rs. 19,50,000
S3	Public Works, Housing, Road and Bridge Revenue Capital	Rs. 4,51,29,500
S4	Functional buildings and Other Developmental Schemes Capital	Rs. 39,08,300
S5	Water Supply Schemes] Revenue Capital	Rs. 25,32,900
	TOTAL	Rs. 16,50,82,500
		Rs. 48,86,000
		Rs. 16,99,68,500
		Rs. 19,50,000
		Rs. 4,51,29,500
		Rs. 1,10,66,200
		Rs. 39,08,300
		Rs. 25,32,900
		Rs. 26,25,000
		Rs. 16,99,68,500

THE ALL-INDIA SERVICES REGULATIONS (INDEMNITY)
ACT, 1975

No. 19 OF 1975

[6th May, 1975]

An Act to grant indemnity in respect of the failure to lay before Parliament certain regulations made under the All-India Services Act, 1951, and for certain other matters connected therewith.

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

Short
title.

1. This Act may be called the All-India Services Regulations (Indemnity) Act, 1975.

Indemnity.

2. The Central Government and all officers responsible for the laying of any regulation made before the commencement of this Act under or in pursuance of any rule made under the All-India Services Act, 1951, are, and each of them is, hereby freed, discharged and indemnified from and against all consequences, whatsoever, if any, incurred or to be incurred by them or the Central Government or any such officer by reason of any omission in this behalf to lay such regulation before Parliament and every such regulation shall for all purposes be deemed to have been duly laid before Parliament and shall have effect and shall be deemed always to have had effect accordingly.

61 of 1951

Amend-
ment of
section 3
of Act 61
of 1951.

~~3. In section 3 of the All India Services Act, 1951,~~

(i) in sub-section (1), after the words "including the State of Jammu and Kashmir", the words "and by notification in the Official Gazette" shall be inserted;

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

“(2) Every rule made by the Central Government under this section and every regulation made under or in pursuance of any such rule, shall be laid, as soon as may be after such rule or regulation 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 such rule or regulation or both Houses agree that such rule or regulation should not be made, the rule or regulation 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 or regulation.”

THE TOKYO CONVENTION ACT, 1975 ✓

No. 20 OF 1975

[8th May, 1975.]

An Act to give effect to the Convention on offences and certain other acts committed on board aircraft. ✓

WHEREAS a Convention on offences and certain other acts committed on board aircraft was on the Fourteenth day of September, 1963, signed at Tokyo;

AND WHEREAS it is expedient that India should accede to the said Convention and should make provisions for giving effect thereto;

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

CHAPTER I

PRELIMINARY

Short
title
extent
and com-
mence-
ment.

1. (1) This Act may be called the Tokyo Convention Act, 1975.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

DEFINITIONS

Defini-
tions.

2. (1) In this Act, unless the context otherwise requires,—
 - (a) "aircraft" means any aircraft, whether or not registered in India, other than—
 - (i) a military aircraft; or
 - (ii) an aircraft belonging to, or exclusively employed in the service of, the State;

(b) "appropriate authority" means—

(i) in relation to India, any police officer not below the rank of an Assistant Sub-Inspector or any Immigration Officer, and

(ii) in relation to any other country, being a Convention country, any officer having functions corresponding to the functions in India either of a police officer not below the rank of an Assistant Sub-Inspector or of an Immigration Officer;

(c) "commander", in relation to an aircraft, means the member of the crew designated as commander of the aircraft by the operator thereof, or failing such a person, the person who is for the time being the pilot in command of the aircraft;

(d) "Convention country" means a country in which the Tokyo Convention is for the time being in force;

(e) "Indian registered aircraft" means an aircraft—

(A) which is for the time being registered in India;

(B) which is not for the time being registered in any country but in the case of which either the operator of the aircraft or each person entitled as owner to any legal or beneficial interest in it satisfies the following requirements, namely:—

(i) that he is a person qualified to be owner of a legal or beneficial interest in an aircraft registered in India; and

(ii) that he resides or has his principal place of business in India; or

(C) which, for the time being registered in any country other than India, is for the time being chartered by demise to a person who, or to persons each of whom, satisfies the requirements specified in sub-clause (B) (i) and (ii);

(f) "military aircraft" means an aircraft of the naval, military or air force of any country and includes every aircraft, commanded by a person in naval, military or air force service, detailed for the purpose;

(g) "operator", in relation to an aircraft at any time, means the person who at that time has the management of the aircraft;

(h) "pilot in command", in relation to an aircraft, means a person who for the time being is in charge of the piloting of the aircraft without being under the direction of any other pilot in the aircraft and responsible for the operation and safety of the aircraft during flight time;

(i) "Tokyo Convention" means the Convention on offences and certain other acts committed on board aircraft signed at Tokyo on the Fourteenth day of September, 1963;

(j) any reference to a country or to the territorial limits thereof shall be construed as including a reference to the territorial waters, if any, of that country, and any reference to an aircraft in flight shall include a reference to an aircraft during any period when it is on the surface of the sea or land but not within the territorial limits of any country.

(2) For the purposes of this Act, the period during which an aircraft is in flight shall be deemed to include any period from the moment when power is applied for the purpose of the aircraft taking off on a flight until the moment when the landing run, if any, at the termination of that flight ends; and for the purpose of section 5 the aforesaid period shall also be deemed to include—

(i) any further period from the moment when all external doors, if any, of the aircraft are closed following embarkation for a flight until the moment when any such door is opened for disembarkation, after that flight;

(ii) if the aircraft makes a forced landing, any period thereafter until the time—

(a) in a case where the forced landing takes place in India, when the appropriate authority arrives at the place of such forced landing; and

(b) in any other case, when the appropriate authority takes over the responsibility for the aircraft and for the persons and property on board the aircraft.

CHAPTER III

OFFENCES

Applica-
tion of
criminal
law to
aircraft.

3. (1) Any act or omission taking place on board an Indian registered aircraft while in flight elsewhere than in or over India which, if taking place in India, would constitute an offence under any law in force in India shall constitute that offence:

Provided that this sub-section shall not apply to any act or omission which is expressly or impliedly authorised by or under any law of a country outside India, where the aircraft is in flight.

(2) No proceedings for an offence under any law in force in India, committed on board an aircraft while in flight elsewhere than in or over India (other than an offence under the Aircraft Act, 1934) shall be instituted except by or with the consent of the Central Government.

22 of 1934.

(3) Nothing contained in sub-section (2) shall prevent the arrest, or the issue of a warrant for the arrest, of any person in respect of any offence, or the remanding in custody or on bail of any person charged with any offence.

34 of 1962.

4. For the purposes of application of the Extradition Act, 1962, to crimes committed on board an aircraft in flight, any aircraft registered in a Convention country shall, at any time while that aircraft is in flight, be deemed to be within the jurisdiction of that country, whether or not it is for the time being also within the jurisdiction of any other country.

Provi-
sions as
to Extra-
dition
Act.

5. (1) If the commander of an aircraft in flight, wherever the aircraft may be, has reasonable grounds to believe in respect of any person on board the aircraft—

Powers
of com-
mander
of air-
craft.

(a) that the person in question has done or is about to do any act on the aircraft while it is in flight which jeopardises or may jeopardise—

(i) the safety of the aircraft or of persons or property on board the aircraft; or

(ii) the good order and discipline on board the aircraft; or

(b) that the person in question has done on the aircraft while in flight any act which in the opinion of the commander is an offence under any law in force in the country in which the aircraft is registered, not being a law of a political nature or based on racial or religious discrimination,

then, subject to the provisions of sub-section (4), the commander may take with respect to that person such reasonable measures, including restraint of his person, as may be necessary—

(i) to protect the safety of the aircraft or of persons or property on board the aircraft; or

(ii) to maintain good order and discipline on board the aircraft;
or

(iii) to enable the commander to disembark or deliver that person in accordance with the provisions of sub-section (5).

(2) The aircraft commander may require the assistance of other crew members and may request, but not require, the assistance of passengers or authorise other crew members and passengers, to restrain any person whom he is entitled to restrain.

(3) Any crew member or passenger may also take reasonable preventive measures without any authorisation under sub-section (2) when he has reasonable grounds to believe that such action is immediately necessary to protect the safety of the aircraft, or of persons or property therein.

(4) Any restraint imposed on any person on board an aircraft under the powers conferred by the foregoing provisions of this section shall not be continued after the time when the aircraft first thereafter ceases to be in flight unless before or as soon as is reasonably practicable after that time, the commander of the aircraft causes notification of the fact that a person on board the aircraft is under restraint and of the reasons therefor to be sent to the appropriate authority of the country in which

the aircraft so ceases to be in flight, but subject to such notification may be continued after that time—

(a) for any period (including the period of any further flight) between that time and the first occasion thereafter on which the commander is able with any requisite consent of the appropriate authorities to disembark or deliver the person under restraint in accordance with the provisions of sub-section (5); or

(b) if the person under restraint agrees to continue his journey under restraint on board that aircraft.

(5) The commander of an aircraft,—

(a) if, in the case of any person on board the aircraft, he has reasonable grounds—

(i) to believe as mentioned in clause (a) of sub-section (1); and

(ii) to believe that it is necessary so to do in order to protect the safety of the aircraft or of persons or property on board the aircraft or to maintain good order and discipline on board the aircraft,

may disembark that person in any country in which that aircraft may be; and

(b) if, in the case of any person on board the aircraft, he has reasonable grounds to believe as mentioned in clause (b) of sub-section (1), may deliver that person to the appropriate authority.

(6) The commander of an aircraft—

(a) if he disembarks any person in pursuance of clause (a) of sub-section (5), in the case of an Indian registered aircraft, in any country or, in the case of any other aircraft, in India, shall report the fact of, and the reasons for, that disembarkation to—

(i) the appropriate authority in the country of disembarkation; and

(ii) the appropriate diplomatic or consular officer of the country of nationality of that person;

(b) if he intends to deliver any person in pursuance of clause (b) of sub-section (5) in India, or in the case of an Indian registered aircraft, in any other country which is a Convention country, shall before or as soon as reasonably practicable after landing give notification of his intention and of the reasons therefor—

(i) to the appropriate authority; and

(ii) in either case, to the appropriate diplomatic or consular officer of the country of nationality of that person;

and any commander of an aircraft who without reasonable cause fails to comply with the requirements of this sub-section shall be liable on summary conviction to a fine not exceeding one thousand rupees.

6. (1) For the avoidance of doubt, it is hereby declared that for the purpose of any proceedings before a court in India, any court having jurisdiction in respect of piracy committed on the high seas shall have jurisdiction in respect of offences and other acts committed on board an aircraft as described in this Act wherever that offence or act is committed.

Jurisdiction.

(2) For the purposes of conferring jurisdiction, an offence under any law in force in India, committed on board an aircraft in flight shall be deemed to have been committed in any place in India where the offender may for the time being be.

7. (1) Where in any proceedings before a court in India for an offence or other act committed on board an aircraft the testimony of any person is required and the court is satisfied that the person in question cannot be found in India, there shall be admissible in evidence before that court any deposition relating to the subject matter of those proceedings previously made on oath by that person outside India which was so made—

Provisions as to evidence in connection with aircraft.

(a) in the presence of the person charged with the offence; and

(b) before a judge or a magistrate of a country such as is mentioned in the First Schedule to the Citizenship Act, 1955 or before a consular officer of the Central Government.

57 of 1955.

(2) Any such deposition shall be authenticated by the signature of the judge, magistrate or consular officer before whom it was made and he shall certify that the person charged with the offence was present at the taking of the deposition.

(3) It shall not be necessary in any proceedings to prove the signature or official character of the person appearing so to have authenticated any such deposition or to have given such a certificate, and such a certificate shall, unless the contrary is proved, be sufficient evidence in any proceedings that the person charged with the offence was present at the making of the deposition.

(4) If a complaint is made to such a consular officer as aforesaid that any offence has been committed on an Indian registered aircraft while in flight elsewhere than in or over India, that officer may enquire into the case upon oath.

(5) In this section—

(a) the expression "deposition" includes an affidavit, affirmation or statement made upon oath; and

(b) the expression "oath" includes an affirmation or declaration in the case of persons allowed by law to affirm or declare instead of swearing;

and nothing contained in this section shall prejudice the admission as evidence of any deposition which is admissible in evidence apart from this section.

8. (1) In any legal proceedings under this Act, a document published by the Ministry of the Central Government dealing with Civil Aviation and purporting to be the publication known as "Aeronautical Information Publication" or a publication of the series known as "Notam" and "Aeronautical Information Circular" shall be evidence of the matters appearing from that document.

Provisions as to documentary evidence.

(2) Any message or signal transmitted to or received from an aircraft which relates to the position of the aircraft will be treated as evidence of certain records and shall apply to any legal proceedings.

CHAPTER IV

MISCELLANEOUS

Power to apply the provisions of Act with modifications to certain aircraft. Contracting parties to Convention.

9. The Central Government may, by notification in the Official Gazette, direct that all or any of the provisions of this Act shall apply to an aircraft referred to in sub-clause (B) of clause (e) of sub-section (1) of section 2, subject to such modifications as may be specified in the notification.

10. The Central Government may, by notification in the Official Gazette, certify as to who are the contracting parties to the Tokyo Convention and to what extent they have availed themselves of the provisions of the Convention, and any such notification by the Central Government shall be conclusive evidence of the matters certified therein.

Power to treat certain aircraft to be registered in Convention country.

11. If the Central Government is satisfied that the requirements of Article 18 of the Tokyo Convention have been satisfied in relation to any aircraft, it may, by notification in the Official Gazette, direct that such aircraft shall, for the purposes of this Act, be treated as registered in such Convention country as may be specified in the notification.

THE APPROPRIATION (No. 2) ACT, 1975

No. 21 OF 1975

[8th May, 1975.]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1975-76.

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

1. This Act may be called the Appropriation (No. 2) Act, 1975.

Short
title.

5 of 1975.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1975] to the sum of twenty-two thousand and three crores, thirty-nine lakhs and forty-eight thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76 in respect of the services specified in column 2 of the Schedule.

Issue of
Rs. 22003,
39,48,000
out of
the Con-
solidated
Fund of
India
for the
year
1975-76.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

Appro-
priation.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Department of Agriculture Revenue	1,81,93,000	..	1,81,93,000
2	Agriculture . . . Revenue	56,82,60,000	..	56,82,60,000
	Capital	1109,55,95,000	60,15,40,000	1169,71,35,000
3	Fisheries . . . Revenue	8,10,50,000	..	8,10,50,000
	Capital	1,37,74,000	15,42,000	1,53,16,000
4	Animal Husbandry and Dairy Development . Revenue	30,78,15,000	30,000	30,78,45,000
	Capital	3,19,65,000	39,50,000	3,59,15,000
5	Forest . . . Revenue	8,33,71,000	..	8,33,71,000
	Capital	1,37,91,000	2,25,00,000	3,62,91,000
6	Department of Food . Revenue	309,87,14,000	..	309,87,14,000
	Capital	9,35,53,000	8,50,000	9,44,03,000
7	Department of Rural Development . . . Revenue	58,33,75,000	..	58,33,75,000
	Capital	6,00,30,000	2,24,75,000	8,25,05,000
8	Department of Agricul- tural Research and Education . . . Revenue	10,36,000	..	10,36,000
9	Payments to Indian Council of Agricultural Research . . . Revenue	39,35,99,000	..	39,35,99,000
10	Department of Irrigation Revenue	12,71,17,000	..	12,71,17,000
	Capital	4,45,62,000	9,69,00,000	14,14,62,000
11	Ministry of Commerce . Revenue	87,84,000	..	87,84,000
12	Foreign Trade and Ex- port Production . . Revenue	199,71,70,000	..	199,71,70,000
	Capital	286,76,31,000	..	286,76,31,000
13	Ministry of Communi- cations . . . Revenue	99,81,000	..	99,81,000
	Capital	2,15,00,000	..	2,15,00,000
14	Overseas Communica- tions Service . . . Revenue	7,83,00,000	..	7,83,00,000
	Capital	4,85,80,000	20,000	4,86,00,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
15	Posts and Telegraphs— Working Expenses . . . Revenue	465,58,47,000	7,000	465,58,54,000
16	Posts and Telegraphs— Dividend to General Revenues, Appropria- tions to Reserve Funds and Repayment of Loans from General Revenues . . . Revenue	35,51,14,000	..	35,51,14,000
17	Capital Outlay on Posts and Telegraphs . . . Capital	172,54,00,000	..	172,54,00,000
18	Ministry of Defence . . . Revenue	1,60,94,000	..	1,60,94,000
	. . . Capital	15,98,15,000	66,97,000	16,65,12,000
19	Defence Services—Army . . . Revenue	1500,68,82,000	9,00,000	1500,77,82,000
20	Defence Services—Navy . . . Revenue	134,59,74,000	40,000	134,60,14,000
21	Defence Services—Air Force . . . Revenue	444,36,75,000	1,50,000	444,38,25,000
22	Defence Services— Pensions . . . Revenue	113,00,00,000	10,000	113,00,10,000
23	Capital Outlay on Defence Services . . . Capital	237,46,23,000	30,00,000	237,76,23,000
24	Department of Education . . . Revenue	1,40,51,000	..	1,40,51,000
25	Education . . . Revenue	131,01,31,000	..	131,01,31,000
	. . . Capital	50,87,000	3,56,10,000	4,06,97,000
26	Department of Social Welfare . . . Revenue	14,26,86,000	..	14,26,86,000
27	Ministry of Energy . . . Revenue	45,50,000	..	45,50,000
28	Power Development . . . Revenue	24,24,14,000	..	24,24,14,000
	. . . Capital	83,83,91,000	12,20,00,000	96,03,91,000
29	Coal and Lignite . . . Revenue	18,85,19,000	10,000	18,85,29,000
	. . . Capital	231,92,01,000	..	231,92,01,000
30	Ministry of External Affairs . . . Revenue	99,27,10,000	25,000	99,27,35,000
	. . . Capital	30,30,00,000	..	30,30,00,000
31	Ministry of Finance . . . Revenue	31,97,57,000	40,000	31,97,97,000
32	Customs . . . Revenue	24,24,84,000	43,000	24,25,27,000
33	Union Excise Duties . . . Revenue	32,38,21,000	86,000	32,39,07,000
34	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax . . . Revenue	35,33,38,000	1,19,000	35,34,57,000
35	Stamps . . . Revenue	9,41,61,000	..	9,41,61,000
	. . . Capital	81,98,000	..	81,98,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
36	Audit Revenue	64,02,05,000	82,28,000	64,84,33,000
37	Currency, Coinage and Mint Revenue	35,17,17,000	..	35,17,17,000
	. . . . Capital	20,97,79,000	..	20,97,79,000
38	Pensions Revenue	22,60,00,000	40,00,000	23,00,00,000
39	Opium and Alkaloid Factories Revenue	17,49,24,000	1,000	17,49,25,000
	. . . . Capital	55,09,000	..	55,09,000
40	Transfers to State and Union Territory Governments . Revenue	300,38,00,000	1282,61,00,000	1582,99,00,000
	. . . . Capital	1,00,000	962,16,00,000	962,17,00,000
	CHARGED—Interest Payments Revenue	..	1187,84,19,000	1187,84,19,000
41	Other Expenditure of the Ministry of Finance Revenue	36,51,38,000	3,22,000	36,54,60,000
	. . . . Capital	244,49,98,000	..	244,49,98,000
42	Loans to Government Servants, etc. . . . Capital	47,66,74,000	..	47,66,74,000
	CHARGED—Repayment of Debt Capital	..	8525,42,94,000	8525,42,94,000
43	Ministry of Health and Family Planning Revenue	64,56,000	..	64,56,000
44	Medical and Public Health Revenue	70,32,41,000	..	70,32,41,000
	. . . . Capital	32,03,94,000	1,00,000	32,04,94,000
45	Family Planning Revenue	67,10,49,000	..	67,10,49,000
	. . . . Capital	1,30,00,000	..	1,30,00,000
46	Ministry of Home Affairs Revenue	2,54,41,000	..	2,54,41,000
47	Cabinet Revenue	1,19,39,000	..	1,19,39,000
48	Department of Personnel and Administrative Reforms Revenue	6,13,46,000	5,000	6,13,51,000
	. . . . Capital	..	25,00,000	25,00,000
49	Police Revenue	174,17,13,000	..	174,17,13,000
	. . . . Capital	1,95,00,000	7,00,00,000	8,95,00,000
50	Census Revenue	3,38,61,000	..	3,38,61,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
51	Other Expenditure of the Ministry of Home Affairs Revenue	104,51,07,000	38,52,33,000	143,03,40,000
		Capital	18,00,78,000	85,00,000	18,85,78,000
52	Delhi Revenue	98,94,67,000	52,49,000	99,47,16,000
		Capital	39,88,78,000	2,00,00,000	41,88,78,000
53	Chandigarh Revenue	14,15,63,000	44,80,000	14,60,43,000
		Capital	4,61,44,000	6,00,000	4,67,44,000
54	Andaman and Nicobar Islands Revenue	17,73,88,000	8,000	17,73,96,000
		Capital	8,41,14,000	..	8,41,14,000
55	Arunachal Pradesh Revenue	23,37,03,000	..	23,37,03,000
		Capital	7,03,96,000	..	7,03,96,000
56	Dadra and Nagar Haveli Revenue	1,28,34,000	..	1,28,34,000
		Capital	1,44,21,000	..	1,44,21,000
57	Lakshadweep Revenue	2,29,26,000	..	2,29,26,000
		Capital	1,05,00,000	..
58	Ministry of Industry and Civil Supplies Revenue	3,02,38,000	..	3,02,38,000
59	Industries Revenue	12,24,14,000	..	12,24,14,000
		Capital	187,53,49,000	..	187,53,49,000
60	Village and Small Indus- tries Revenue	28,00,81,000	60,00,000	28,60,81,000
		Capital	37,31,62,000	2,75,00,000	40,06,62,000
61	Civil Supplies and Co-operation Revenue	5,29,60,000	..	5,29,60,000
		Capital	26,76,74,000	90,00,000	27,66,74,000
62	Ministry of Information and Broadcasting Revenue	35,11,000	..	35,11,000
63	Information and Publi- city Revenue	14,96,49,000	..	14,96,49,000
		Capital	2,24,50,000	..	2,24,50,000
64	Broadcasting Revenue	29,24,46,000	..	29,24,46,000
		Capital	21,14,00,000	..	21,14,00,000
65	Ministry of Labour Revenue	65,63,000	..	65,63,000
66	Labour and Employment Revenue	36,22,91,000	5,000	36,22,96,000
		Capital	5,78,000	..	5,78,000
67	Ministry of Law, Justice and Company Affairs Revenue	22,05,62,000	..	22,05,62,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
68	Administration of Justice Revenue	26,61,000	52,00,000	78,61,000
69	Ministry of Petroleum and Chemicals Revenue	67,72,000	..	67,72,000
70	Petroleum and Petrochemicals Industries Revenue	72,51,84,000	..	72,51,84,000
	Capital	178,37,16,000	..	178,37,16,000
71	Fertilizer and Chemicals Industries Revenue	18,05,000	..	18,05,000
	Capital	364,48,30,000	..	364,48,30,000
72	Ministry of Planning Revenue	12,38,000	..	12,38,000
73	Statistics Revenue	9,06,51,000	..	9,06,51,000
74	Planning Commission Revenue	3,39,60,000	..	3,39,60,000
75	Ministry of Shipping and Transport Revenue	2,26,91,000	..	2,26,91,000
76	Roads Revenue	69,17,10,000	10,000	69,17,20,000
	Capital	70,14,63,000	7,27,00,000	77,41,63,000
77	Ports, Lighthouses and Shipping Revenue	15,27,64,000	41,000	15,28,05,000
	Capital	193,97,60,000	2,44,00,000	196,41,60,000
78	Road and Inland Water Transport Revenue	48,98,000	..	48,98,000
	Capital	20,96,00,000	1,50,00,000	22,46,00,000
79	Department of Steel Revenue	39,00,11,000	..	39,00,11,000
	Capital	196,81,34,000	2,40,00,000	199,21,34,000
80	Department of Mines Revenue	27,13,000	..	27,13,000
81	Mines and Minerals Revenue	25,35,19,000	..	25,35,19,000
	Capital	83,80,00,000	61,00,000	84,41,00,000
82	Department of Supply Revenue	23,67,000	..	23,67,000
83	Supplies and Disposals Revenue	8,55,53,000	..	8,55,53,000
84	Department of Rehabilitation Revenue	23,33,48,000	30,000	23,33,78,000
	Capital	6,72,24,000	6,70,01,000	13,42,25,000
85	Ministry of Tourism and Civil Aviation Revenue	44,35,000	..	44,35,000
86	Meteorology Revenue	9,49,37,000	..	9,49,37,000
	Capital	2,01,00,000	..	2,01,00,000
87	Aviation Revenue	17,74,58,000	..	17,74,58,000
	Capital	24,44,65,000	15,48,000	24,60,13,000
88	Tourism Revenue	3,33,50,000	..	3,33,50,000
	Capital	5,83,41,000	..	5,83,41,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
89	Ministry of Works and Housing Revenue	50,19,000	..	50,19,000
90	Public Works . . . Revenue Capital	54,52,55,000 14,92,66,000	21,000 15,01,000	54,52,76,000 15,07,67,000
91	Water Supply and Sewerage Revenue	1,07,06,000	..	1,07,06,000
92	Housing and Urban Development . . . Revenue Capital	7,14,62,000 10,87,80,000	47,54,000 20,82,03,000	7,62,16,000 31,69,83,000
93	Stationery and Printing . Revenue	23,61,33,000	4,000	23,61,37,000
94	Department of Atomic Energy Revenue	40,17,000	..	40,17,000
95	Atomic Energy Research, Development and Industrial Projects . Revenue Capital	43,98,09,000 69,76,27,000	.. ..	43,98,09,000 69,76,27,000
96	Nuclear Power Schemes Revenue Capital	32,16,87,000 41,64,69,000	.. 26,00,000	32,16,87,000 41,90,69,000
97	Department of Culture Revenue	6,78,41,000	..	6,78,41,000
98	Archaeology Revenue	5,90,32,000	..	5,90,32,000
99	Department of Electro- nics Revenue Capital	7,38,68,000 2,19,00,000	.. ..	7,38,68,000 2,19,00,000
100	Department of Science and Technology . Revenue Capital	8,63,84,000 1,50,00,000	.. ..	8,63,84,000 1,50,00,000
101	Survey of India . . . Revenue	15,60,04,000	..	15,60,04,000
102	Grants to Council of Scientific and Indus- trial Research . . Revenue	37,49,15,000	..	37,49,15,000
103	Department of Space . Revenue Capital	26,58,61,000 8,31,50,000	.. ..	26,58,61,000 8,31,50,000
104	Lok Sabha Revenue	4,15,15,000	1,04,000	4,16,19,000
105	Rajya Sabha Revenue	1,57,92,000	90,000	1,58,82,000
106	Department of Parlia- mentary Affairs . Revenue	19,29,000	..	19,29,000
	CHARGED---Staff, House- hold and Allowances of the President . . Revenue	..	62,59,000	62,59,000
107	Secretariat of the Vice- President Revenue	5,00,000	..	5,00,000
	CHARGED---Union Public Service Commission . Revenue	..	1,68,15,000	1,68,15,000
	TOTAL	9852,68,79,000	12150,70,69,000	22003,39,48,000

THE RAMPUR RAZA LIBRARY ACT, 1975

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title and commencement.
2. Declaration of Rampur Raza Library as an institution of national importance.
3. Definitions.

CHAPTER II

RAMPUR RAZA LIBRARY BOARD

4. Establishment and incorporation of Board.
5. Composition of Board.
6. Term of office and fresh nomination in certain cases.
7. Vacancies, etc., not to invalidate acts.
8. Duty of Government nominating persons.
9. Meetings of Board.
10. Temporary association of persons with Board for particular purposes.
11. Authentication of orders and other instruments of Board.
12. Staff of Board.
13. Transfer of service of existing employees to Board.
14. Location of library.

CHAPTER III

PROPERTY, LIABILITIES AND FUNCTIONS OF BOARD

15. Properties and liabilities of Board.
16. Duties of Board.
17. Powers of Board.

CHAPTER IV

FINANCE, ACCOUNTS, AUDIT AND REPORTS

18. Grants by Central Government to Board.
19. Fund of Board.
20. Budget.
21. Accounts and audit.
22. Returns and reports.

CHAPTER V
MISCELLANEOUS

SECTIONS

23. Power of Central Government to issue directions to Board.
24. Delegation of powers and duties.
25. Officers and employees of Board to be public servants.
26. Protection of action taken under the Act.
27. Power of Central Government to make rules.
28. Power of Board to make regulations.
29. Act to override other enactments and instruments.

THE RAMPUR RAZA LIBRARY ACT, 1975

No. 22 OF 1975

[9th May, 1975]

An Act to declare the Rampur Raza Library to be an institution of national importance and to provide for its administration and matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

Short
title and
com-
mence-
ment.

1. (1) This Act may be called the Rampur Raza Library Act, 1975.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Declara-
tion of
Rampur
Raza
Library
as an
institu-
tion of
national
impor-
tance.

2. It is hereby declared that the Rampur Raza Library, at Rampur, is an institution of national importance.

3. In this Act, unless the context otherwise requires,—

Defini-
tions.

- (a) "Board" means the Board established under section 4;
- (b) "Chairman" means the Chairman of the Board;
- (c) "deed of trust" means the deed of trust executed by the late Nawab Sir Syed Raza Ali Khan Bahadur of Rampur, on the 6th August, 1951, and registered as No. 103, Book IV, Volume No. 8, on pages 74 to 93 of the Office of the officiating Chief Sub-Registrar, Rampur;
- (d) "Fund" means the Fund referred to in section 19;
- (e) "library" means the Rampur Raza Library, which is declared by this Act to be an institution of national importance;
- (f) "member" means a member of the Board and includes the Chairman, and also includes the Vice-Chairman, if any;
- (g) "prescribed" means prescribed by rules made under this Act;
- (h) "Rampur" means the headquarters of the District of Rampur in the State of Uttar Pradesh;
- (i) "State Government" means the Government of the State of Uttar Pradesh.

CHAPTER II

RAMPUR RAZA LIBRARY BOARD

4. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be established, for the purposes of this Act, a Board, to be known as the "Rampur Raza Library Board".

Estab-
lishment
and incor-
poration
of Board.

(2) The Board shall be a body corporate with the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by that name, sue and be sued.

5. (1) The Board shall consist of the following persons, namely:—

Composi-
tion of
Board.

- (a) the Governor of the State of Uttar Pradesh, *ex officio*, who shall be the Chairman;
- (b) Shri Syed Murtaza Ali Khan, for life, who shall be the Vice-Chairman;
- (c) Colonel Bashir Hussain Zaidi, for life;
- (d) the Accountant-General, Uttar Pradesh, *ex officio*;
- (e) a descendant of the late Nawab Sir Syed Raza Ali Khan Bahadur of Rampur, to be nominated by the Central Government.
- (f) four persons to be nominated by the Central Government, out of whom—
 - (i) two shall be persons who, in the opinion of the Central Government, have expert knowledge with regard to the collections in the library or are distinguished historians or scholars of Arabic, Persian or Urdu,

(ii) one shall be an officer, not below the rank of a Deputy Secretary to the Government of India in the Department dealing with matters connected with the library,

(iii) one shall be a person who, in the opinion of the Central Government, has expert knowledge of, and experience in, management of public libraries;

(g) the Collector and District Magistrate, Rampur, *ex officio*;

(h) three other persons, of whom at least two shall be scholars of repute, to be nominated by the State Government;

(i) the Director of the Library, *ex officio*, who shall be the Member-Secretary.

(2) Every nomination made under this section shall be notified by the Central Government in the Official Gazette and every nomination so notified shall take effect from the date of the notification.

Term of office and fresh nomination in certain cases.

6. (1) The term of office of nominated members shall be such as may be prescribed.

(2) Any nominated member may resign his office by giving notice in writing to the Government nominating him, and on such resignation being notified by the Central Government in the Official Gazette, he shall be deemed to have vacated his office on the date of publication of such notification.

(3) If the office of any nominated member is vacated before the expiry of the term of his office, the resulting vacancy may be filled by fresh nomination by the Government by which such member was nominated, and the member so nominated shall hold office for the remainder of the term of office of the member in whose place he is nominated.

(4) An outgoing member shall be eligible for re-nomination.

(5) If any nominated member is, by infirmity or otherwise, rendered temporarily incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Central Government or the State Government, as the case may be, may nominate another person to act in his place during his absence.

Vacancies, etc., not to invalidate acts.

7. No act of the Board shall be invalid merely by reason of—

(a) any vacancy in, or defect in the constitution of, the Board, or

(b) any defect in the nomination of a person acting as a member thereof, or

(c) any irregularity in its procedure not affecting the merits of the case.

Duty of Government nominating persons.

8. (1) Before nominating a person to be a member of the Board, the Central Government or the State Government, as the case may be, shall satisfy itself that the person will have no such financial or other interest as is likely to affect prejudicially the exercise or performance by him of his functions as a member, and the Central Government or the State Government, as the case may be, shall also satisfy itself from time to time with respect to every member nominated by it that he has no such

interest; and any person who is or whom the Central Government or the State Government, as the case may be, proposes to nominate and who has consented to be a member shall, whenever requested by the Central Government or the State Government so to do, furnish to it such information with regard to his financial or other interest in the library as that Government considers necessary for the performance by it of its duties under this sub-section.

(2) A nominated member who is, in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Board shall, as soon as possible, after relevant circumstances have come to his knowledge, disclose the nature of his concern or interest at a meeting of the Board and the disclosure shall be recorded in the minutes of the Board and the member shall not take any part after such disclosure in the discussion, or vote, on the contract or arrangement; and if he does vote, his vote shall be void.

9. (1) The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2), (3) and (4), observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made under this Act.

Meetings
of Board.

(2) The Chairman or, in his absence, the Vice-Chairman, if any, or in the absence of both, any member chosen by the members present from amongst themselves, shall preside at a meeting of the Board.

(3) If an officer of Government who is nominated as a member of the Board by virtue of his office is unable to attend any meeting of the Board, he may, with the previous approval of the Chairman, authorise in writing, any person to attend that meeting, but the person so authorised shall not be entitled to vote at that meeting.

(4) All questions at a meeting of the Board shall be decided by a majority of the votes of the members present and voting and in the case of an equality of votes, the Chairman or, in his absence, the Vice-Chairman, if any, or, in the absence of both, the member presiding; shall have a second or casting vote.

10. (1) The Board may associate with itself in such manner and for such purposes as may be provided by regulations made under this Act, any person whose assistance or advice it may desire to have with regard to the performance of any of its functions under this Act.

Tempo-
rary asso-
ciation
of persons
with
Board for
particular
purposes.

(2) A person associated with it by the Board under sub-section (1) for any purpose shall have the right to take part in the discussions of the Board relating to that purpose, but shall not, by virtue of this section, be entitled to vote.

11. (1) All orders and decisions of the Board shall be authenticated by the signature of the Chairman or the Vice-Chairman, if any, or any other member authorised by the Board in this behalf, and all other instruments issued by the Board shall be authenticated by the signature of an officer of the Board authorised in like manner in this behalf.

Authenti-
cation of
orders
and other
instru-
ments of
Board.

(2) Orders, decisions or instruments authenticated in accordance with the provisions of sub-section (1) shall be evidence of the matter recorded therein and shall be admissible in evidence notwithstanding anything

contained in the Indian Evidence Act, 1872, or in any other law for the time being in force. 1 of 1872.

(3) Any member, officer or other employee of the Board or any other person interested in the library shall be entitled to be furnished, within seven days after he has made a request in that behalf to the library, with a copy of the order, decision or instrument authenticated in the manner specified in sub-section (1), on payment of such fee as may be prescribed.

Staff of Board.

12. (1) Subject to the provisions of sub-section (2), the Board may, for the purpose of enabling it efficiently to perform its functions under this Act, appoint such number of officers and other employees as it may think fit.

(2) The recruitment and conditions of service of such officers and employees shall be such as may be provided by regulations made under this Act.

Transfer of service of existing employees to Board.

13. Subject to the provisions of this Act, every person employed in the library immediately before the date of establishment of the Board shall, on and from such date, become an employee of the Board with such designation as the Board may determine and shall hold his office or service therein by the same tenure, at the same remuneration and upon the same terms and conditions as he would have held the same on such date if the Board had not been established and shall continue to do so unless and until his employment in the Board is duly terminated or until such tenure, remuneration and terms and conditions are duly altered by the Board:

Provided that the tenure, remuneration and terms and conditions of service of any such person shall not be altered to his disadvantage without the previous approval of the Central Government.

Location of library.

14. The library and the collections thereof shall continue to be located at Rampur.

CHAPTER III

PROPERTY, LIABILITIES AND FUNCTIONS OF BOARD

Properties and liabilities of Board.

15. (1) On the establishment of the Board—

(i) all properties, funds and dues which are vested in, or realisable by, the trustees of the library constituted by the deed of trust, in their capacity as such, shall vest in, and be realisable by, the Board; and

(ii) all liabilities in relation to the library, which are enforceable against the said trustees, shall be enforceable only against the Board.

(2) All properties, which may, after the establishment of the Board, be given, bequeathed or otherwise transferred to the library or acquired by the Board, shall vest in the Board.

of 1975]

16. (1) Subject to the provisions of the deed of trust, it shall be the general duty of the Board to manage the library and to plan, promote, organise and implement programmes for the development of the library on modern scientific lines (including provision of adequate facilities for preservation and photo-duplication of rare manuscripts) and to perform such other functions as the Central Government may, from time to time, assign to the Board.

Duties of Board.

(2) In particular and without prejudice to the generality of the foregoing provisions, the Board may take such steps as it thinks fit—

(a) to provide for instruction and research in matters relating to libraries and for the advancement of learning and dissemination of knowledge in such matters;

(b) to protect, enlarge and improve the collections in the library;

(c) to promote study and research and to provide facilities to scholars for this purpose;

(d) to do all such other things as may be necessary for the discharge of its functions under this Act.

17. (1) Subject to such conditions and restrictions as the Central Government may think fit to impose, the Board may exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions and duties under this Act.

Powers of Board.

(2) Subject to such regulations as may be made by the Board in this behalf, the Board may, from time to time, purchase or otherwise acquire such manuscripts, books, articles or things as may, in the opinion of the Board, be worthy of preservation in the library.

CHAPTER IV

FINANCE, ACCOUNTS, AUDIT AND REPORTS

18. For the purpose of enabling the Board to discharge its functions efficiently under this Act, the Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board in each financial year such sums of money as that Government considers necessary by way of grant, loan or otherwise.

Grants by Central Government to Board.

19. (1) The Board shall maintain a Fund to which shall be credited—

Fund of Board.

(a) all moneys paid to it by the Central Government;

(b) such sums of money as the State Government may pay annually for specified purposes;

(c) all fees and other charges levied by it under this Act;

(d) all moneys received by the Board by way of grant, gift, donation, benefaction, bequest, subscription, contribution or transfer;

(e) all other moneys received by the Board in any other manner or from any other source.

(2) The Board may expend such sums as it thinks fit for performing its functions under this Act and such sums shall be treated as expenditure payable out of the Fund.

(3) A sum of money, not exceeding such sum as may be specified by regulations made under this Act, shall be kept in current account with any nationalised bank, or any other scheduled or other bank approved by the Central Government in this behalf, but any moneys in excess of that sum shall be deposited in the Reserve Bank of India or with the agents of the Reserve Bank of India or invested in such manner as may be generally or specially approved by the Central Government.

Explanation.—In this sub-section,—

(a) “nationalised bank” means a corresponding new bank as defined in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;

5 of 1970.

(b) “scheduled bank” means a bank included for the time being in the Second Schedule to the Reserve Bank of India Act, 1934.

2 of 1934.

Budget.

20. (1) The Board shall, by such date in each financial year as may be specified by the Central Government, submit to it for approval a budget for the next financial year in the form specified by that Government, showing therein the estimated receipts and expenditure, and the sums which would be required from the Central Government during that financial year.

(2) The budget for a financial year, as approved by the Central Government for any financial year, shall be the budget of the library for that financial year.

(3) If any sum granted by the Central Government to the library for any financial year remains wholly or partly unspent in that financial year, the unspent sum may be carried forward to the next financial year and taken into account in determining the sum to be provided for by the Central Government for that year.

(4) Subject to the provisions of sub-section (5), no sum shall be expended by or on behalf of the Board, unless the expenditure is covered by provision in the budget approved by the Central Government.

(5) Subject to such conditions and restrictions as the Central Government may think fit to impose, the Board may sanction any re-appropriation from one head of expenditure to another or from a provision made for one purpose to that for another purpose.

Accounts and audit.

21. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balance-sheet in such form as may be specified, in accordance with such general directions as may be issued by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Board shall be audited annually by the Comptroller and Auditor-General of India or any officer authorised by him in this behalf, and any expenditure incurred by him in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General of India.

(3) The Controller and Auditor-General of India and any person authorised by him in connection with the audit of the accounts of the

of 1975]

Rampur Raza Library

Board shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the Board, and the library.

(4) The accounts of the Board, as certified by the Comptroller and Auditor-General of India or any other person authorised by him in this behalf, together with the audit report thereon, shall be forwarded annually to the Central Government and that Government shall, as soon as may be after the receipt thereof, cause the same to be laid before each House of Parliament.

22. (1) The Board shall furnish to the Central Government, at such time and in such form and in such manner as the Central Government may direct, such returns, statements and particulars as the Central Government may, from time to time, require.

Returns
and
reports.

(2) Without prejudice to the provisions of sub-section (1), the Board shall, as soon as possible after the commencement of each financial year, submit to the Central Government, within such time as may be specified by the Central Government, a report giving true and full account of the activities of the Board during the previous financial year and an account of activities likely to be undertaken during the current financial year.

CHAPTER V

MISCELLANEOUS

23. In the discharge of its functions under this Act, the Board shall be bound by such directions on questions of policy as the Central Government may give to it from time to time:

Power of
Central
Govern-
ment to
issue
direc-
tions to
Board.

Provided that the Board shall be given an opportunity to express its views before any direction is given to it under this sub-section.

24. The Board may, by general or special order in writing, direct that all or any of the powers or duties, which may be exercised or discharged by it, shall, in such circumstances and under such conditions, if any, as may be specified in the order, be exercised or discharged also by any member, officer or employee of the Board specified in this behalf in the order.

Delega-
tion of
powers
and
duties.

25. Every officer or employee of the Board shall, when acting or purporting to act in pursuance of the provisions of this Act or of any rule or regulation made thereunder, be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

45 of 1960.

Officers
and
employ-
ees of
Board to
be public
servants.

26. No suit, prosecution or other legal proceeding shall lie against the Board or any member, officer or other employee of the Board for anything which is in good faith done or intended to be done in pursuance of this Act or of any rule or regulation made thereunder.

 Protec-
tion of
action
taken
under
the Act.

Power of
Central
Govern-
ment to
make
rules.

27. (1) The Central Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act:

Provided that when the Board has been established, no such rules shall be made without consulting the Board.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the term of office of, and the manner of filling casual vacancies among, the members nominated under clause (e), clause (f) or clause (h) of sub-section (1) of section 5;

(b) the travelling and other allowances payable to a member other than the Chairman and to a person associated with the Board under section 10;

(c) the disqualifications for membership of the Board and the procedure to be followed in removing a member who is or becomes subject to any disqualification;

(d) the conditions subject to which, and the mode in which, contracts may be entered into by or on behalf of the Board;

(e) any other matter which has to be or may be prescribed.

(3) Every rule made under this section shall 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.

Power of
Board to
make re-
gulations.

28. (1) The Board may, with the previous approval of the Central Government, make regulations, not inconsistent with the provisions of this Act and the rules made thereunder, with regard to the discharge of its functions under this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the conditions and restrictions subject to which manuscripts and books in the library may be used;

(b) the manner in which, and the purposes for which, persons may be associated with the Board;

(c) the time and place of meetings of the Board, the procedure to be followed in regard to the transaction of business at such meetings and the quorum necessary for the transaction of business at a meeting of the Board;

(d) the maintenance of minutes of meetings of the Board and the transmission of copies thereof to the Central Government;

(e) the recruitment and conditions of service of officers and other employees of the Board.

(f) the persons by whom, and the manner in which, payments, deposits and investments may be made on behalf of the Board;

(g) the maximum amount that may be kept by the Board in a current account;

(h) the maintenance of registers and accounts;

(i) the compilation of catalogues and inventories of the manuscripts, books and other articles and things in the library;

(j) the steps to be taken for the preservation of the manuscripts, books and other articles and things in the library;

(k) the general management of the library;

(l) the fees and other charges to be levied for the use of any manuscript or book in the library;

(m) any other matter in respect of which provision is, in the opinion of the Board, necessary for the performance of its functions under this Act.

(3) The Central Government may, after consultation with the Board, by notification in the Official Gazette, amend, vary or rescind any regulation which it has approved and thereupon the regulation shall have effect as so amended or varied or be of no effect, as the case may be, but without prejudice to the exercise of the powers of the Board under sub-sections (1) and (2).

29. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any law other than this Act for the time being in force or any instrument having effect by virtue of any enactment other than this Act.

Act to
override
other
enact-
ments.
and
instru-
ments.

THE ALL-INDIA SERVICES (AMENDMENT) ACT, 1975

No. 23 of 1975

[9th May, 1975.]

An Act further to amend the All-India Services Act, 1951.

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

Short
title.

1. This Act may be called the All-India Services (Amendment) Act, 1975.

Amend-
ment of
section 3.

~~2. In section 3 of the All-India Services Act, 1951 (hereinafter referred to as the principal Act), after sub-section (1), the following sub-section shall be inserted, namely:—~~ 61 of 1951.

~~“(1A) The power to make rules conferred by this section shall include the power to give retrospective effect from a date not earlier than the date of commencement of this Act, to the rules or any of them but no retrospective effect shall be given to any rule so as to prejudicially affect the interests of any person to whom such rule may be applicable.”~~

Vali-
dation.

3. No rule made, or purporting to have been made, with retrospective effect, under section 3 of the principal Act before the commencement of this Act shall be deemed to be invalid or ever to have been invalid merely on the ground that such rule was made with retrospective effect and accordingly every such rule and any action taken or thing done thereunder shall be as valid and effective as if the provisions of section 3 of the principal Act, as amended by this Act, were in force at all material times when such rule was made or action or thing was taken or done.

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Repealed by Act 38 of 1978, S. 2 & Sch. I.

Rep. by Act..... 38 1978, S.2 + Sch. I

**THE FORMER SECRETARY OF STATE SERVICE OFFICERS
(CONDITIONS OF SERVICE) AMENDMENT ACT, 1975**

No. 24 OF 1975

[9th May, 1975.]

**An Act to amend the Former Secretary of State Service Officers
(Conditions of Service) Act, 1972.**

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

1. This Act may be called the Former Secretary of State Service Officers (Conditions of Service) Amendment Act, 1975.

Short
title.

2. In the Former Secretary of State Service Officers (Conditions of Service) Act, 1972 (hereinafter referred to as the principal Act), in section 8,—

59 of 1972.

Amend-
ment of
section 8.

(a) in sub-section (1), after clause (c), the following provisos and Explanations shall be inserted, and shall be deemed always to have been inserted, namely:—

‘Provided that in relation to every former Secretary of State Service officer who, having been in service on the 1st day of February, 1921, and domiciled in India on that date, is entitled immediately before the appointed day to claim his pension computed in the rupee equivalent of the amount fixed in sterling at a rate of exchange of rupees fifteen to a pound sterling, clause (c) shall have effect as if for the words “thirteen and one-third”, the word “fifteen” were substituted:

Provided further that every former Secretary of State Service officer whose pension was expressed in sterling or in respect of whose pension a fixed sterling minimum was applicable, and who, immediately before the appointed day, is a foreigner having taken up permanent residence outside India, shall, so long as he continues to be a foreigner permanently residing outside India, be allowed to convert the annuity of rupees thirteen thousand three hundred and thirty-three and one-third or the annuity actually payable to him in rupees, whichever is less, into pound sterling at the rate of rupees thirteen and one-third to a pound sterling, and the annuity so converted into pound sterling shall be paid outside India.

Explanation 1.—Nothing contained in the foregoing proviso shall be deemed to entitle any former Secretary of State Service officer to claim conversion of amounts representing the annuity or the commuted value thereof, already drawn in rupees before the commencement of the Former Secretary of State Service Officers (Conditions of Service) Amendment Act, 1975, into pound sterling.

Explanation 2.—In this sub-section, the expression “foreigner” means a person who is not a citizen of India;’

(b) in sub-section (2), after the words “every former Secretary of State Service officer”, the brackets, words and figure “[not being an officer to whom the first proviso or the second proviso to sub-section (1) applies]” shall be inserted and shall be deemed always to have been inserted.

3. After section 10 of the principal Act, the following section shall be inserted, namely:—

“10A. (1) If the Central Government is satisfied that the conditions of service as respects any matter applicable to, or in relation to, any class or category of former Secretary of State Service officers under section 6, 7 or 8 or as respects any benefits by way of compensation for the increase in cost of living or any other reason, have become less favourable than those applicable to or in relation to any corresponding class or category of other officers of the Indian Administrative Service or the Indian Police Service or, as the case may be, any comparable service, it may, notwithstanding anything contained in those sections, by general or special order and subject to such conditions and restrictions (including conditions as to refund adjustment or recovery), as may be specified therein, make such provisions as it may deem fit for securing, so far as may be, parity in such cases.

(2) Any order under sub-section (1) may be made so as to have retrospective effect.

(3) Every order made under sub-section (1) shall 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

Insertion of new section 10A.
Power of Central Government to make orders in certain cases to ensure parity.

~~REPEALED~~

OF 1975]

*Former Secretary of State Service Officers (Conditions of
Service) Amendment*

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or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order 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 order.”

THE FINANCE ACT, 1975

ARRANGEMENT OF SECTIONS

SECTIONS

CHAPTER I

PRELIMINARY

1. Short title and commencement.

CHAPTER II

RATES OF INCOME-TAX

2. Income-tax.

CHAPTER III

DIRECT TAXES

Income-tax

3. Amendment of section 10.
4. Amendment of section 32.
5. Amendment of section 33A.
6. Amendment of section 40A.
7. Amendment of section 43.
8. Insertion of new section 44B.
9. Amendment of section 52.
10. Amendment of section 80C.
11. Insertion of new section 80FF.
12. Amendment of section 80J.
13. Insertion of new section 80JJ.
14. Amendment of section 80K.
15. Amendment of section 80M.
16. Amendment of section 80QQ.
17. Insertion of new section 80RRA.
18. Substitution of new section for section 106.
19. Amendment of section 172.
20. Amendment of section 194A.
21. Amendment of section 195.
22. Amendment of Ninth Schedule.
23. Insertion of Tenth Schedule.
24. Consequential amendments to certain sections.

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Wealth-tax

- 25. Amendment of section 2.
- 26. Amendment of section 4.
- 27. Amendment of section 5.
- 28. Amendment of section 45.

Gift-tax

- 29. Amendment of Act 18 of 1958.

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- 30. Amendment of Act 20 of 1974.

CHAPTER IV

INDIRECT TAXES

- 31. Auxiliary duties of customs.
- 32. Amendment of Act 1 of 1949.
- 33. Amendment of Act 1 of 1944.
- 34. Auxiliary duties of excise.
- 35. Amendment of Act 58 of 1957.
- 36. Discontinuance of salt duty.
- 37. Special provisions as to duties of excise on skelp.

CHAPTER V

CENTRAL SALES TAX

- 38. Amendment of Act 74 of 1956.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE THIRD SCHEDULE.

THE FINANCE ACT, 1975

No. 25 OF 1975

[9th May, 1975.]

An Act to give effect to the financial proposals of the Central Government for the financial year 1975-76.

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

CHAPTER I

PRELIMINARY

Short
title
and
commence-
ment.

1. (1) This Act may be called the Finance Act, 1975.

(2) Save as otherwise provided in this Act, sections 2 to 30 shall be deemed to have come into force on the 1st day of April, 1975.

CHAPTER II

RATES OF INCOME-TAX

Income-
tax.

2. (1) Subject to the provisions of sub-sections (2), (3) and (4), for the assessment year commencing on the 1st day of April, 1975, income-tax shall be charged at the rates specified in Part I of the First Schedule and shall be increased,—

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

(b) in the cases to which Paragraphs E and F of that Part apply, by a surcharge,

calculated in each case in the manner provided therein.

(2) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income, in addition to total income, and the total income exceeds six 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 six thousand rupees of the total income but without being liable to tax), only for the purpose of charging income-tax in respect of the total income; and

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

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

(ii) the net agricultural income shall be increased by a sum of six thousand rupees and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount by which income-tax determined in accordance with sub-clause (i) exceeds the amount of income-tax determined in accordance with sub-clause (ii) shall be the income-tax chargeable in respect of the total income.

(3) Where in the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, the total income includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

31 of 1956.

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

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

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

43 of 1961.

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

(6) Subject to the provisions of sub-section (7), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule:

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

(7) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income, in addition to total income, and the total income exceeds ~~six thousand-rupees~~, then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first ~~six thousand-rupees~~ of the total income but without being liable to tax), only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

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

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

(ii) the net agricultural income shall be increased by a sum of ~~six 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

4 Subs. by Act 34 of 1975, s. 2 (w.e.f. 1-4-1975)

Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount by which income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (i) exceeds the amount of income-tax or "advance tax" determined in accordance with sub-clause (ii) shall be the income-tax or "advance tax" in respect of the total income.

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

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

(b) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1975, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;

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

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

(d) "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);

(e) "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;

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

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

CHAPTER III

DIRECT TAXES

Income-tax

Amend-
ment of
section 10.

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

(a) in sub-clause (ii) of clause (5),—

(i) in item (a) and item (b), for the words "himself, his spouse and children," the words "himself and his family," shall be substituted;

(ii) in the proviso, for the words "shall in no case exceed", the words "shall not, except in such cases and under such circumstances as may be prescribed having regard to the travel concession or assistance granted to the employees of the Central Government, exceed" shall be substituted;

(iii) the following *Explanation* shall be inserted at the end, namely:—

Explanation.—For the purposes of this sub-clause, "family", in relation to an individual, means—

(i) the spouse and children of the individual; and

(ii) the parents, brothers and sisters of the individual or any of them, wholly or mainly dependent on the individual;'

(b) after clause (10A), the following clause shall be inserted with effect from the 1st day of April, 1976, namely:—

'(10B) any compensation received by a workman under the Industrial Disputes Act, 1947 or under any other Act or rules, orders or notifications issued thereunder or under any standing orders or under any award, contract of service or otherwise, at the time of his retrenchment, to the extent such compensation does not exceed—

14 of 1947.

(i) an amount calculated in accordance with the provisions of clause (b) of section 25F of the Industrial Disputes Act, 1947; or

14 of 1947.

(ii) twenty thousand rupees,

whichever is less.

Explanation.—For the purposes of this clause—

(a) compensation received by a workman at the time of the closing down of the undertaking in which he is employed shall be deemed to be compensation received at the time of his retrenchment;

(b) compensation received by a workman, at the time of the transfer (whether by agreement or by operation of law) of the ownership or management of the undertaking in which he is employed from the employer in relation to that undertaking to a new employer, shall be deemed to be

compensation received at the time of his retrenchment if—

(i) the service of the workman has been interrupted by such transfer; or

(ii) the terms and conditions of service applicable to the workman after such transfer are in any way less favourable to the workman than those applicable to him immediately before the transfer; or

(iii) the new employer is, under the terms of such transfer or otherwise, legally not liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer;

(c) the expressions "employer" and "workman" shall have the same meanings as in the Industrial Disputes Act, 1947;";

14 of 1947.

(c) in clause (13A), for the words "three hundred rupees", the words "four hundred rupees" shall be substituted;

(d) in clause (14), the following *Explanation* shall be inserted, and shall be deemed always to have been inserted, at the end, namely:—

Explanation.—For the removal of doubts, it is hereby declared that any allowance granted to the assessee to meet his personal expenses at the place where the duties of his office or employment of profit are ordinarily performed by him or at the place where he ordinarily resides shall not be regarded, for the purposes of this clause, as a special allowance granted to meet expenses wholly, necessarily and exclusively incurred in the performance of such duties;";

(e) clause (27) shall be omitted with effect from the 1st day of April, 1976.

4. In section 32 of the Income-tax Act, in clause (ii) of sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

Amend-
ment of
section 32.

"Provided further that no deduction shall be allowed under this clause or clause (iii) in respect of any motor car manufactured outside India, where such motor car is acquired by the assessee after the 28th day of February, 1975 and is used otherwise than in a business of running it on hire for tourists;";

5. In section 33A of the Income-tax Act, the following *Explanation* shall be inserted, and shall be deemed always to have been inserted, at the end, namely:—

Amend-
ment of
section 33A.

Explanation.—For the purposes of this section, an assessee having a leasehold or other right of occupancy in any land shall be deemed to own such land and where the assessee transfers such right, he shall be deemed to have sold or otherwise transferred such land."

Amend-
ment of
section
40A.

6. In section 40A of the Income-tax Act,—

(a) after sub-section (6), the following sub-section shall be inserted, and shall be deemed to have been inserted, with effect from the 1st day of April, 1973, namely:—

(7) (a) Subject to the provisions of clause (b), no deduction shall be allowed in respect of any provision (whether called as such or by any other name) made by the assessee for the payment of gratuity to his employees on their retirement or on termination of their employment for any reason.

(b) Nothing in clause (a) shall apply in relation to—

(i) any provision made by the assessee for the purpose of payment of a sum by way of any contribution towards an approved gratuity fund, or for the purpose of payment of any gratuity, that has become payable during the previous year;

(ii) any provision made by the assessee for the previous year relevant to any assessment year commencing on or after the 1st day of April, 1973 but before the 1st day of April, 1976, to the extent the amount of such provision does not exceed the admissible amount, if the following conditions are fulfilled, namely:—

(1) the provision is made in accordance with an actuarial valuation of the ascertainable liability of the assessee for payment of gratuity to his employees on their retirement or on termination of their employment for any reason;

(2) the assessee creates an approved gratuity fund for the exclusive benefit of his employees under an irrevocable trust, the application for the approval of the fund having been made before the 1st day of January, 1976; and

(3) a sum equal to at least fifty per cent. of the admissible amount, or where any amount has been utilised out of such provision for the purpose of payment of any gratuity before the creation of the approved gratuity fund, a sum equal to at least fifty per cent. of the admissible amount as reduced by the amount so utilised, is paid by the assessee by way of contribution to the approved gratuity fund before the 1st day of April, 1976 and the balance of the admissible amount or, as the case may be, the balance of the admissible amount as reduced by the amount so utilised, is paid by the assessee by way of such contribution before the 1st day of April, 1977.

Explanation 1.—For the purpose of sub-clause (ii) of clause (b) of this sub-section, “admissible amount” means the amount of the provision made by the assessee for the payment of gratuity to his employees on their retirement or on termination of their employment for any reason, to the extent such amount does not exceed an amount calculated at the rate of eight and one-third per cent. of the salary [as defined in clause (h) of rule 2 of Part A of the Fourth Schedule] of each employee entitled to

the payment of such gratuity for each year of his service in respect of which such provision is made.

Explanation 2.—For the removal of doubts, it is hereby declared that where any provision made by the assessee for the payment of gratuity to his employees on their retirement or on termination of their employment for any reason has been allowed as a deduction in computing the income of the assessee for any assessment year, any sum paid out of such provision by way of contribution towards an approved gratuity fund or by way of gratuity to any employee shall not be allowed as a deduction in computing the income of the assessee of the previous year in which the sum is so paid.;

(b) after sub-section (7) as so inserted, the following sub-section shall be inserted, with effect from the 1st day of April, 1976, namely:—

‘(8) Where the assessee, being a company (other than a banking company or a financial company), incurs any expenditure by way of interest in respect of any deposit received by it, fifteen per cent. of such expenditure shall not be allowed as a deduction.

Explanation.—In this sub-section,—

(a) “banking company” means a company to which the Banking Regulation Act, 1949 applies and includes any bank or banking institution referred to in section 51 of that Act;

(b) “deposit” means any deposit of money with, and includes any money borrowed by, a company, but does not include any amount received by the company—

(i) from the Central Government or any State Government or any local authority, or from any other source where the repayment of the amount is guaranteed by the Central Government or a State Government;

(ii) from the Government of a foreign State, or from a citizen of a foreign State, or from any institution, association or body (whether incorporated or not) established outside India;

(iii) as a loan from a banking company or from a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank);

(iv) as a loan from any institution or body specified in the list in the Tenth Schedule or such other institution or body as the Central Government may, having regard to the nature and objects of the institution or body, by notification in the Official Gazette, specify in this behalf;

(v) from any other company;

(vi) from an employee of the company by way of security deposit;

(vii) by way of security or as an advance from any purchasing agent, selling agent or other agent in the course of, or for the purpose of, the business of the company or as advance against orders for the supply of goods or for the rendering of any service;

(viii) by way of subscription to any share, stock, bond or debenture (such bond or debenture being secured by a charge or a lien on the assets of the company) pending the allotment of the said share, stock, bond or debenture, or by way of advance payment of any moneys uncalled and unpaid upon any shares in the company, if such moneys are not repayable in accordance with the articles of association of the company;

(ix) as a loan from any person where the loan is secured by the creation of a mortgage, charge or pledge of any assets of the company (such loan being hereafter in this sub-clause referred to as the relevant loan) and the amount of the relevant loan, together with the amount of any other prior debt or loan secured by the creation of a mortgage, charge or pledge of such assets, is not more than seventy-five per cent. of the price that such assets would ordinarily fetch on sale in the open market on the date of creation of the mortgage, charge or pledge for the relevant loan;

(c) "financial company" means—

(i) a hire-purchase finance company, that is to say, a company which carries on, as its principal business, hire-purchase transactions or the financing of such transactions; or

(ii) an investment company, that is to say, a company which carries on, as its principal business, the acquisition of shares, stock, bonds, debentures, debenture stock, or securities issued by the Government or a local authority, or other marketable securities of a like nature; or

(iii) a housing finance company, that is to say, a company which carries on, as its principal business, the business of financing of acquisition or construction of houses, including acquisition or development of land in connection therewith;

(iv) a loan company, that is to say, a company [not being a company referred to in sub-clauses (i) to (iii)] which carries on, as its principal business, the business of providing finance, whether by making loans or advances or otherwise;

(v) a mutual benefit finance company, that is to say, a company which carries on, as its principal business, the business of acceptance of deposits from its members

1 of 1956.

and which is declared by the Central Government under section 620A of the Companies Act, 1956 to be a *Nidhi* or Mutual Benefit Society;

(vi) a miscellaneous finance company, that is to say, a company which carries on exclusively, or almost exclusively, two or more classes of business referred to in the preceding sub-clauses.'

7. In section 43 of the Income-tax Act, in the proviso to clause (1), after the words, figures and letters "the 31st day of March, 1967", the words, figures and letters ", but before the 1st day of March, 1975," shall be inserted. Amendment of section 43.

8. In the Income-tax Act, after section 44A, the following section shall be inserted with effect from the 1st day of April, 1976, namely:— Insertion of new section 44B.

'44B. (1) Notwithstanding anything to the contrary contained in sections 28 to 43A, in the case of an assessee, being a non-resident, engaged in the business of operation of ships, a sum equal to seven and a half per cent. of the aggregate of the amounts specified in sub-section (2) 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". Special provision for computing profits and gains of shipping business in the case of non-residents.

(2) The amounts referred to in sub-section (1) shall be the following, namely:—

(i) the amount paid or payable (whether in or out of India) to the assessee or to any person on his behalf on account of the carriage of passengers, live-stock, mail or goods shipped at any port in India; and

(ii) the amount received or deemed to be received in India by or on behalf of the assessee on account of the carriage of passengers, live-stock, mail or goods shipped at any port outside India.'

9. In section 52 of the Income-tax Act, 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, 1974, namely:— Amendment of section 52.

"Provided that this sub-section shall not apply in any case—

(a) where the capital asset is transferred to the Government, or

(b) where the full value of the consideration for the transfer of the capital asset is determined or approved by the Central Government or the Reserve Bank of India and the adequacy of the full value of the consideration so determined or approved is not questioned by the assessee."

10. In section 80C of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted with effect from the 1st day of April, 1976, namely:— Amendment of section 80C.

"(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount calculated, with reference to the aggregate of the sums specified in sub-section (2), at the following rates, namely:—

(a) where such aggregate does not exceed Rs. 4,000 The whole of such aggregate;

(b) where such aggregate exceeds Rs. 4,000 but does not exceed Rs. 10,000

Rs. 4,000 plus 50 per cent. of the amount by which such aggregate exceeds Rs. 4,000;

(c) where such aggregate exceeds Rs. 10,000

Rs. 7,000 plus 40 per cent. of the amount by which such aggregate exceeds Rs. 10,000."

Insertion
of new
section
80FF.

Deduction
in respect
of expenses
on higher
education
in certain
cases.

11. In the Income-tax Act, after section 80F, the following section shall be inserted, with effect from the 1st day of April, 1976; namely:—

'80FF. (1) Where an individual, who is a citizen of India and whose gross total income does not exceed twelve thousand rupees, has expended any sum during the previous year out of his income chargeable to tax for the full time education of a dependent, he shall, in accordance with and subject to the provisions of this section, be allowed a deduction of the amount specified in sub-section (2) in the computation of his total income.

(2) The amount referred to in sub-section (1) shall be—

(i) in a case where the individual has a dependent undergoing a degree or post-graduate course in medicine (including surgery and obstetrics) or architecture or engineering or technology or business management, one thousand rupees in respect of each such dependent; and

(ii) in a case where the individual has a dependent undergoing a diploma course in medicine (including surgery and obstetrics) or architecture or engineering or technology or business management, or undergoing any degree or post-graduate course, other than a degree or post-graduate course referred to in clause (i), five hundred rupees in respect of each such dependent:

Provided that where the individual has, during the previous year, incurred expenditure on the education of more than two dependents as aforesaid, the deduction under sub-section (1) shall be allowed only with reference to two such dependents as may be chosen by him.

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

(a) "dependent", in relation to an individual, means a child, brother or sister of the individual, wholly or mainly dependent on the individual;

(b) "degree course", "post-graduate course" and "diploma course" include respectively any course of study for obtaining a qualification, which, though not described as a degree or post-graduate qualification or diploma, is recognised for purposes of employment under the Central Government as equivalent to a degree, post-graduate qualification or diploma.

Amend-
ment of
section 80J.

12. In section 80J of the Income-tax Act,—

(a) in sub-section (1), the following proviso shall be inserted at the end with effect from the 1st day of April, 1976, namely:—

'Provided that in relation to the profits and gains derived by an assessee, being a company, from an industrial undertaking which begins to manufacture or produce articles or to operate its cold storage plant or plants after the 31st day of March, 1976,

or from a ship which is first brought into use after that date, or from the business of a hotel which starts functioning after that date, the provisions of this sub-section shall have effect as if for the words "six per cent.," the words "seven and a half per cent." had been substituted.;

(b) in sub-section (4),—

(i) in clause (ii), the words and brackets "a building (not being a building taken on rent or lease)," shall be omitted with effect from the 1st day of April, 1976;

(ii) in clause (iii), for the words "twenty-eight years", the words "thirty-three years" shall be substituted;

(iii) the following proviso and *Explanations* shall be inserted at the end with effect from the 1st day of April, 1976, namely:—

"Provided further that, where any building or any part thereof previously used for any purpose is transferred to the business of the industrial undertaking, the value of the building or part so transferred shall not be taken into account in computing the capital employed in the industrial undertaking.

Explanation 1.—For the purposes of clause (ii) of this sub-section, any machinery or plant which was used outside India by any person other than the assessee shall not be regarded as machinery or plant previously used for any purpose, if the following conditions are fulfilled, namely:—

(a) such machinery or plant was not, at any time, previous to the date of the installation by the assessee, used in India;

(b) such machinery or plant is imported into India from any country outside India; and

(c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of the Indian Income-tax Act, 1922 or this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee.

Explanation 2.—Where in the case of an industrial undertaking, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent. of the total value of the machinery or plant used in the business, then, for the purposes of clause (ii) of this sub-section, the condition specified therein shall be deemed to have been complied with and the total value of the machinery or plant or part so transferred shall not be taken into account in computing the capital employed in the industrial undertaking.;"

(c) in sub-section (5), in clause (iii), for the words "twenty-eight years", the words "thirty-three years" shall be substituted;

(d) in sub-section (6),—

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

“(a) the business of the hotel is not formed by the splitting up, or the reconstruction, of a business already in existence or by the transfer to a new business of a building previously used as a hotel or of any machinery or plant previously used for any purpose;”;

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

“(e) the business of the hotel starts functioning on or after the 1st day of April, 1961, but before the 1st day of April, 1981;”;

(iii) for the *Explanation*, the following *Explanation* shall be substituted, with effect from the 1st day of April, 1976, namely:—

“*Explanation.*—Where in the case of the business of a hotel, any building, or any part thereof, previously used as a hotel, or any machinery or plant, or any part thereof, previously used for any purpose, is transferred to a new business and the total value of the building, machinery or plant or part so transferred does not exceed twenty per cent. of the total value of the building, machinery or plant used in the business, then, for the purposes of clause (a) of this sub-section, the condition specified therein shall be deemed to have been complied with and the total value of the building, machinery or plant or part so transferred shall not be taken into account in computing the capital employed in the business of the hotel.”;

(e) after sub-section (6), the following sub-sections shall be inserted with effect from the 1st day of April, 1976, namely:—

“(6A) Where the assessee is a person other than a company or a co-operative society, the deduction under sub-section (1) from profits and gains derived from an industrial undertaking shall not be admissible unless the accounts of the industrial undertaking for the previous year relevant to the assessment year for which the deduction is claimed have been audited by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, and the assessee furnishes, along with his return of income, the report of such audit in the prescribed form duly signed and verified by such accountant.

“(6B) Where any goods held for the purposes of the business of the industrial undertaking or the hotel or the operation of the ship are transferred to any other business carried on by the assessee, or where any goods held for the purposes of any other business carried on by the assessee are transferred to the business of the industrial undertaking or the hotel or the operation of the ship and, in either case, the consideration, if any, for such transfer as recorded in the accounts of the business of the industrial undertaking or the hotel or the operation of the ship does not correspond to the market value of such goods as on the date

of the transfer, then, for the purposes of the deduction under this section, the profits and gains of the industrial undertaking or the business of the hotel or the operation of the ship shall be computed as if the transfer, in either case, had been made at the market value of such goods as on that date:

Provided that where, in the opinion of the Income-tax Officer, the computation of the profits and gains of the industrial undertaking or the business of the hotel or the operation of the ship in the manner hereinbefore specified presents exceptional difficulties, the Income-tax Officer may compute such profits and gains on such reasonable basis as he may deem fit.

Explanation.—In this sub-section, “market value”, in relation to any goods, means the price that such goods would ordinarily fetch on sale in the open market.

(6C) Where it appears to the Income-tax Officer that, owing to the close connection between the assessee carrying on the business of the industrial undertaking or the hotel or the operation of the ship to which this section applies and any other person, or for any other reason, the course of business between them is so arranged that the business transacted between them produces to the assessee more than the ordinary profits which might be expected to arise in the business of the industrial undertaking or the hotel or the operation of the ship, the Income-tax Officer shall, in computing the profits and gains of the industrial undertaking or the hotel or the ship for the purposes of the deduction under this section, take the amount of profits as may be reasonably deemed to have been derived therefrom.’

13. In the Income-tax Act, after section 80J, the following section shall be inserted with effect from the 1st day of April, 1976, namely:—

Insertion
of new
section
80JJ.

“80JJ. Where the gross total income of an assessee includes any profits and gains derived from a business of live-stock breeding, or poultry or dairy farming, there shall be allowed, in computing the total income of the assessee, a deduction as specified hereunder, namely:—

Deduction
in respect
of profits
and gains
from
business of
live-stock
breeding
or poultry
or dairy
farming

(a) in a case where the amount of such profits and gains does not exceed, in the aggregate, ten thousand rupees, the whole of such amount; and

(b) in any other case, one-third of the aggregate amount of such profits and gains or ten thousand rupees, whichever is higher.”

14. In section 80K of the Income-tax Act, the following proviso shall be inserted at the end, namely:—

Amend-
ment of
section
80K.

“Provided that no deduction under this section shall be allowed in respect of any income by way of dividends which is attributable to the profits and gains derived by the company from an industrial undertaking which begins to manufacture or produce articles or to operate its cold storage plant or plants after the 31st day of March, 1976 or from a ship which is first brought into use after that date or from the business of a hotel which starts functioning after that date.”

Amend-
ment of
section
80M.

15. In section 80M of the Income-tax Act, in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted with effect from the 1st day of April, 1976, namely:—

“(a) where the assessee is a domestic company—

(i) in respect of such income by way of dividends from a company formed and registered under the Companies Act, 1956 after the 28th day of February, 1975 and engaged exclusively or almost exclusively in the manufacture or production of any one or more of the articles or things specified in items 11 and 18, item 23 (excluding refractories) and item 24 in the list in the Ninth Schedule

the whole of such income;

(ii) in respect of such income by way of dividends other than the dividends referred to in sub-clause (i)

sixty per cent. of such income;

(b) where the assessee is a foreign company, in respect of such income by way of dividends

sixty-five per cent. of such income.”

1 of 1956.

Amend-
ment of
section
80QQ.

16. In section 80QQ of the Income-tax Act, in sub-section (1), for the words “four assessment years”, the words “nine assessment years” shall be substituted.

Insertion of
new section
80RRA.

17. In the Income-tax Act, after section 80RR, the following section shall be inserted, namely:—

Deduction
in respect
of remun-
eration
from
foreign
emp-
loyers.

‘80RRA. (1) Where the gross total income of an individual who is a citizen of India includes any remuneration received by him from any foreign employer for any service rendered by him outside India, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the individual, a deduction from such remuneration of an amount equal to fifty per cent. thereof:

Provided that where the individual renders continuous service outside India under or for the foreign employer for a period exceeding thirty-six months, no deduction under this section shall be allowed in respect of the remuneration for such service relating to any period after the expiry of the thirty-six months aforesaid.

(2) The deduction under this section shall be allowed—

(i) in the case of an individual who is or was, immediately before undertaking the service under or for the foreign employer, in the employment of the Central Government or any State Government, only if such service is sponsored by the Central Government; and

(ii) in the case of any other individual, only if he is a technician and the contract of service under or for the foreign employer is approved in this behalf by the Central Government or the prescribed authority.

Explanation 1.—In this section, “foreign employer” means.—

- (a) the Government of a foreign State; or
- (b) a foreign enterprise; or
- (c) any association or body established outside India.

Explanation 2.—For the purposes of this section, “technician” means a person having specialised knowledge and experience in—

- (i) constructional or manufacturing operations or mining or the generation or distribution of electricity or any other form of power; or
- (ii) agriculture, animal husbandry, dairy farming, deep sea fishing or ship building; or
- (iii) public administration or industrial or business management; or
- (iv) accountancy; or
- (v) any field of natural or applied science (including medical science) or social science; or
- (vi) any other field which the Board may prescribe in this behalf,

who is employed by the foreign employer in a capacity in which such specialised knowledge and experience are actually utilised.’

18. In the Income-tax Act, for section 106, the following section shall be substituted, namely:—

“106. No order under section 104 shall be made at any time after—

(a) the expiry of—

(i) four years from the end of the assessment year relevant to the previous year referred to in sub-section (1) of that section, where such assessment year is an assessment year commencing on or before the 1st day of April, 1974;

(ii) two years from the end of the assessment year relevant to the previous year referred to in sub-section (1) of that section, where such assessment year is an assessment year commencing after the 1st day of April, 1974; or

(b) the expiry of one year from the end of the financial year in which the assessment or re-assessment of the profits and gains

Substitution of new section for section 106.

Period of limitation for making orders under section 104.

of the previous year referred to in sub-section (1) of that section is made,

whichever is later:

Provided that the period of limitation specified in this section shall not apply in a case where the company has made an application to the Board under section 107A."

Amend-
ment of
section 172.

19. In section 172 of the Income-tax Act, with effect from the 1st day of June, 1975,—

(a) in sub-section (1), the words "unless the Income-tax Officer is satisfied that there is an agent of the non-resident from whom the tax will be recoverable under the other provisions of this Act" shall be omitted;

(b) in sub-section (2), for the words "one-sixth", the words "seven and a half per cent." shall be substituted.

Amend-
ment of
section
194A.

20. (1) In section 194A of the Income-tax Act,—

(a) in sub-section (3),—

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

"(i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person referred to in sub-section (1) to the account of, or to, the payee, does not exceed one thousand rupees;"

(ii) after clause (vii), the following clause shall be inserted, namely:—

"(viii) to such income credited or paid by the Central Government under any provision of this Act or the Indian Income-tax Act, 1922 or the Estate Duty Act, 1953 or the Wealth-tax Act, 1957 or the Gift-tax Act, 1958 or the Super Profits Tax Act, 1963 or the Companies (Profits) Surtax Act, 1964 or the Interest-tax Act, 1974;"

11 of 1922.
34 of 1953.
27 of 1957.
18 of 1958.
14 of 1963.
7 of 1964.
45 of 1974.

(b) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) The person responsible for making the payment referred to in sub-section (1) may, at the time of making any deduction, increase or reduce the amount to be deducted under this section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct during the financial year."

(2) Notwithstanding the substitution of clause (i) of sub-section (3) of section 194A of the Income-tax Act by sub-section (1) of this section, nothing in section 201 or section 276B of that Act shall apply to, or in relation to, any failure to deduct income-tax under sub-section (1) of

the said section 194A on any income by way of interest other than income chargeable under the head "Interest on securities" credited or paid on or after the 1st day of April, 1975 but before the 1st day of June, 1975, where the income so credited or paid at any one time does not exceed four hundred rupees.

21. In section 195 of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

Amend-
ment of
section 195.

'Provided further that the deduction of income-tax from any sum, being income chargeable under the head "Capital gains" relating to capital assets other than short-term capital assets, paid to a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India, shall be of an amount equal to the amount of income-tax on such sum calculated in accordance with the provisions of clause (i) of section 115.'

26 of 1974.

22. In the Income-tax Act, in the Ninth Schedule [as directed to be inserted by section 16 of the Direct Taxes (Amendment) Act, 1974], after item 23, the following item and *Explanation* shall be inserted with effect from the 1st day of April, 1976, namely:—

Amend-
ment of
Ninth
Schedule.

"24. Pesticides.

Explanation.—The article specified in item 24 does not include any formulation of pesticides unless the formulation is prepared by the manufacturer or producer of the basic pesticidal chemicals from which such formulation has been prepared."

23. In the Income-tax Act, the following Schedule shall be inserted at the end with effect from the 1st day of April, 1976, namely:—

Insertion
of Tenth
Schedule.

"THE TENTH SCHEDULE

[See section 40A (8)]

List of institutions and bodies

15 of 1948.

1. The Industrial Finance Corporation of India, established under the Industrial Finance Corporation Act, 1948.

63 of 1951.

2. Financial Corporations or Joint Financial Corporations, established under the State Financial Corporations Act, 1951 and any institution deemed under section 46 of that Act to be a Financial Corporation established by the State Government for the State within the meaning of that Act.

44 of 1958.

3. The Shipping Development Fund Committee, constituted under section 15 of the Merchant Shipping Act, 1958.

52 of 1963.

4. The Unit Trust of India, established under the Unit Trust of India Act, 1963.

18 of 1964.

5. The Industrial Development Bank of India, established under the Industrial Development Bank of India Act, 1964.

54 of 1948.

6. State Electricity Boards, constituted under the Electricity (Supply) Act, 1948.

31 of 1956.

7. The Life Insurance Corporation of India, established under the Life Insurance Corporation Act, 1956.

8. The Rehabilitation Industries Corporation of India Limited.

9. The State Trading Corporation of India Limited.

10. The Minerals and Metals Trading Corporation of India Limited.

11. The Rural Electrification Corporation Limited.
12. The Agricultural Finance Corporation Limited.
13. The Industrial Reconstruction Corporation of India Limited.
14. The Industrial Credit and Investment Corporation of India Limited.
15. The National Industrial Development Corporation of India Limited.
16. The State Industrial and Investment Corporation of Maharashtra Limited."

Conse-
quential
amend-
ments to
certain
sections.

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

In section 155,—

(a) in sub-section (5A), the following *Explanation* shall be inserted, and shall be deemed always to have been inserted, at the end, namely:—

Explanation.—For the purposes of this sub-section, where an assessee having any leasehold or other right of occupancy in any land transfers such right, he shall be deemed to have sold or otherwise transferred such land.;"

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

'(13) Where in the assessment for any year, any provision made by the assessee for the payment of gratuity to his employees on their retirement or on termination of their employment for any reason has not been allowed as a deduction in the computation of the income of the assessee under the head "Profits and gains of business or profession" on the ground that all the conditions specified in sub-clause (ii) (2) and sub-clause (ii) (3) of clause (b) of sub-section (7) of section 40A had not been complied with before the assessment was made and subsequently the assessee complies with such of those conditions as had not been complied with, the disallowance originally made shall be deemed to have been wrongly made and the Income-tax Officer shall, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year ending on the 31st day of March, 1977.'

(2) The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act with effect from the 1st day of April, 1976, namely:—

(a) in sub-clause (ii) of clause (3) of section 17, after the word, brackets, figures and letter "clause (10A)," the word, brackets, figures and letter clause "(10B)," shall be inserted;

(b) in sub-section (3) of section 80A, after the words, figures and letter "or section 80J", the words, figures and letters "or section 80JJ" shall be inserted;

(c) in sub-section (3) of section 80P,—

(i) after the words, figures and letter "or section 80J", the words, figures and letters "or section 80JJ" shall be inserted;

(ii) for the words, figures and letters "section 80HH and section 80J", the words, figures and letters "section 80HH, section 80J and section 80JJ" shall be substituted.

Wealth-tax

27 of 1957. 25. In section 2 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), for clause (h), the following clause shall be substituted, namely:— Amendment of section 2.

1 of 1956. '(h) "company" means a company formed and registered under the Companies Act, 1956 and includes—

(i) a company formed and registered under any law relating to companies formerly in force in any part of India;

(ii) a corporation established by or under a Central, State or Provincial Act;

(iii) any institution, association or body, whether incorporated or not and whether Indian or non-Indian, which the Board may, having regard to the nature and objects of such institution, association or body, declare by general or special order to be a company:

Provided that such institution, association or body shall be deemed to be a company only for such assessment year or assessment years (whether commencing before the 1st day of April, 1975 or on or after that date) as may be specified in the declaration;

(iv) any body corporate incorporated by or under the laws of a country outside India.'

26. In section 4 of the Wealth-tax Act, for sub-section (3), the following sub-section shall be substituted, namely:— Amendment of section 4.

"(3) Where the value of any assets is to be included in the net wealth of an assessee in accordance with clause (a) of sub-section (1),—

(a) there shall be deducted from such value any debts owing on the valuation date by the transferee mentioned in that clause in so far as such debts are referable to such assets; and

(b) the provisions of section 5 shall apply in relation to such assets, as if such assets were assets belonging to the assessee."

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

(a) in sub-section (1),—

(i) in the second proviso to clause (viii), for the words "twenty-five thousand rupees", the words "thirty thousand rupees" shall be substituted;

(ii) after clause (viii), the following clause shall be inserted with effect from the 1st day of April, 1976, namely:—

"(viii) trees standing on agricultural land, not being trees in an orchard or a plantation;";

(iii) in clauses (xx) and (xxviii), the words "held by the assessee" shall be omitted;

(iv) after clause (xx), the following clause shall be inserted, namely:—

Amendment of section 5.

“(xxa) the value of any equity shares in any company of the type referred to in clause (d) of section 45 which is established with the main object of carrying on the business of manufacture or production of any one or more of the articles or things specified in the list in the Ninth Schedule to the Income-tax Act, where such shares form part of the initial issue of equity share capital made by the company after the 28th day of February, 1975, for a period of five successive assessment years commencing with the assessment year next following the date on which such shares were first issued;”;

(v) in clause (xxiii), for the brackets, words and figures “[not being shares referred to in clause (xx)] held by the assessee”, the brackets, words, figures and letter “[not being shares referred to in clause (xx) or clause (xxa)]” shall be substituted;

(b) in the proviso to sub-section (1A), for the words “held by the assessee”, the words “owned by the assessee” shall be substituted;

(c) in sub-section (3),—

(i) for the brackets and figures “(xix)”, the brackets, figures and letter “(xix), (xxa)” shall be substituted;

(ii) for the words “held by him”, the words “owned by him” shall be substituted;

(iii) in the *Explanation*, for the words “ceased to hold”, the words “ceased to own” and for the words “held such other asset”, the words “has owned such other asset” shall be substituted.

Amend-
ment of
section
45.

28. In section 45 of the Wealth-tax Act, after clause (g), the following clause shall be, and shall be deemed always to have been, inserted, namely:—

“(h) any company incorporated outside India which has no place of business in India.”.

Gift-tax

Amend-
ment of
Act 18
of 1958.

29. In section 4 of the Gift-tax Act, 1958, in clause (a) of sub-section (1), the following proviso shall be inserted, and shall be deemed to have been inserted, at the end, with effect from the 1st day of April, 1974, namely:—

“Provided that nothing contained in this clause shall apply in any case where the property is transferred to the Government or where the value of the consideration for the transfer is determined or approved by the Central Government or the Reserve Bank of India.”.

Miscellaneous

Amend-
ment of
Act 20
of 1974.

30. In section 16 of the Finance Act, 1974, in clause (a), for the words, figures and letters “the 1st day of June, 1975”, the words, figures and letters “the 1st day of January, 1977” shall be substituted.

CHAPTER IV

INDIRECT TAXES

Auxi-
liary
duties
of cus-
toms.

31. (1) In the case of goods mentioned in the First Schedule to the Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), or in that Schedule as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to twenty per

32 of 1934.

52 of 1962. cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

10 of 1897. (2) Sub-section (1) shall cease to have effect after the 30th day of June, 1976, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

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

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

32. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1975", the figures "1976" shall be substituted.

Amendment of Act 1 of 1949.

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

Amendment of Act 1 of 1944.

(a) in section 2, in clause (f), after sub-clause (i), the following sub-clause shall be inserted, namely:—

"(ia) in relation to manufactured tobacco, includes the labelling or re-labelling of containers and repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer;"

(b) the First Schedule shall be amended in the manner specified in Parts I and II of the Second Schedule.

(2) The amendment made to Item No. 18 in the First Schedule to the Central Excises Act by paragraph (ii) of Part II of the Second Schedule to this Act shall be deemed to have had effect on and from the 1st day of March, 1975 and accordingly—

(a) refunds shall be made of all duties collected which would not have been collected if the amendment had come into force on that date; and

(b) recoveries shall be made of all duties which have not been collected but which would have been collected if the amendment had so come into force.

34. (1) In the case of goods mentioned in the First Schedule to the Central Excises Act, or in that Schedule as amended from time to time, there shall be levied and collected as an auxiliary duty of excise an amount equal to twenty per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act.

Auxiliary duties of excise.

10 of 1897. (2) Sub-section (1) shall cease to have effect after the 30th day of June, 1976, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

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

(4) The auxiliary duties of excise leviable under sub-section (1) in the financial year 1975-76 shall be for the purposes of the Union and the proceeds thereof shall not be distributed among the States and the auxiliary duties of excise leviable under sub-section (1) in the financial year 1976-77 shall, for the purposes of section 2 of the Union Duties of Excise (Distribution) Act, 1962, be deemed to be auxiliary duties of excise levied and collected under the Finance Act of the financial year 1976-77 and the provisions of the 1962-Act aforesaid shall apply accordingly.

3 of 1962.

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

35. The First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 shall be amended in the manner specified in the Third Schedule.

36. For the year beginning on the 1st day of April, 1975, no duty under the Central Excises Act or the Tariff Act shall be levied in respect of salt manufactured in or imported into, India.

37. (i) Notwithstanding any judgment, decree or order of any court, in all Central laws, providing for or relating to the levy on iron or steel products of duties of excise, as in force during or at any time during the period commencing with the appointed day and ending with the 28th day of February, 1975,—

(I) any reference to strips shall be construed as including and as having always included skelp as defined in *Explanation 2* unless such Central law excluded, expressly or by necessary implication, skelp from strips; and

(II) any reference to skelp shall be construed as having and having always had the meaning assigned to it in *Explanation 2*,

and accordingly—

(a) all duties of excise levied, assessed or collected or purporting to have been levied, assessed or collected on skelp, as defined in *Explanation 2*, under any such Central law shall be deemed to be as validly levied, assessed or collected as if the provisions of this section had been in force at all material times when such duties of excise were levied, assessed or collected;

(b) no suit or other proceeding shall be maintained or continued in any court for the refund of, and no enforcement shall be made by any court of any decree or order directing the refund of, any such duties of excise which have been collected and which would have been validly collected if the provisions of this section had been in force at all material times when such duties were collected;

(c) refunds shall be made of all such duties of excise which have been collected but which would not have been collected if the provisions of this section had been in force at all material times when such duties were collected; and

Amendment of Act 58 of 1957. Discontinuance of salt duty. Special provisions as to duties of excise on skelp.

(d) recoveries shall be made of all such duties of excise which have not been collected but which would have been collected if the provisions of this section had been in force as from the appointed day.

Explanation 1.—In this sub-section—

(a) “appointed day” means the 24th day of April, 1962, being the day immediately following the date of introduction of the Finance (No. 2) Bill, 1962, which, *inter alia*, provided for the levy of duties of excise on strips;

(b) “Central law” means—

(i) a Central Act;

(ii) any provision in a Bill introduced in the House of the People in respect of which a declaration was made under section 3 of the Provisional Collection of Taxes Act, 1931;

(iii) any rule or notification made or issued under such Central Act or provision;

(c) “duties of excise” include regulatory duties of excise and auxiliary duties of excise.

Explanation 2.—For the purposes of this section, “skelp” means hot rolled narrow strip of width not exceeding six hundred millimetres with rolled (square, slightly round or bevelled) edge.

(2) 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 V

CENTRAL SALES TAX

38. In the Central Sales Tax Act, 1956, with effect from the 1st day of July, 1975,—

(1) in section 6, in sub-section (2), in clause (a) of the second proviso, for the words “three per cent.”, the words “four per cent.” shall be substituted;

(2) in section 8,—

(a) in sub-section (1), for the words “three per cent.”, the words “four per cent.” shall be substituted;

(b) in sub-section (2), in clause (a), for the words “at the rate”, the words “at twice the rate” shall be substituted;

(c) in sub-section (2A),—

(i) for the words, brackets and figure “or sub-section (2)”, the words, brackets, letter and figure “or clause (b) of sub-section (2)” shall be substituted;

(ii) for the words “three per cent.”, the words “four per cent.” shall be substituted;

(3) in section 15, in clause (a), for the words “three per cent.”, the words “four per cent.” shall be substituted.

Amend-
ment of
Act 74
of 1956.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGE ON INCOME-TAX

Paragraph A

Sub-Paragraph I

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

Rates of income-tax

(1) where the total income does not exceed Rs. 6,000	Nil;
(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000	12 per cent. of the amount by which the total income exceeds Rs. 6,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 480 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,230 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,230 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 3,730 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 5,730 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 15,730 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;
(9) where the total income exceeds Rs. 70,000	Rs. 27,730 plus 70 per cent. of the amount by which the total income exceeds Rs. 70,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1975 exceeds Rs. 6,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 6,000	Nil;
(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000	15 per cent. of the amount by which the total income exceeds Rs. 6,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 600 plus 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,600 plus 30 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 3,100 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 5,100 plus 50 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 19,600 plus 70 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) Where the total income exceeds Rs. 50,000	Rs. 19,600 plus 70 per cent. of the amount by which the total income exceeds Rs. 50,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

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

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

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

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	4 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

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

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

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

Paragraph E

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

Rates of income-tax

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

(ii) on the balance, if any, of the total income

the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

Paragraph F

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

Rates of income-tax

I. In the case of a domestic company,—

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

(i) in a case where the total income does not exceed Rs. 1,00,000 45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 1,00,000 55 per cent. of the total income;

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

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 2,00,000 55 per cent.;

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

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

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000.

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

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

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

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

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

(ii) on the balance, if any, of the total income 70 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194D and 195 of the Income-tax Act, tax is to be deducted at the

rates in force, deduction shall be made from the income subject to deduction at the following rates:—

	Income-tax	
	Rate of income-tax	Rate of surcharge
1. In the case of a person other than a company—		
(a) where the person is resident—		
(i) on income by way of interest other than "Interest on securities"	10 per cent.	Nil;
(ii) on income by way of winnings from lotteries and crossword puzzles	30 per cent.	3 per cent.;
(iii) on income by way of insurance commission	10 per cent.	Nil;
(iv) on any other income (excluding interest payable on a tax-free security)	21 per cent.	2 per cent.;
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax-free security)	income-tax at 30 per cent. and surcharge at 3 per cent. of the amount of the income, or income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;	
(ii) on income by way of interest payable on a tax-free security.	15 per cent.	1.5 per cent.
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities"	20 per cent.	1 per cent.;
(ii) on any other income (excluding interest payable on a tax-free security)	22 per cent.	1 per cent.;

	Income-tax	
	Rate of income-tax	Rate of surcharge
(b) where the company is not a domestic company—		
(i) on income by way of dividends payable by any domestic company	24.5 per cent.	1.225 per cent.;
(ii) on income by way of royalties payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, and which has been approved by the Central Government	50 per cent.	2.5 per cent.;
(iii) on income by way of fees payable by an Indian concern for rendering technical services in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, and which has been approved by the Central Government	50 per cent.	2.5 per cent.;
(iv) on income by way of interest payable on a tax-free security	44 per cent.	2.2 per cent.;
(v) on any other income	70 per cent.	3.5 per cent.

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" or any payment referred to in sub-section (9) of section 80E and computing "advance tax".

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" (not being "advance tax" in respect of any income chargeable to tax under section 164 of the Income-tax Act at

the rate of sixty-five per cent.) shall be so calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

Sub-Paragraph I

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

Rates of income-tax

(1) where the total income does not exceed Rs. 6,000	Nil;
(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000	12 per cent. of the amount by which the total income exceeds Rs. 6,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 480 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,230 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,230 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 3,730 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 5,730 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 15,730 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;
(9) where the total income exceeds Rs. 70,000	Rs. 27,730 plus 70 per cent. of the amount by which the total income exceeds Rs. 70,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the

previous year relevant to the assessment year commencing on the 1st day of April, 1976 exceeds Rs. 6,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 6,000	Nil;
(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000	15 per cent. of the amount by which the total income exceeds Rs. 6,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 600 plus 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,600 plus 30 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 3,100 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 5,100 plus 50 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 7,600 plus 60 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000	Rs. 19,600 plus 70 per cent. of the amount by which the total income exceeds Rs. 50,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income,
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

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

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000.	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

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

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	4 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

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

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

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

Paragraph E

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

Rates of income-tax

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

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

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

Paragraph F

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

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the

public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 1,00,000

45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 1,00,000

55 per cent. of the total income;

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

(i) in the case of an industrial company,—

(a) where the total income does not exceed Rs. 2,00,000

55 per cent. of the total income;

(b) where the total income exceeds Rs. 2,00,000

60 per cent. of the total income;

(ii) in any other case

65 per cent. of the total income:

Provided that—

(i) the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000;

(ii) the income-tax payable by a domestic company, not being a company in which the public are substantially interested, which is an industrial company and the total income of which exceeds Rs. 2,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 2,00,000.

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

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

(a) royalties received from an Indian concern

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

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

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

(ii) on the balance, if any, of the total income 70 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART IV

[See section 2(8) (e)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

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

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

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 34, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43 and 43A of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it

were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of the said section 23 shall apply subject to the modifications that the references to "total income" therein shall be construed as references to net agricultural income and that the words, figures and letter "and before making any deduction under Chapter VIA" shall be omitted.

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

Rule 5.—Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act, which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of the said section 183 and which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act and the share so computed shall be regarded as the agricultural income or loss of the assessee.

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

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

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

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

Rule 9.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1975, any agricultural income and the net result of the computation of the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1974 is a loss, then, for the purposes of sub-section (2) of section 2 of this Act, the loss so computed 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, 1975.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1976 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 the previous year relevant to the assessment year commencing on the 1st day of April, 1974, or the 1st day of April, 1975, or both, is a loss, then, for the purposes of sub-section (7) 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, 1974, 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, 1975, and

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1975,

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, 1976 or the period aforesaid.

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

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

(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules, or the rules contained in Part IV of the First Schedule to the Finance Act, 1974, shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

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

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

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

THE SECOND SCHEDULE

[See section 33 (b)]

PART I

In the First Schedule to the Central Excises Act,—

(i) in Item No. 1, for the entry in the third column against sub-item (1), the entry "Thirty-seven and a half per cent. *ad valorem*." shall be substituted;

(ii) in Item No. 4, under "I. Unmanufactured tobacco—", for the entry in the third column against sub-item (8), the entry "One rupee and ninety paise." shall be substituted;

(iii) in Item No. 6, for the entry in the third column, the entry "Two thousand and one hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

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

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

(vi) in Item No. 16, in the second column, after the words "and includes the inner tube", the words ", the tyre flap" shall be inserted;

(vii) in Item No. 17, for the entry in the third column against sub-item (3), the entry "Ninety paise per kilogram." shall be substituted;

(viii) in Item No. 18A, for the entries in the third column against sub-items (1) and (2), the entries "Ten rupees per kilogram." and "Four rupees per kilogram." shall, respectively, be substituted;

(ix) in Item No. 23, for the entry in the third column, the entry "Thirty-five per cent. *ad valorem*." shall be substituted;

(x) in Item No. 23A, for the entries in the third column against sub-items (1), (3) and (4), the entries "Thirty per cent. *ad valorem*.", "Fifteen per cent. *ad valorem*." and "Thirty per cent. *ad valorem*." shall, respectively, be substituted;

(xi) in Item No. 23B, for the entries in the third column against sub-items (1), (2), (3) and (4), the entries "Thirty per cent. *ad valorem*.", "Forty per cent. *ad valorem*.", "Forty per cent. *ad valorem*." and "Twenty-five per cent. *ad valorem*." shall, respectively, be substituted;

(xii) in Item No. 26AA, in the second column, the following *Explanation* shall be inserted at the end, namely:—

Explanation.—"skelp" means hot rolled narrow strip of width not exceeding six hundred millimetres with rolled (square, slightly round or bevelled) edge.;

(xiii) in Item No. 27, for each of the entries in the third column against sub-items (a) (i), (a) (ii), (b), (c), (d), (e) and (f), the entry "Thirty per cent. *ad valorem* plus two thousand rupees per metric tonne." shall be substituted;

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

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

(xvi) in Item No. 33B, for the entry in the third column against sub-item (i), the entry "Seventeen and a half per cent. *ad valorem*." shall be substituted;

(xvii) in Item No. 48, for the entry in the third column, the entry "Twenty per cent. *ad valorem*." shall be substituted.

PART II

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

In the First Schedule to the Central Excises Act,—

(i) in Item No. 4, under "II. Manufactured tobacco",—

(a) for the entries against sub-item (3), the following entries shall be substituted, namely:—

"(i) Biris in the manufacture of which any process has been conducted with the aid of machines operated with or without the aid of power

Three rupees and eighty paise per thousand

(ii) other biris

Eighty paise per thousand.";

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

"(5) Chewing tobacco

Ten per cent. *ad valorem*.

(6) Snuff

Two rupees and fifty paise per kilogram.";

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

18. RAYON AND SYNTHETIC FIBRES AND YARN INCLUDING TEXTURED YARN,

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
	IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER—	
	(i) Fibres and Yarn, other than Textured Yarn	Eighty-five rupees per kilogram
	(ii) Textured Yarn produced out of Base Yarn	The duty for the time being leviable on the base yarn, if not already paid, plus twenty rupees per kilogram
	(iii) Other Textured Yarn	One hundred and five rupees per kilogram;
	<i>Explanation I.</i> —“Fibres and Yarn, other than Textured Yarn”, shall be deemed to include—	
	(i) man-made fibres;	
	(ii) man-made metallic yarn;	
	(iii) spun (discontinuous) yarn containing not less than ninety per cent. by weight of man-made fibres calculated on the total fibre content; and	
	(iv) man-made filament (continuous) yarn that has not been processed to introduce crimps, coils, loops or curls along the length of the filaments,	
	but does not include bulked yarn and stretch yarn.	
	<i>Explanation II.</i> —“Textured Yarn” means yarn that has been processed to introduce crimps, coils, loops or curls along the length of the filaments and shall include bulked yarn and stretch yarn.	
	<i>Explanation III.</i> —“Base Yarn” means yarn falling under subitem (i) of this Item from which the Textured Yarn has been produced.	
	(iii) for Item No. 33A, the following Item shall be substituted, namely:—	
“33A	WIRELESS RECEIVING SETS, ALL SORTS, INCLUDING ANY COMBINATION	

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
	<p>OF TWO OR MORE OF THE FOLLOWING, NAMELY, BROADCAST TELEVISION RECEIVER SETS, RADIOS (INCLUDING TRANSISTOR SETS), GRAMOPHONES (INCLUDING RECORD PLAYERS, RECORD PLAYING DECKS AND RECORD CHANGING DECKS) AND TAPE RECORDERS (INCLUDING CASSETTE RECORDERS AND TAPE DECKS), IN EACH CASE WHETHER WITH OR WITHOUT LOUD-SPEAKERS—</p>	
	(1) Broadcast television receiver sets.	Twenty per cent. <i>ad valorem.</i>
	(2) Radios (including transistor sets).	Three hundred rupees per set.
	(3) Radiograms (including radio or transistor sets with extra space in cabinet for fitting in record players or record changers).	Three hundred rupees per set.
	(4) Others.	Thirty per cent. <i>ad valorem.</i> ;
	(iv) for Item No. 43, the following Item shall be substituted, namely:—	
"43	<p>WOOL TOPS, THAT IS TO SAY, TOPS CONTAINING MORE THAN FIFTY PER CENT. BY WEIGHT OF WOOL CALCULATED ON THE TOTAL FIBRE CONTENT</p>	Ten rupees per kilogram.";
	(v) after Item No. 66, the following Items shall be inserted, namely:—	
"67	<p>GRAPHITE ELECTRODES AND ANODES, ALL SORTS</p>	Fifteen per cent. <i>ad valorem.</i>

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
68	ALL OTHER GOODS, NOT ELSEWHERE SPECIFIED, MANU- FACTURED IN A FACTORY BUT EX- CLUDING— (a) alcohol all sorts in- cluding alcoholic li- quors for human consumption; (b) opium, Indian hemp and other narcotic drugs and narcotics; and (c) dutiable goods as de- fined in section 2 (c) of the Medicinal and Toilet Prepa- rations (Excise Du- ties) Act, 1955	One per cent. <i>ad valorem</i> .

16 of 1955.

Explanation.—In this Item, the expression “factory” has the meaning assigned to it in section 2 (m) of the Factories Act, 1948.

63 of 1948.

THE THIRD SCHEDULE

(See section 35)

Item No. in the First Schedule to the Central Excises and Salt Act, 1944.	Description of goods	Rate of additional duty
1	2	3

58 of 1957.

In the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957, in Item No. 4, under "II. Manufactured tobacco—", for the entries against sub-item (3), the following entries shall be substituted, namely:—

"(i) Biris in the manufacture of which any process has been conducted with the aid of machines operated with or without the aid of power; Eighty paise per thousand;

(ii) Other biris Twenty paise per thousand."

THE TOBACCO CESS ACT, 1975

NO. 26 OF 1975

[12th May, 1975]

An Act to provide for the levy and collection, by way of cess, of a duty of excise on virginia tobacco and a duty of customs on tobacco, for the development of tobacco industry and for matters connected therewith.

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

Short title, extent and commencement.

1. (1) This Act may be called the Tobacco Cess Act, 1975.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, ² [(a) "auction platform" means an auction platform registered with the Board in accordance with the rules made under the Tobacco Board Act, 1975 or established by the Board under that Act;]

Definitions.

² (b) "Board" means the Tobacco Board established under section 4 of the Tobacco Board Act, 1975;

4 of 1975.

² (c) "prescribed" means prescribed by rules made under this Act;

~~² (d) "registered auction platform" means an auction platform registered with the Board in accordance with the rules made under the Tobacco Board Act, 1975.~~

4 of 1975.

⁴ 1-1-1976: Vide Motif. No. S.O. 5419, dt. 17-12-1975 (except sec. 3).
² Re-lettered, ins. & omitted by Act 36 of 1978, S. 7.

4 of 1975. (2) All words and expressions used in this Act and not defined, but defined in the Tobacco Board Act, 1975, shall have the meanings respectively assigned to them in that Act.

4 of 1975. 3. (1) There shall be levied and collected, by way of a cess for the purposes of the Tobacco Board Act, 1975, a duty of excise at the rate of one paisa per kilogram on virginia tobacco which is produced in India and sold at a ~~registered auction platform~~ *[an auction platform]* Duties of excise on virginia tobacco.

(2) The duty of excise levied under sub-section (1) shall be in addition to any cess or duty leviable on virginia tobacco under any other law for the time being in force.

(3) The duty of excise payable under sub-section (1) in respect of any virginia tobacco sold at a ~~registered auction platform~~ *[an auction platform]* shall be payable by the seller thereof to the person or authority prescribed in respect of such platform.

(4) The person or authority prescribed in respect of a ~~registered auction platform~~ shall collect the duty of excise payable on virginia tobacco sold at such platform and pay the amount so collected to the Central Government in such manner and within such time as may be prescribed.

(5) If any duty of excise payable under this section, or if any amount collected under this section by way of such duty, has not been paid to the Central Government within the period prescribed under sub-section (4), the Central Government may recover such duty or amount in the same manner as an arrear of land revenue.

4 of 1975. 4. (1) There shall be levied and collected, by way of a cess for the purposes of the Tobacco Board Act, 1975, a duty of customs at such rate not exceeding one per cent. *ad valorem* as the Central Government may specify, by notification in the Official Gazette, on all tobacco, which is exported. Duties of customs on tobacco.

Explanation.—"Exported" means taken out of India by land, sea or air.

(2) The duties of customs levied under sub-section (1) shall be in addition to any cess or duty leviable on tobacco under any other law for the time being in force.

52 of 1962. (3) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to refunds and exemptions from duty, shall, as far as may be, apply in relation to the levy and collection of the duty of customs leviable under sub-section (1) as they apply in relation to the levy and collection of duties of customs under that Act or those rules and regulations.

4 of 1975. 5. The proceeds of the duties of excise and customs levied under sections 3 and 4 respectively shall first be credited to the Consolidated Fund of India and the Central Government may, if Parliament, by appropriation made by law in this behalf, so provides, pay to the Board, from time to time, from out of such proceeds, after deducting the expenses on collection, such sums of money as it may think fit for being utilised for the purposes of the Tobacco Board Act, 1975. Crediting proceeds of duties to Consolidated Fund of India.

Cl. only by Act 26 of 1975, 57.

Penalty for evasion of duty of excise payable under section 3.

6. Whoever wilfully or intentionally evades or attempts to evade the payment of any duty of excise payable by him under section 3, or the payment of any amount collected by way of duty under that section shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Offences by companies.

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

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

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

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Jurisdiction of court.

8. No court inferior to that of a Metropolitan Magistrate or a Magistrate of the first class shall try any offence punishable under this Act.

Previous sanction of Central Government.

9. No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

Protection of action taken in good faith.

10. No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer or other employee of the Central Government or against the Board or any officer or employee of the Board for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Power of Central Government to make rules,

11. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the assessment and collection of the duties of excise levied under section 3 and the functions and powers which may be exercised and the duties which may be discharged in connection therewith by the Board or any officers or other employees of the Board;

(b) the persons or authorities who may collect duties of excise under sub-sections (3) and (4) of section 3, the time within which and the manner in which the proceeds of such duties of excise shall be paid to the Central Government;

(c) the returns which the persons or authorities referred to in clause (b) shall furnish to the Central Government and the form and the manner in which and the intervals at which such returns shall be furnished;

(d) any other matter which has to be, or may be, prescribed by, or provided for, by rules, under this Act.

(3) In making any rule under this section, the Central Government may direct that a contravention thereof shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention, with an additional fine which may extend to fifty rupees for every day during which such contravention continues after conviction for the first such contravention.

(4) Every rule made under this section shall 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.

THE NAGALAND APPROPRIATION (No. 2) ACT, 1975

No. 27 OF 1975

[14th May, 1975]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Nagaland for the services of the financial year 1975-76.

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

Short
title.

1. This Act may be called the Nagaland Appropriation (No. 2) Act, 1975.

Issue of
Rs. 67,98,
62,000 out
of the
Consoli-
dated
Fund of
the State
of Naga-
land
for the
financial
year
1975-76.

2. From and out of the Consolidated Fund of the State of Nagaland there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Nagaland Appropriation (Vote on Account) Act, 1975] to the sum of sixty-seven crores, ninety-eight lakhs and sixty-two thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76 in respect of the services specified in column 2 of the Schedule.

18 of 1975.

Appro-
priation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the State of Nagaland by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote/ Appropriation	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	State Legislature . . . Revenue	23,00,000	3,00,000	26,00,000
2	Head of State . . . Revenue	..	6,94,000	6,94,000
3	Council of Ministers . Revenue	50,00,000	..	50,00,000
4	Administration of Justice . Revenue	13,50,000	2,00,000	15,50,000
5	Elections . . . Revenue	19,55,000	..	19,55,000
6	Land revenue, stamps and registration . . . Revenue	17,07,000	..	17,07,000
7	State Excise . . . Revenue	7,50,000	..	7,50,000
8	Sales Tax . . . Revenue	6,00,000	..	6,00,000
9	Taxes on Vehicles . . . Revenue	4,60,000	..	4,60,000
10	Servicing of debt . . . Revenue	..	1,58,50,500	1,58,50,500
	Capital	..	19,49,500	19,49,500
11	Public Service Commission . . . Revenue	..	5,50,000	5,50,000
12	Civil Secretariat . . . Revenue	1,07,00,000	..	1,07,00,000
13	District administration special welfare scheme and Tribal Council . Revenue	1,68,00,000	..	[1,68,00,000
14	Treasury and accounts administration . . . Revenue	15,50,000	..	15,50,000
15	Special expenditure on maintenance of law and order including contribution for pen- sions and gratuities . Revenue	68,00,000	..	[68,00,000
16	Village Guards . . . Revenue	37,50,000	..	37,50,000
17	Civil Police and Fire Service Unit . . . Revenue	5,23,00,000	..	5,23,00,000
18	Jails . . . Revenue	38,20,000	..	38,20,000
19	Stationery and Printing . Revenue	26,50,000	..	26,50,000
20	Vigilance Commission . Revenue	1,00,000	..	1,00,000
21	Workshop Organisation . Revenue	16,50,000	..	16,50,000

1	2	3		
		Sums not exceeding		
No. of Vote/ Appropriation	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
22	Nagaland Houses . . . Revenue	6,20,000	..	6,20,000
23	Administrative Training Institute . . . Revenue	5,50,000	..	5,50,000
24	State Lotteries . . . Revenue	9,05,000	..	9,05,000
25	Pensions and Other Re- tirement Benefits . . . Revenue	5,64,000	..	5,64,000
26	Education . . . Revenue	5,31,78,000	..	5,31,78,000
27	Art and Culture and Gazetteers Unit . . . Revenue	10,85,000	..	10,85,000
28	Medical, Public Health and Family Planning . . . Revenue	3,06,84,100	..	3,06,84,100
29	Urban Development . . . Revenue	14,50,000	..	14,50,000
30	Information, Publicity and Tourism . . . Revenue	32,80,000	..	32,80,000
31	Employment Exchange . . . Revenue	2,15,000	..	2,15,000
32	Labour . . . Revenue	1,15,000	..	1,15,000
33	Tribal Development Blocks, Community Project, etc. . . . Revenue	83,80,000	..	83,80,000
34	Social Welfare . . . Revenue	35,25,000	..	35,25,000
35	Soldiers, Sailors and Airmen's Board . . . Revenue	65,000	..	65,000
36	Social Security, Welfare and Community Ser- vices Revenue	11,03,000	..	11,03,000
37	Evaluation Unit . . . Revenue	1,60,000	..	1,60,000
38	Co-operation . . . Revenue	24,80,000	..	24,80,000
	Capital	12,70,000	..	12,70,000
39	Statistics . . . Revenue	14,50,000	..	14,50,000
40	Weights and Measures . . . Revenue	3,71,000	..	3,71,000
41	Supply Office at Calcutta Revenue	1,77,000	..	1,77,000
42	Agriculture, Minor Irri- gation, Fisheries, etc. . . Revenue	2,24,35,100	..	2,24,35,100
43	Soil Conservation . . . Revenue	40,50,000	..	40,50,000
44	Grain Supply Scheme . . . Revenue	53,50,000	..	53,50,000
	Capital	3,00,00,000	..	3,00,00,000
45	Animal Husbandry and Dairy Development . . . Revenue	1,07,33,000	..	1,07,33,000
	Capital	1,40,000	..	1,40,000

1	2	3		
		Sums not exceeding		
No. of Vote/ Appropriation	Services and purposes	Voted by Parliament	Charged on the Consolida- ted Fund	Total
		Rs.	Rs.	Rs.
46	Forest Revenue	79,90,000	..	79,90,000
47	Industries Revenue	54,70,000	..	54,70,000
	Capital	2,22,50,000	..	2,22,50,000
48	Mineral Development . Revenue	25,25,000	..	25,25,000
49	Power Projects Revenue	2,84,31,100	..	2,84,31,100
	Capital	1,59,26,500	..	1,59,26,500
50	Road Transport Revenue	63,00,000	..	63,00,000
	Capital	35,00,000	..	35,00,000
51	Financial Corporation Cell Revenue	5,00,000	..	5,00,000
52	Housing Loans and Loans to Government Servants Capital	78,00,000	..	78,00,000
53	Public Works, Housing, Road and Bridge Revenue	18,05,18,000	..	18,05,18,000
	Capital	4,42,65,000	..	4,42,65,000
54	Functional buildings Other Developmental and Schemes Capital	1,56,33,400	..	1,56,33,400
55	Water Supply Schemes Revenue	1,01,31,800	..	1,01,31,800
	Capital	1,05,00,000	..	1,05,00,000
	TOTAL	66,03,18,000	1,95,44,000	67,98,62,000

Rep. by Act... 38 of 1978, S. 2 + Sch. I

THE COMPANIES (TEMPORARY RESTRICTIONS ON
DIVIDENDS) AMENDMENT ACT, 1975

No. 28 of 1975

[21st May, 1975.]

An Act to amend the Companies (Temporary Restrictions on Divi-
dends) Act, 1974.

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

Short title
and com-
mence-
ment.

1. (1) This Act may be called the Companies (Temporary Restrictions
on Dividends) Amendment Act, 1975.

(2) It shall be deemed to have come into force on the 1st day of
March, 1975.

Amend-
ment of
section 4.

2. In the Companies (Temporary Restrictions on Dividends) Act, 1974
(hereinafter referred to as the principal Act), in section 4, in sub-section
(1), for the words "For a period of two years", the words "Save as other-
wise provided in section 5A, for a period of two years" shall be substituted.

35 of 1974.

Amend-
ment of
section 5.

3. In section 5 of the principal Act, for the words "For a period of two
years", the words "Save as otherwise provided in section 5A, for a period
of two years" shall be substituted.

[ACT 28 OF 1975] *Companies (Temporary Restrictions on Dividends) Amendment 159*

4. After section 5 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 5A.

'5A. (1) On and from the commencement of the Companies (Temporary Restrictions on Dividends) Amendment Act, 1975, and subject to the provisions of sub-section (2), it shall be lawful for a company to which this Act applies to declare, out of its profits for any financial year, dividend exceeding, in the aggregate, its distributable profits for that financial year.

Restrictions under which dividends in excess of distributable profits may be declared.

(2) Where, after the commencement of the Companies (Temporary Restrictions on Dividends) Amendment Act, 1975, a company to which this Act applies declares dividend for any financial year exceeding, in the aggregate, its distributable profits for that financial year, such company shall not, for a period of two years from the appointed day, make payment of so much of such dividend as exceeds its distributable profits for that financial year and, on the expiry of the said period, so much of the dividend as is in excess of the distributable profits of the company for the financial year aforesaid (the amount in excess as aforesaid being hereinafter referred to as the "deferred dividend"), shall be payable, together with interest due thereon at the rate of eight per cent. per annum, in two equal annual instalments, the first of which shall become due and payable on the date on which the said period of two years expires.

(3) The provisions of sections 4 and 5 shall, except to the extent they are inconsistent with the provisions of this section, apply to a dividend declared under this section.

(4) No dividend shall be declared under sub-section (1) except after complying with the provisions of sub-section (2A) of section 205 of the Companies Act, 1956.

1 of 1956.

(5) The provisions of section 205A of the Companies Act, 1956, shall not apply to any instalment of deferred dividend:

1 of 1956.

Provided that if the whole or any part of an instalment of deferred dividend remains unpaid after the expiry of a period of thirty days from the date on which such instalment becomes due and payable, the provisions of the said section 205A shall apply to the amount so remaining unpaid.

(6) Where, after the commencement of the Companies (Temporary Restrictions on Dividends) Amendment Act, 1975, a company to which this Act applies declares dividend for any financial year exceeding, in the aggregate, its distributable profits for that financial year, the provisions of the Income-tax Act, 1961, shall subject to the provisions of sub-section (10), apply in relation to the whole of the dividend so declared, as they apply in relation to dividend which is declared but payment of no part of which is deferred.

43 of 1961.

(7) Where, after the commencement of the Companies (Temporary Restrictions on Dividends) Amendment Act, 1975, a company to which this Act applies declares dividend for a financial year exceeding, in the aggregate, its distributable profits for that financial

year, the company shall post, within forty-two days from the date of such declaration, to every shareholder entitled to the payment of the dividend, a warrant authorising the payment of the dividend so declared, but the said warrant shall be so prepared as to authorise—

(a) immediate payment of so much of the dividend as does not exceed the distributable profits of the company for the financial year aforesaid (hereinafter referred to as the "immediate dividend"), and

(b) the payment of the deferred dividend on the respective dates on which each instalment of the deferred dividend becomes due and payable.

(8) Income-tax deducted under sub-section (6) from dividends shall be so apportioned between the immediate dividend and each instalment of the deferred dividend as to ensure that the income-tax deducted from the immediate dividend and each instalment of the deferred dividend bears the same proportion to the gross amount of the immediate dividend and the gross amount of each instalment of the deferred dividend as the total amount of the income-tax so deducted bears to the gross amount of the total dividend declared by the company.

(9) Every warrant issued under sub-section (7) shall be in such form and contain such particulars as may be specified by rules made under this Act.

(10) Notwithstanding anything to the contrary contained in the Income-tax Act, 1961, the Income-tax Officer shall not, for the purposes of that Act, treat an assessee to whom any instalment of deferred dividend is payable as in default in respect of that part of income-tax which is due in respect of such instalment of deferred dividend, as reduced by the income-tax, if any, deducted at source from such instalment, and shall continue to treat the assessee as not in default in respect of the said part of the income-tax, as so reduced, until the expiry of thirty-five days from the date on which such instalment becomes due and payable to the assessee or the warrant in respect of such instalment is transferred by the assessee to any person, whichever is earlier, and no interest shall be chargeable under sub-section (2) of section 220 of that Act in respect of the said part of the income-tax, as so reduced, for the period during which the assessee is treated as not in default.

43 of 1961.

Explanation.—In this sub-section, "assessee" has the meaning assigned to it in clause (7) of section 2 of the Income-tax Act, 1961.

43 of 1961.

THE GOVERNMENT OF UNION TERRITORIES
(AMENDMENT) ACT, 1975

No. 29 OF 1975

[22nd May, 1975.]

An Act further to amend the Government of Union Territories Act, 1963, the Representation of the People Act, 1950 and the Representation of the People Act, 1951 and also to amend the North-Eastern Council Act, 1971.

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

1. (1) This Act may be called the Government of Union Territories (Amendment) Act, 1975.

Short title
and
commence-
ment.

(2) It shall come into force on such date, being a date not earlier than the date of commencement of the Constitution (Thirty-Seventh Amendment) Act, 1975, as the Central Government may, by notification in the Official Gazette, appoint.

Amend-
ment of
section 1.

2. In section 1 of the Government of Union Territories Act, 1963 (hereinafter referred to as the principal Act), in sub-section (2),—

(i) before the second proviso, the following proviso shall be inserted, namely:—

“Provided further that it shall come into force in the Union territory of Arunachal Pradesh on such date, being a date not earlier than the date of commencement of the Government of Union Territories (Amendment) Act, 1975, as the Central Government may, by notification in the Official Gazette, appoint:”;

(ii) in the second proviso, for the words “Provided further that”, the words “Provided also that, subject to the preceding provisos,” shall be substituted.

Amend-
ment of
section 2.

3. In section 2 of the principal Act, in sub-section (1), in clause (h), for the words “Pondicherry and Mizoram”, the words “Pondicherry, Mizoram and Arunachal Pradesh” shall be substituted.

Substi-
tution
of new
section
for
section
21.

4. For section 21 of the principal Act, the following section shall be substituted, namely:—

Incon-
sistency
between
laws
made
by Par-
liament
and laws
made
by Legis-
lative
Assem-
bly.

“21. If any provision of a law made by the Legislative Assembly of a Union territory with respect to any matter enumerated in the State List in the Seventh Schedule to the Constitution is repugnant to any provision of a law made by Parliament with respect to that matter, whether passed before or after the law made by the Legislative Assembly of the Union territory, or, if any provision of a law made by the Legislative Assembly of a Union territory with respect to any matter enumerated in the Concurrent List in the Seventh Schedule to the Constitution is repugnant to any provision of any earlier law, other than a law made by the Legislative Assembly of the Union territory, with respect to that matter, then, in either case, the law made by Parliament, or, as the case may be, such earlier law shall prevail and the law made by the Legislative Assembly of the Union territory shall, to the extent of the repugnancy, be void:

Provided that if such law made by the Legislative Assembly of the Union territory has been reserved for the consideration of the President and has received his assent, such law shall prevail in that Union territory:

Provided further that nothing in this section shall prevent Parliament from enacting at any time any law with respect to the same matter including a law adding to, amending, varying or repealing the law so made by the Legislative Assembly of the Union territory.”

Amend-
ment of
section 26.

5. In section 26 of the principal Act, for the words “by the President”, the words “by the Administrator, or, on being reserved by the Administrator for the consideration of the President, by the President” shall be substituted.

6. In section 33 of the principal Act, in the proviso to sub-section (2), for the words "the Legislative Assembly of the Union territory of Mizoram", the words "the Legislative Assemblies of the Union territories of Arunachal Pradesh and Mizoram" shall be substituted.

Amendment of section 33.

7. In section 38 of the principal Act, in clause (a), for the words, figures and letter "under section 43A", the words, figures and letters "under section 43A or section 43C" shall be substituted.

Amendment of section 38.

8. After section 43A of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 43B and 43C.

"43B. In the House of the People to be constituted after the general election to that House to be held after the commencement of the Government of Union Territories (Amendment) Act, 1975 and thereafter, there shall be allotted two seats to the Union territory of Arunachal Pradesh and the First Schedule to the Representation of the People Act, 1950 shall be deemed to have been amended accordingly.

Representation of Arunachal Pradesh in the House of the People.

43 of 1950.

43C. (1) The provisions of sections 39 to 43 (both inclusive) shall not apply to the delimitation of parliamentary constituencies in the Union territory of Arunachal Pradesh or to the delimitation of constituencies for the purpose of elections to the Legislative Assembly of that Union territory.

Special provisions for delimitation of parliamentary constituencies in Arunachal Pradesh and constituencies of Arunachal Pradesh Legislative Assembly.

(2) The Election Commission shall divide the Union territory of Arunachal Pradesh into two single-member parliamentary constituencies on the basis of the latest census figures.

(3) The Election Commission shall also, in the manner herein provided, distribute the seats assigned to the Legislative Assembly of the Union territory of Arunachal Pradesh under sub-section (2) of section 3 to single-member assembly constituencies and delimit them on the basis of the latest census figures having regard to the following provisions:—

(a) all constituencies shall, as far as practicable, be geographically compact areas;

(b) every assembly constituency shall be so delimited as to fall only within one parliamentary constituency;

(c) in delimiting the constituencies, regard shall be had to physical features, existing boundaries of administrative units, facilities of communication and public convenience.

(4) For the purpose of assisting in the performance of its functions under sub-sections (2) and (3), the Election Commission shall associate with itself as associate members—

(a) the member of the House of the People representing the Union territory of Arunachal Pradesh;

(b) such five members of the Legislative Assembly of the Union territory of Arunachal Pradesh as the Speaker of that

Assembly shall, having regard to the composition of the Legislative Assembly, nominate:

Provided that none of the associate members shall have a right to vote or sign any decision of the Election Commission.

(5) If owing to death or resignation, the office of an associate member falls vacant, it shall be filled, if practicable, in accordance with the provisions of sub-section (4).

(6) The Election Commission shall—

(a) publish its proposals for the delimitation of constituencies together with the dissenting proposals, if any, of any associate member who desires publication thereof in the Official Gazette and in such other manner as the Commission may consider fit, together with a notice inviting objections and suggestions in relation to the proposals and specifying a date on or after which the proposals will be further considered by it;

(b) consider all objections and suggestions which may have been received by it before the date so specified;

(c) after consideration of objections and suggestions which may have been received by it before the date so specified, determine by one or more orders the delimitation of constituencies and cause such order or orders to be published in the Official Gazette; and upon such publication, the order or orders shall have the full force of law and shall not be called in question in any court.

(7) The Election Commission may, from time to time, by notification in the Official Gazette,—

(a) correct any printing mistake in any order made under sub-section (6) or any error arising therein from inadvertent slip or omission;

(b) where the boundaries or name of any territorial division mentioned in any such order or orders are or is altered, make such amendments as appear to it to be necessary or expedient for bringing such order up-to-date.

(8) Every order made under sub-section (6) and every notification issued under sub-section (7) shall be laid as soon as may be after it is made or issued before the House of the People and the Legislative Assembly of the Union territory of Arunachal Pradesh.

(9) All things done, and all steps taken, before the commencement of this Act in the Union territory of Arunachal Pradesh with a view to delimiting the territorial constituencies of that Union territory for purposes of elections to the Legislative Assembly of that Union territory shall, in so far as they are in conformity with the foregoing provisions of this section, be deemed to have been done or taken under those provisions as if these provisions were in force at the time such things were done or such steps were taken.”

9. In section 44 of the principal Act, in sub-section (2), for the words "the Administrator of the Union territory of Mizoram", the words "the Administrator of each of the Union territories of Arunachal Pradesh and Mizoram" shall be substituted.

Amendment of section 44.

10. After section 54 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 54A.

"54A. (1) Notwithstanding anything contained in this Act (including provisions relating to the strength of the Legislative Assembly of the Union territory of Arunachal Pradesh), until the Legislative Assembly of the Union territory of Arunachal Pradesh has been duly constituted and summoned to meet for the first session under and in accordance with the provisions of this Act, there shall be a provisional Legislative Assembly which shall consist of members, being those persons referred to in clauses (b), (c) and (d) of section 3 of the North-East Frontier Agency (Administration) Supplementary Regulation, 1971 and who are functioning, immediately before the commencement of this Act in the Union territory of Arunachal Pradesh, as members of the Pradesh Council constituted under the said section 3.

Provision as to provisional Legislative Assembly of Arunachal Pradesh.

4 of 1971.

(2) The term of office of the members of the provisional Legislative Assembly shall expire immediately before the first meeting of the Legislative Assembly duly constituted after the first general election to that Assembly.

(3) The provisional Legislative Assembly constituted under this section shall, for so long it is in existence, be deemed to be the Legislative Assembly duly constituted under this Act and accordingly the other provisions of this Act, so far as may be, apply in relation to the provisional Legislative Assembly as they apply in relation to the Legislative Assembly."

11. In the Representation of the People Act, 1950,—

Amendment of Act 43 of 1950.

(i) in section 4,—

(a) sub-section (1) shall be omitted;

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

"(2) All the seats in the House of the People allotted to the States under section 3 shall be seats to be filled by persons chosen by direct election from parliamentary constituencies in the States.";

(ii) in section 27A,—

(a) in sub-section (1), for the words, brackets and figure "Subject to the provisions of sub-section (5), for the purpose of filling any seat", the words "For the purpose of filling any seat" shall be substituted;

(b) in sub-section (4), for the words "The electoral college for each of the Union territories of Pondicherry and Mizoram",

the words "The electoral college for each of the Union territories of Arunachal Pradesh, Mizoram and Pondicherry" shall be substituted;

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

Amend.
ment of
Act 43 of
1951.

12. In the Representation of the People Act, 1951, in section 4, in the opening portion, the words "other than a seat allotted to the Union territory of Arunachal Pradesh" shall be omitted.

Provision
as to
sitting
members
in the
House
of the
People
and the
Council
of States.

13. Notwithstanding anything contained in sections 11 and 12—

(a) the member representing, immediately before the commencement of this Act, the Union territory of Arunachal Pradesh in the present House of the People shall continue to represent that Union territory, until the dissolution of the present House of the People and so often as before such dissolution the seat allotted to that Union territory in the present House of the People becomes vacant, it shall be filled by a person nominated by the President and that person shall represent that Union territory in the present House of the People until its dissolution;

(b) the member representing, immediately before the commencement of this Act, the Union territory of Arunachal Pradesh in the Council of States shall continue to represent that Union territory until the expiry of his term of office.

Amend-
ment of
Act 84 of
1971.

14. In the North-Eastern Council Act, 1971, in section 3, in sub-section (1),—

(a) in clause (b), for the words "and of the Union territory of Mizoram", the words "and of the Union territories of Arunachal Pradesh and Mizoram" shall be substituted;

(b) clause (c) shall be omitted;

(c) in the proviso, for the words, brackets and letter "in any State referred to in clause (b) or in the Union territory referred to in that clause", the words, brackets and letter "in any State or Union territory referred to in clause (b)" shall be substituted.

Repeal
of Regu-
lation 4
of 1971.

15. As from the commencement of the principal Act, in the Union territory of Arunachal Pradesh, the North-East Frontier Agency (Administration) Supplementary Regulation, 1971 shall stand repealed.

THE PONDICHERRY APPROPRIATION (No. 2) ACT, 1975

No. 30 OF 1975

[29th July, 1975.]

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1975-76.

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

1. This Act may be called the Pondicherry Appropriation (No. 2) Act, 1975. Short title.

10 of 1975. 2. From and out of the Consolidated Fund of the Union territory of Pondicherry there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Pondicherry Appropriation (Vote on Account) Act, 1975] to the sum of nineteen crores, eighty lakhs and thirty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76 in respect of the services specified in column 2 of the Schedule. Issue of Rs. 19,80,37,000 out of the Consolidated Fund of the Union territory of Pondicherry for the financial year, 1975-76.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of the Union territory of Pondicherry by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. Appropriation.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolida- ted Fund	Total
		Rs.	Rs.	Rs.
1	Legislative Assembly . Revenue	4,94,000	40,000	5,34,000
2	Administrator . . . Revenue	10,000	3,96,000	4,06,000
3	Council of Ministers . Revenue	5,58,000	..	5,58,000
4	Administration of Justice Revenue	14,59,000	..	14,59,000
5	Elections Revenue	4,42,000	..	4,42,000
6	Revenue Revenue	48,04,000	..	48,04,000
7	Sales Tax Revenue	7,65,000	..	7,65,000
8	Taxes on Vehicles . Revenue	1,62,000	..	1,62,000
9	Secretariat Revenue	20,96,000	..	20,96,000
10	District Administration . Revenue Capital	43,68,000 10,30,000	.. ..	43,68,000 10,30,000
11	Treasury and Accounts Administration . . Revenue	14,07,000	..	14,07,000
12	Police Revenue	79,00,000	..	79,00,000
13	Jails Revenue	4,03,000	..	4,03,000
14	Stationery and Printing . Revenue	12,51,000	..	12,51,000
15	Miscellaneous Adminis- trative General Ser- vices Revenue	8,76,000	..	8,76,000
16	Retirement Benefits . Revenue	22,18,000	..	22,18,000
17	Public Works . . . Revenue Capital	2,10,45,000 1,36,50,000	10,000 ..	2,10,55,000 1,36,50,000
18	Education Revenue Capital	3,31,71,000 32,000	.. ..	3,31,71,000 32,000
19	Medical Revenue	1,70,73,000	..	1,70,73,000
20	Information and Publi- city Revenue	8,61,000	..	8,61,000
21	Labour and Employment Revenue	12,53,000	..	12,53,000
22	Social Welfare . . . Revenue Capital	54,62,000 30,000	.. ..	54,62,000 30,000
23	Co-operation . . . Revenue Capital	18,00,000 12,77,000	.. ..	18,00,000 12,77,000
24	Miscellaneous General Economic Services . Revenue	7,98,000	..	7,98,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
25	Agriculture Revenue Capital	88,81,000	..	88,81,000
		5,84,000	..	5,84,000
26	Animal Husbandry Revenue Capital	17,25,000	..	17,25,000
		2,00,000	..	2,00,000
27	Fisheries Revenue Capital	45,01,000	..	45,01,000
		51,000	..	51,000
28	Community Develop- ment Revenue Capital	36,53,000	..	36,53,000
		84,000	..	84,000
29	Industries Revenue Capital	9,06,000	..	9,06,000
		12,51,000	..	12,51,000
30	Food and Nutrition Revenue	2,95,000	..	2,95,000
31	Electricity Revenue Capital	2,03,58,000	..	2,03,58,000
		91,59,000	..	91,59,000
32	Ports and Pilotage Revenue Capital	4,53,000	..	4,53,000
		2,93,000	..	2,93,000
33	Public Debt Revenue Capital	..	75,47,000	75,47,000
		..	80,89,000	80,89,000
34	Loans to Government Servants Capital	28,66,000	..	28,66,000
TOTAL		18,19,55,000	1,60,82,000	19,80,37,000

Rep. by Act... 38... of 1978, S. 2 + Sch I

THE NAGALAND STATE LEGISLATURE (DELEGATION OF POWERS) ACT, 1975

No. 31 OF 1975

[30th July, 1975.]

An Act to confer on the President the power of the Legislature of the State of Nagaland to make laws.

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

Short title.

1. This Act may be called the Nagaland State Legislature (Delegation of Powers) Act, 1975.

Definition.

2. In this Act, "Proclamation" means the Proclamation issued on the 22nd day of March, 1975, under article 356 of the Constitution, by the President, and published with the notification of the Government of India in the Ministry of Home Affairs No. G.S.R. 157(E) of the said date.

Conferment on the President of the power of the State Legislature to make laws.

3. (1) The power of the Legislature of the State of Nagaland to make laws, which has been declared by the Proclamation to be exercisable by or under the authority of Parliament, is hereby conferred on the President.

(2) In the exercise of the said power, the President may, from time to time, whether Parliament is or is not in session, enact, as a President's Act, a Bill containing such provisions as he considers necessary:

Provided that before enacting any such Act, the President shall, whenever he considers it practicable to do so, consult a Committee cons-

stituted for the purpose, consisting of ten members of the House of the People nominated by the Speaker and five members of the Council of States nominated by the Chairman.

(3) Every Act enacted by the President under sub-section (2) shall, as soon as may be after enactment, be laid before each House of Parliament.

(4) Either House of Parliament may, by resolution, passed within thirty days from the date on which the Act has been laid before it under sub-section (3), which period may be comprised in one session or in two successive sessions, direct any modifications to be made in the Act and if the modifications are agreed to by the other House of Parliament during the session in which the Act has been so laid before it or the session succeeding, such modifications shall be given effect to by the President by enacting an amending Act under sub-section (2):

Provided that nothing in this sub-section shall affect the validity of the Act or of any action taken thereunder before it is so amended.

THE DEFENCE OF INDIA (AMENDMENT) ACT, 1975

No. 32 OF 1975

[31st July, 1975.]

An Act to amend the Defence of India Act, 1971.

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

Short
title and
duration.

1. (1) This Act may be called the Defence of India (Amendment) Act, 1975.

(2) The amendments made to the Defence of India Act, 1971 (herein- 42 of 1971.
after referred to as the principal Act), by the provisions of this Act shall remain in force during the period of operation of the Proclamation of Emergency issued under clause (1) of article 352 of the Constitution on the 25th day of June, 1975, and for a period of six months thereafter, but their expiry under the operation of this sub-section shall not affect—

(a) the previous operation of, or anything duly done or suffered under, the principal Act, as amended by this Act, or any rule made thereunder or any order made under any such rule, or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the principal Act, as amended by this Act, or any rule made thereunder or any order made under any such rule, or

(c) any penalty, forfeiture or punishment incurred in respect of any offence under the principal Act, as amended by this Act, or any contravention of any rule made thereunder or of any order made under any such rule, or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the said amendments had not expired.

2. In the long title to the principal Act, after the words "civil defence", the words "and internal security," shall be inserted.

Amend-
ment of
long title.

3. In the preamble to the principal Act,—

Amend-
ment of
preamble.

(a) in the first paragraph,—

(i) for the word "Proclamation", the word "Proclamations" shall be substituted;

(ii) after the words "by external aggression", the words "and by internal disturbance" shall be inserted;

(b) in the second paragraph, after the words "and civil defence", the words "and internal security" shall be inserted.

4. In section 1 of the principal Act,—

Amend-
ment of
section 1.

(a) in sub-section (1), for the words "the Defence of India", the words "the Defence and Internal Security of India" shall be substituted;

(b) in sub-section (3), for the words "shall remain in force during the period of operation of the Proclamation of Emergency", the following shall be substituted, namely:—

"shall, subject to the provisions of the Defence of India (Amendment) Act, 1975, remain in force during the period of operation of the Proclamation of Emergency issued on the 3rd day of December, 1971".

5. In section 2 of the principal Act, in clause (g), after the words, figures and letters "the 3rd day of December, 1971", the words, figures and letters "or the Proclamation issued under that clause on the 25th day of June, 1975" shall be inserted.

Amend-
ment of
section 2.

6. In section 3 of the principal Act,—

Amend-
ment of
section 3.

(a) in sub-section (1), after the words "civil defence," the words "the internal security," shall be inserted;

(b) in sub-section (2),—

(i) in clause (4),—

(A) in the opening paragraph, for the words "or civil defence", the words "or civil defence or internal security" shall be substituted;

(B) in sub-clause (e), after the words "civil defence", the words "internal security" shall be inserted;

(ii) in sub-clause (a) of clause (7), sub-clause (j) of clause (10) and clause (32), after the words "civil defence", the words "the internal security," shall be inserted;

(iii) in clause (9), after the words "any scheme of defence", the words "or any scheme for the prevention of internal disturbance" shall be inserted;

(iv) in clauses (21), (25) and (27), after the words "civil defence", the words "or for internal security" shall be inserted;

(v) in clause (40), after the words "civil defence", the words "or the internal security" shall be inserted;

(vi) in clause (46), after the words "civil defence", the words "to the internal security" shall be inserted;

(c) in sub-section (3), in clause (viii), after the words "civil defence", the words "or the internal security" shall be inserted.

Amend-
ment of
section 6.

7. In section 6 of the principal Act, in sub-clause (a) of clause (1), and in sub-clauses (a) and (d) of clause (6), for the words "Defence of India Act", wherever they occur, the words "Defence and Internal Security of India Act" shall be substituted.

Amend-
ment of
section
16.

8. In sub-section (1) of section 16 of the principal Act, after the words "civil defence,", the words "the internal security," shall be inserted.

Amend-
ment of
section
23.

9. In sub-section (1) of section 23 of the principal Act, after the words "civil defence,", the words "internal security," shall be inserted.

Amend-
ment of
section 38.

10. In section 38 of the principal Act, for the words "and the defence of India and civil defence", the words "the defence of India and civil defence and the internal security" shall be substituted.

Repeal
and
saving.

11. (1) The Defence of India (Amendment) Ordinance, 1975, is hereby repealed.

(2) Notwithstanding such repeal, any rules made, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been made, done or taken under the principal Act, as amended by this Act, as if this Act had come into force on the 30th day of June, 1975.

THE KERALA LEGISLATIVE ASSEMBLY (EXTENSION OF DURATION) ACT, 1975

No. 33 OF 1975

[31st July, 1975.]

An Act to provide for the extension of the duration of the present Legislative Assembly of the State of Kerala.

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

1. This Act may be called the Kerala Legislative Assembly (Extension of Duration) Act, 1975.

Short title.

2. The period of five years [being the period for which the Legislative Assembly of a State may, under clause (1) of article 172 of the Constitution, continue from the date appointed for its first meeting] in relation to the present Legislative Assembly of the State of Kerala shall, while the Proclamations of Emergency issued on the 3rd day of December, 1971 and on the 25th day of June, 1975, are both in operation, be extended for a period of ~~six months~~: [one year] ↙

Extension of duration of the present Kerala Legislative Assembly.

[eighteen months] ↘

↙ Subs. by Act 46 of 1976, S. 2 (w.e.f. 31-3-1976).
↘ Subs. by Act 102 of 1976, S. 2 (w.e.f. 7-9-1976).

THE FINANCE (AMENDMENT) ACT, 1975

No. 34 OF 1975

[31st July, 1975.]

An Act to amend the Finance Act, 1975.

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

Short
title.

1. This Act may be called the Finance (Amendment) Act, 1975.

Amend-
ment of
section 2.

2. In section 2 of the Finance Act, 1975 (hereinafter referred to as the principal Act), in sub-section (7), for the words "six thousand rupees", wherever they occur, the words "eight thousand rupees" shall be substituted, and shall be deemed to have been substituted with effect from the 1st day of April, 1975.

25 of 1975.

Amend-
ment of
the First
Schedule.

3. In the First Schedule to the principal Act, for Paragraph A of Part III, the following Paragraph shall be substituted, and shall be deemed to have been substituted with effect from the 1st day of April, 1975, namely:—

"PARAGRAPH A

Sub-Paragraph I

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

Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 8,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000 | 17 per cent. of the amount by which the total income exceeds Rs. 8,000; |
| (3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,190 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,190 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 3,690 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 5,690 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 | Rs. 15,690 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (8) where the total income exceeds Rs. 70,000 | Rs. 27,690 <i>plus</i> 70 per cent. of the amount by which the total income exceeds Rs. 70,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1976 exceeds Rs. 8,000,—

Rates of income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 8,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000 | 20 per cent. of the amount by which the total income exceeds Rs. 8,000; |
| (3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,400 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,900 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 4,900 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 25,000; |

(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 Rs. 7,400 plus 60 per cent. of the amount by which the total income exceeds Rs. 30,000;

(7) where the total income exceeds Rs. 50,000 Rs. 19,400 plus 70 per cent. of the amount by which the total income exceeds Rs. 50,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax."

Special provision in relation to advance tax payable during the financial year 1975-76.

4. Notwithstanding the amendments made by this Act to the principal Act, where, in the case of an assessee, an order has been made by the Income-tax Officer under section 210 of the Income-tax Act, 1961 and in pursuance thereof a notice of demand for payment of advance tax during the financial year commencing on the 1st day of April, 1975 has been issued by the Income-tax Officer before the commencement of this Act, 43 of 1961.

(i) the validity of such order or notice shall not be called in question merely on the ground that the rate or rates for the purposes of computing the advance tax have been varied by this Act;

(ii) every such order and notice of demand shall have effect as if the amount of advance tax specified therein had been substituted by the amount of advance tax computed in accordance with the rate or rates as so varied; and

(iii) the excess amount, if any, paid by the assessee in an instalment due on the 15th day of June, 1975 may be adjusted against the amount payable in the instalment due on the 15th day of September, 1975.

Explanation.—All words and expressions used in this section which are defined in the Income-tax Act, 1961 shall have the meanings, respectively, assigned to them in that Act. 43 of 1961.

**THE CONSERVATION OF FOREIGN EXCHANGE AND
PREVENTION OF SMUGGLING ACTIVITIES
(AMENDMENT) ACT, 1975**

No. 35 OF 1975

[1st August, 1975.]

An Act to amend the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

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

1. (1) This Act may be called the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Act, 1975.

Short title and Commencement.

(2) It shall be deemed to have come into force on the 1st day of July, 1975.

2. In the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (hereinafter referred to as the principal Act), after section 5, the following section shall be inserted, namely:—

Insertion of new section 5A.

“5A. Where a person has been detained in pursuance of an order of detention under sub-section (1) of section 3 which has been made on two or more grounds, such order of detention shall be deemed to have been made separately on each of such grounds and accordingly—

Grounds of detention severable.

(a) such order shall not be deemed to be invalid or inoperative merely because one or some of the grounds is or are—

- (i) vague,
- (ii) non-existent,
- (iii) not relevant.

52 of 1974.

(iv) not connected or not proximately connected with such person, or

(v) invalid for any other reason whatsoever,

and it is not therefore possible to hold that the Government or officer making such order would have been satisfied as provided in sub-section (1) of section 3 with reference to the remaining ground or grounds and made the order of detention;

(b) the Government or officer making the order of detention shall be deemed to have made the order of detention under the said sub-section (1) after being satisfied as provided in that sub-section with reference to the remaining ground or grounds.”.

Amend-
ment of
section
12.

3. In section 12 of the principal Act, after sub-section (5), the following sub-section shall be inserted, namely:—

“(6) Notwithstanding anything contained in any other law and save as otherwise provided in this section, no person against whom a detention order made under this Act is in force shall be released whether on bail or bail bond or otherwise.”.

Inser-
tion of
new sec-
tion 12A.

4. After section 12 of the principal Act, the following section shall be inserted, namely:—

Special
provi-
sions for
dealing
with em-
ergency.

‘12A. (1) Notwithstanding anything contained in this Act or any rules of natural justice, the provisions of this section shall have effect during the period of operation of the Proclamation of Emergency issued under clause (1) of article 352 of the Constitution on the 3rd day of December, 1971, or the Proclamation of Emergency issued under that clause on the 25th day of June, 1975, or a period of twelve months from the 25th day of June, 1975, whichever period is the shortest.

(2) When making an order of detention under this Act against any person after the commencement of the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Act, 1975, the Central Government or the State Government or, as the case may be, the officer making the order of detention shall consider whether the detention of such person under this Act is necessary for dealing effectively with the emergency in respect of which the Proclamations referred to in sub-section (1) have been issued (hereafter in this section referred to as the emergency) and if, on such consideration, the Central Government or the State Government or, as the case may be, the officer is satisfied that it is necessary to detain such person for effectively dealing with the emergency, that Government or officer may make a declaration to that effect and communicate a copy of the declaration to the person concerned:

Provided that where such declaration is made by an officer, it shall be reviewed by the appropriate Government within fifteen days from the date of making of the declaration and such declaration shall cease to have effect unless it is confirmed by that Government, after such review, within the said period of fifteen days.

(3) The question whether the detention of any person in respect of whom a declaration has been made under sub-section (2) continues to be necessary for effectively dealing with the emergency shall be reconsidered by the appropriate Government within four months from the date of such declaration and thereafter at intervals not exceeding four months, and if, on such reconsideration, it appears to the appropriate Government that the detention of the person is no longer necessary for effectively dealing with the emergency, that Government may revoke the declaration.

(4) In making any consideration, review or reconsideration under sub-section (2) or (3), the appropriate Government or officer may, if such Government or officer considers it to be against the public interest to do otherwise, act on the basis of the information and materials in its or his possession without disclosing the facts or giving an opportunity of making a representation to the person concerned.

(5) It shall not be necessary to disclose to any person detained under a detention order to which the provisions of sub-section (2) apply, the grounds on which the order has been made during the period the declaration made in respect of such person under that sub-section is in force, and, accordingly, such period shall not be taken into account for the purposes of sub-section (3) of section 3.

(6) In the case of every person detained under a detention order to which the provisions of sub-section (2) apply, being a person in respect of whom a declaration has been made thereunder, the period during which such declaration is in force shall not be taken into account for the purpose of computing—

(i) the periods specified in clauses (b) and (c) of section 8;

(ii) the periods of "one year" and "five weeks" specified in sub-section (1), the period of "one-year" specified in sub-section (2) (i), and the period of "six months" specified in sub-section (3), of section 9.

6 of 1975. 5. (1) The Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Ordinance, 1975, is hereby repealed.

Repeal
and
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by **this Act.**

THE APPROPRIATION (No. 3) ACT, 1975.

No. 36 OF 1975

[1st August, 1975.]

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1975-76.

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

Short
title.

1. This Act may be called the Appropriation (No. 3) Act, 1975.

Issue of
Rs. 285,
76,16,000
out
of the
Consoli-
dated
Fund of
India for
the year
1975-76.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of two hundred and eighty-five crores, seventy-six lakhs and sixteen thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1975-76, in respect of the services specified in column 2 of the Schedule.

Appro-
priation.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote	Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Conso- lidated Fund	Total
		Rs.	Rs.	Rs.
2	Agriculture Capital	..	30,00,00,000	30,00,00,000
12	Foreign Trade and Export Production Revenue Capital	3,000 ..	.. 5,00,00,000	3,000 5,00,00,000
29	Coal and Lignite Capital	35,00,00,000	..	35,00,00,000
40	Transfers to State and Union Territory Governments Revenue Capital	22,50,00,000 ..	.. 102,50,00,000	22,50,00,000 102,50,00,000
41	Other Expenditure of the Ministry of Finance Revenue Capital	60,00,000 20,00,00,000	.. ..	60,00,000 20,00,00,000
49	Police Revenue	..	2,000	2,000
59	Industries Capital	23,71,10,000	..	23,71,10,000
61	Civil Supplies and Co-operation Revenue	..	1,000	1,000
70	Petroleum and Petro-Chemicals Industries Capital	15,45,00,000	..	15,45,00,000
71	Fertiliser and Chemicals Industries Capital	31,00,00,000	..	31,00,00,000
	TOTAL	148,26,13,000	137,50,03,000	285,76,16,000

THE APPROPRIATION (No. 4) ACT, 1975

No. 37 OF 1975

[1st August, 1975.]

An Act to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1973 in excess of the amounts granted for those services and for that year.

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

Short
title.

1. This Act may be called the Appropriation (No. 4) Act, 1975.

Issue
of Rs.
1,16,01,
11,651
out of the
Consoli-
dated
Fund of
India to
meet
certain
excess
expendi-
ture for
the year
ended on
the 31st
March,
1973.

2. From and out of the Consolidated Fund of India, the sums specified in column 3 of the Schedule amounting in the aggregate to the sum of one hundred and sixteen crores, one lakh, eleven thousand, six hundred and fifty-one rupees shall be deemed to have been authorised to be paid and applied to meet the amount spent for defraying the charges in respect of the services specified in column 2 of the Schedule during the financial year ended on the 31st day of March, 1973, in excess of the amounts granted for those services and for that year.

Appro-
priation.

3. The sums deemed to have been authorised to be paid and applied from and out of the Consolidated Fund of India under this Act shall be deemed to have been appropriated for the services and purposes expressed in the Schedule in relation to the financial year ended on the 31st day of March, 1973.

THE SCHEDULE

(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3		
		Voted portion	Excess	
		Rs.	Rs.	Rs.
1	Ministry of Defence	62,179	..	62,179
2	Defence Services, Effective—Army . .	45,78,47,342	..	45,78,47,342
4	Defence Services, Effective—Air Force	5,16,65,178	..	5,16,65,178
15	Stamps	93,01,244	..	93,01,244
18	Mint	5,30,846	..	5,30,846
19	Pensions and Other Retirement Benefits	24,94,087	..	24,94,087
20	Opium Factories and Alkaloid Works	1,89,929	..	1,89,929
21	Other Revenue Expenditure of the Ministry of Finance	7,89,77,414	..	7,89,77,414
	<i>Interest on Debt and Other Obligations</i>	..	3,79,53,769	3,79,53,769
28	Forest	9,71,550	..	9,71,550
47	Andaman and Nicobar Islands	91,58,008	..	91,58,008
48	Arunachal Pradesh	39,96,951	..	39,96,951
52	Ministry of Industrial Development . .	17,909	..	17,909
57	Information and Publicity	2,91,625	..	2,91,625
70	Roads	49,31,750	..	49,31,750
72	Lighthouses and Lightships	6,15,439	..	6,15,439
82	Ministry of Works and Housing	18,29,176	..	18,29,176
83	Public Works	6,60,22,094	1,93,495	6,62,15,589
89	Posts and Telegraphs—Working Expenses	69,62,843	..	69,62,843
104	Defence Capital Outlay	16,32,71,761	..	16,32,71,761
113	Loans and Advances by the Central Government	19,19,97,205	..	19,19,97,205
117	Capital Outlay of the Ministry of Health and Family Planning	1,10,32,614	..	1,10,32,614
118	Capital Outlay in Union territories . .	2,49,60,086	..	2,49,60,086
121	Capital Outlay of the Ministry of Information and Broadcasting . . . . .	..	3,97,750	3,97,750

I No. of Vote	2 Services and purposes	3		
		Excess		
		Voted portion	Charged portion	Total
		Rs.	Rs.	Rs.
126	Capital Outlay on Roads . . .	3,19,85,536	49,862	3,20,35,398
132	Capital Outlay on Public Works . . .	..	2,86,210	2,86,210
133	Delhi Capital Outlay . . .	19,85,966	1,31,833	21,17,799
	TOTAL . . .	112,10,98,732	3,90,12,919	116,01,11,651

THE EMPLOYEES' STATE INSURANCE (AMENDMENT)
ACT, 1975

No. 38 OF 1975

[1st August, 1975.]

An Act further to amend the Employees' State Insurance Act, 1948, and to incorporate an explanatory provision connected therewith in section 405 of the Indian Penal Code.

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

1. (1) This Act may be called the Employees' State Insurance (Amendment) Act, 1975.

Short
title and
com-
mence-
ment.

(2) It shall come into force on such ⁴date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

34 of 1948.

2. In section 2 of the Employees' State Insurance Act, 1948 (hereinafter referred to as the principal Act), in sub-clause (b) of clause (9), for the words "five hundred rupees" in both the places where they occur, the words "one thousand rupees" shall be substituted.

Amend-
ment of
section 2.

3. In sub-section (1) of section 17 of the principal Act, for the words "with a maximum monthly salary of five hundred rupees and above", the words "the maximum monthly salary of which exceeds one thousand and two hundred rupees" shall be substituted.

Amend-
ment of
section 17.

⁴ 1-9-1975 :- Ss to 7 (both inclusive) and section 9, vide
Motifn. No. 459 (E) dt. 29-8-1975.

² 30-11-1975 :- The provisions of sections 2 and 8 came
into force vide Motifn. No. S.O. 4734 dt. 6-10-1975.

Amendment of section 85.

4. In section 85 of the principal Act, for the words "he shall be punishable with imprisonment which may extend to three months or with fine which may extend to five hundred rupees, or with both.", the following shall be substituted, namely:—

"he shall be punishable—

(i) where he commits an offence under clause (a), with imprisonment for a term which may extend to six months but—

(a) which shall not be less than three months, in case of failure to pay the employees' contribution which has been deducted by him from the employee's wages;

(b) which shall not be less than one month, in any other case,

and shall also be liable to fine which may extend to two thousand rupees:

Provided that the court may, for any adequate and special reasons to be recorded in the judgment, impose a sentence of imprisonment for a lesser term or of fine only in lieu of imprisonment;

(ii) where he commits an offence under any of the clauses (b) to (g) (both inclusive), with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both."

Insertion of new sections 85A, 85B and 85C.

5. After section 85 of the principal Act, the following sections shall be inserted, namely:—

Enhanced punishment in certain cases after previous conviction.

"85A. Whoever, having been convicted by a court of an offence punishable under this Act, commits the same offence shall, for every such subsequent offence, be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both:

Provided that where such subsequent offence is for failure by the employer to pay any contribution which under this Act he is liable to pay, he shall, for every such subsequent offence, be punishable with imprisonment for a term which may extend to one year but which shall not be less than three months and shall also be liable to fine which may extend to four thousand rupees.

Power to recover damages.

85B. (1) Where an employer fails to pay the amount due in respect of any contribution or any other amount payable under this Act, the Corporation may recover from the employer such damages not exceeding the amount of arrears as it may think fit to impose:

Provided that before recovering such damages, the employer shall be given a reasonable opportunity of being heard.

(2) Any damages recoverable under sub-section (1) may be recovered as an arrear of land revenue.

85C. (1) Where an employer is convicted of an offence for failure to pay any contribution payable under this Act, the court may, in addition to awarding any punishment, by order, in writing, require him within a period specified in the order (which the court may if it thinks fit and on application in that behalf, from time to time, extend), to pay the amount of contribution in respect of which the offence was committed.

Power of court to make orders.

(2) Where an order is made under sub-section (1), the employer shall not be liable under this Act in respect of the continuation of the offence during the period or extended period, if any, allowed by the court, but if, on the expiry of such period or extended period, as the case may be, the order of the court has not been fully complied with, the employer shall be deemed to have committed a further offence and shall be punishable with imprisonment in respect thereof under section 85 and shall also be liable to pay fine which may extend to one hundred rupees for every day after such expiry on which the order has not been complied with."

6. After section 93 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 93A.

"93A. Where an employer, in relation to a factory or establishment, transfers that factory or establishment in whole or in part, by sale, gift, lease or licence or in any other manner whatsoever, the employer and the person to whom the factory or establishment is so transferred shall jointly and severally be liable to pay the amount due in respect of any contribution or any other amount payable under this Act in respect of the periods up to the date of such transfer:

Liability in case of transfer of establishment.

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

7. In section 95 of the principal Act, in sub-section (4), for the words "or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following", the words "or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid" shall be substituted.

Amendment of section 95.

Amend-
ment of
the
First
Sche-
dule.

8. In the First Schedule to the principal Act, in paragraph 3, for the Table, the following Table shall be substituted, namely:—

“TABLE

Group of employees whose average daily wages are	Em- ployees' weekly con- tribution (recover- able from employees)	Em- ployer's weekly con- tribution	Total weekly con- tri- bution (employee's and employer's con- tri- bution)	Corres- ponding daily standard benefit rate
1	2	3	4	5
	Paise	Paise	Paise	Paise
1. Below Rs. 2	Nil	75	75	100
2. Rs. 2 and above but below Rs. 3	40	80	120	130
3. Rs. 3 and above but below Rs. 4	50	100	150	175
4. Rs. 4 and above but below Rs. 6	70	140	210	250
5. Rs. 6 and above but below Rs. 8	95	190	285	350
6. Rs. 8 and above but below Rs. 12	125	250	375	500
7. Rs. 12 and above but below Rs. 16	175	350	525	700
8. Rs. 16 and above but below Rs. 24	275	550	825	1000
9. Rs. 24 and above	375	750	1125	1500”.

Amend-
ment of
Act 45
of 1860.

9. In section 405 of the Indian Penal Code, the *Explanation* shall be numbered as *Explanation 1* thereof and after the *Explanation* as so numbered, the following *Explanation* shall be inserted, namely:—

“*Explanation 2.*—A person, being an employer, who deducts the employees' contribution from the wages payable to the employee for credit to the Employees' State Insurance Fund held and administered by the Employees' State Insurance Corporation established under the Employees' State Insurance Act, 1948, shall be deemed to have been entrusted with the amount of the contribution so deducted by him and if he makes default in the payment of such contribution to the said Fund in violation of the said Act, shall be deemed to have dishonestly used the amount of the said contribution in violation of a direction of law as aforesaid.”.

Rep. by Act... 38 of 1978, S. 2 & Sch. I

THE MAINTENANCE OF INTERNAL SECURITY
(AMENDMENT) ACT, 1975

No. 39 OF 1975

[5th August, 1975.]

An Act further to amend the Maintenance of Internal Security Act, 1971.

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

1. (1) This Act may be called the Maintenance of Internal Security (Amendment) Act, 1975.

Short title and commencement.

(2) Section 7 shall be deemed to have come into force on the 25th day of June, 1975 and the remaining provisions of this Act shall be deemed to have come into force on the 29th day of June, 1975.

26 of 1971.

2. In section 4 of the Maintenance of Internal Security Act, 1971 (hereinafter referred to as the principal Act), for the words and figures "Code of Criminal Procedure, 1898", the words and figures "Code of Criminal Procedure, 1973" shall be substituted.

Amendment of section 4.

5 of 1898.

2 of 1974.

3. In section 7 of the principal Act,—

Amendment of section 7.

(a) in clause (a) of sub-section (1), for the words and figures "Presidency Magistrate or a Magistrate of the first class having jurisdiction in the place where the said person ordinarily resides; and thereupon the provisions of sections 87, 88 and 89 of the Code of Criminal Procedure, 1898", the words, figures and brackets "Metropolitan Magistrate or a Judicial Magistrate of the first class having jurisdiction in the place where the said person ordinarily resides; and thereupon the provisions of sections 82 to 86 (both inclusive) of the Code of Criminal Procedure, 1973" shall be substituted;

5 of 1898.

2 of 1974.

(b) in sub-section (2), for the words and figures "Code of Criminal Procedure, 1898", the words and figures "Code of Criminal Procedure, 1973" shall be substituted.

Amendment of section 14

4. In section 14 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The revocation of a detention order shall not bar the making of another detention order under section 3 against the same person."

Amendment of section 15.

5. In section 15 of the principal Act,—

(a) after sub-section (3), the following sub-section shall be inserted, namely:—

"(3A) If the appropriate Government has reason to believe that any person who has failed to surrender himself in the manner specified in sub-section (3) has absconded or is concealing himself, that Government may make a report in writing of the fact to a Metropolitan Magistrate or a Judicial Magistrate of the first class having jurisdiction in the place where the said person ordinarily resides and thereupon the provisions of sections 82 to 86 (both inclusive) of the Code of Criminal Procedure, 1973, shall apply in relation to such person as they apply in relation to a person who has absconded or is concealing himself so that a warrant issued by the Magistrate cannot be executed.";

2 of 1974.

(b) after sub-section (5), the following sub-section shall be inserted, namely:—

"(6) Notwithstanding anything contained in any other law and save as otherwise provided in this section, no person against whom a detention order made under this Act is in force shall be released whether on bail or bail bond or otherwise."

Insertion of new section 16A.

6. After section 16 of the principal Act, the following section shall be inserted, namely:—

Special provisions for dealing with emergency.

'16A. (1) Notwithstanding anything contained in this Act or any rules of natural justice, the provisions of this section shall have effect during the period of operation of the Proclamation of Emergency issued under clause (1) of article 352 of the Constitution on the 3rd day of December, 1971, or the Proclamation of Emergency issued under that clause on the 25th day of June, 1975, or a period of twelve months from the 25th day of June, 1975, whichever period is the shortest.

(2) The case of every person (including a foreigner) against whom an order of detention was made under this Act on or after the 25th day of June, 1975, but before the commencement of this section, shall, unless such person is sooner released from detention, be reviewed within fifteen days from such commencement by the appropriate Government for the purpose of determining whether the detention of such person under this Act is necessary for dealing

effectively with the emergency in respect of which the Proclamations referred to in sub-section (1) have been issued (hereafter in this section referred to as the emergency) and if, on such review, the appropriate Government is satisfied that it is necessary to detain such person for effectively dealing with the emergency, that Government may make a declaration to that effect and communicate a copy of the declaration to the person concerned.

(3) When making an order of detention under this Act against any person (including a foreigner) after the commencement of this section, the Central Government or the State Government or, as the case may be, the officer making the order of detention shall consider whether the detention of such person under this Act is necessary for dealing effectively with the emergency and if, on such consideration, the Central Government or the State Government or, as the case may be, the officer is satisfied that it is necessary to detain such person for effectively dealing with the emergency, that Government or officer may make a declaration to that effect and communicate a copy of the declaration to the person concerned:

Provided that where such declaration is made by an officer, it shall be reviewed by the State Government to which such officer is subordinate within fifteen days from the date of making of the declaration and such declaration shall cease to have effect unless it is confirmed by the State Government, after such review, within the said period of fifteen days.

(4) The question whether detention of any person in respect of whom a declaration has been made under sub-section (2) or sub-section (3) continues to be necessary for effectively dealing with the emergency shall be reconsidered by the appropriate Government within four months from the date of such declaration and thereafter at intervals not exceeding four months and if, on such reconsideration, it appears to the appropriate Government that the detention of the person is no longer necessary for effectively dealing with the emergency, that Government may revoke the declaration.

(5) In making any review, consideration or reconsideration under sub-sections (2), (3) or (4), the appropriate Government or officer may, if such Government or officer considers it to be against public interest to do otherwise, act on the basis of the information and materials in its or his possession without disclosing the facts or giving an opportunity of making a representation to the person concerned.

(6) In the case of every person detained under a detention order to which the provisions of sub-section (2) apply, being a person the review of whose case is pending under that sub-section or in respect of whom a declaration has been made under that sub-section,—

(i) sections 8 to 12 shall not apply; and

(ii) section 13 shall apply subject to the modification that the words and figures "which has been confirmed under section 12" shall be omitted.

(7) In the case of every person detained under a detention order to which the provisions of sub-section (3) apply, being a person in respect of whom a declaration has been made under that sub-section,—

(i) section 3 shall apply subject to the modification that for sub-sections (3) and (4) thereof, the following sub-section shall be substituted, namely:—

“(3) When any order of detention is made by a State Government or by an officer subordinate to it, the State Government shall, within twenty days, forward to the Central Government a report in respect of the order.”;

(ii) sections 8 to 12 shall not apply; and

(iii) section 13 shall apply subject to the modification that the words and figures “which has been confirmed under section 12” shall be omitted.’

Insertion
of new
section
18.

7. Section 18 of the principal Act shall be re-numbered as section 19 thereof and before that section as so re-numbered, the following section shall be inserted, namely:—

Exclu-
sion of
common
law or
natural
law
rights,
if any.

“18. No person (including a foreigner) detained under this Act shall have any right to personal liberty by virtue of natural law or common law, if any.”.

Repeal
and
saving.

8. (1) The Maintenance of Internal Security (Amendment) Ordinance, 1975 and the Maintenance of Internal Security (Second Amendment) Ordinance, 1975, are hereby repealed.

4 of 1975.
7 of 1975.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinances shall be deemed to have been done or taken under the principal Act as amended by this Act.

THE ELECTION LAWS (AMENDMENT) ACT, 1975

No. 40 OF 1975

[6th August, 1975.]

An Act further to amend the Representation of the People Act, 1951 and the Indian Penal Code.

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

1. This Act may be called the Election Laws (Amendment) Act, 1975.

Short title.

43 of 1951.

2. In the Representation of the People Act, 1951 (hereinafter referred to as the principal Act), for section 8A, the following section shall be substituted, namely:—

Substitution of new section for section 8A.

“8A. (1) The case of every person found guilty of a corrupt practice by an order under section 99 shall be submitted, as soon as may be, after such order takes effect, by such authority as the Central Government may specify in this behalf, to the President for determination of the question as to whether such person shall be disqualified and if so, for what period:

Disqualification on ground of corrupt practices.

Provided that the period for which any person may be disqualified under this sub-section shall in no case exceed six years from the date on which the order made in relation to him under section 99 takes effect.

(2) Any person who stands disqualified under section 8A of this Act as it stood immediately before the commencement of the Election Laws (Amendment) Act, 1975, may, if the period of such disqualification has not expired, submit a petition to the President for the removal of such disqualification for the unexpired portion of the said period.

(3) Before giving his decision on any question mentioned in sub-section (1) or on any petition submitted under sub-section (2), the President shall obtain the opinion of the Election Commission on such question or petition and shall act according to such opinion."

Amendment of section 11.

3. In section 11 of the principal Act, after the words "under this Chapter", the brackets, words, figure and letter "(except under section 8A)" shall be inserted.

Amendment of section 11A.

4. Section 11A of the principal Act shall be re-numbered as sub-section (1) thereof and—

(a) in the sub-section as so re-numbered, clause (b) shall be omitted; and

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

"(2) Any person disqualified by a decision of the President under sub-section (1) of section 8A for any period shall be disqualified for the same period for voting at any election.

(3) The decision of the President on a petition submitted by any person under sub-section (2) of section 8A in respect of any disqualification for being chosen as, and for being, a member of either House of Parliament or of the Legislative Assembly or Legislative Council of a State shall, so far as may be, apply in respect of the disqualification for voting at any election incurred by him under clause (b) of sub-section (1) of section 11A of this Act as it stood immediately before the commencement of the Election Laws (Amendment) Act, 1975, as if such decision were a decision in respect of the said disqualification) for voting also."

Amendment of section 11B.

5. In section 11B of the principal Act, for the words "any disqualification under this Chapter", the words, brackets, figures and letter "any disqualification under sub-section (1) of section 11A" shall be substituted.

Amendment of section 77.

6. In section 77 of the principal Act, in sub-section (1),—

(a) for the words "the date of publication of the notification calling the election", the words "the date on which he has been nominated" shall be substituted;

(b) after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

"*Explanation 3*.—For the removal of doubt, it is hereby declared that any expenditure incurred in respect of any arrangements made, facilities provided or any other act or thing done by any person in the service of the Government and belonging to any of the classes mentioned in clause (7) of section 123 in the discharge or purported discharge of his official duty as mentioned

in the proviso to that clause shall not be deemed to be expenditure in connection with the election incurred or authorized by a candidate or by his election agent for the purposes of this subsection."

7. In section 79 of the principal Act, for clause (b), the following clause shall be substituted, namely:—

Amendment of section 79.

'(b) "candidate" means a person who has been or claims to have been duly nominated as a candidate at any election;'

8. In section 123 of the principal Act,—

Amendment of section 123.

(a) in clause (3), the following proviso shall be inserted at the end, namely:—

"Provided that no symbol allotted under this Act to a candidate shall be deemed to be a religious symbol or a national symbol for the purposes of this clause.";

(b) in clause (7), the following proviso shall be inserted at the end, namely:—

"Provided that where any person, in the service of the Government and belonging to any of the classes aforesaid, in the discharge or purported discharge of his official duty, makes any arrangements or provides any facilities or does any other act or thing, for, to, or in relation to, any candidate or his agent or any other person acting with the consent of the candidate or his election agent, (whether by reason of the office held by the candidate or for any other reason), such arrangements, facilities or act or thing shall not be deemed to be assistance for the furtherance of the prospects of that candidate's election.";

(c) in the *Explanation* at the end, the following shall be added, namely:—

"(3) For the purposes of clause (7), notwithstanding anything contained in any other law, the publication in the Official Gazette of the appointment, resignation, termination of service, dismissal or removal from service of a person in the service of the Central Government (including a person serving in connection with the administration of a Union territory) or of a State Government shall be conclusive proof—

(i) of such appointment, resignation, termination of service, dismissal or removal from service, as the case may be, and

(ii) where the date of taking effect of such appointment, resignation, termination of service, dismissal or removal from service, as the case may be, is stated in such publication, also of the fact that such person was appointed with effect from the said date, or in the case of resignation, termination of service, dismissal or removal from service, such person ceased to be in such service with effect from the said date."

Amend-
ment of
section
171A of
Act 45 of
1860.

9. In the Indian Penal Code, in section 171A, for clause (a), the following clause shall be substituted, namely:—

“(a) “candidate” means a person who has been nominated as a candidate at any election;”.

Amend-
ments to
have
retrospec-
tive effect.

10. The amendments made by sections 6, 7 and 8 of this Act in the principal Act shall also have retrospective operation so as to apply to and in relation to any election held before the commencement of this Act to either House of Parliament or to either House or the House of the Legislature of a State—

(i) in respect of which any election petition may be presented after the commencement of this Act; or

(ii) in respect of which any election petition is pending in any High Court immediately before such commencement; or

(iii) in respect of which any election petition has been decided by any High Court before such commencement but no appeal has been preferred to the Supreme Court against the decision of the High Court before such commencement and the period of limitation for filing such appeal has not expired before such commencement; or

(iv) in respect of which appeal from any order of any High Court made in any election petition under section 98 or section 99 of the principal Act is pending before the Supreme Court immediately before such commencement.

THE TAXATION LAWS (AMENDMENT) ACT, 1975

ARRANGEMENT OF SECTIONS

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PRELIMINARY

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1. Short title and commencement.

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3. Amendment of section 10.
4. Amendment of section 11.
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9. Amendment of section 35C.
10. Amendment of section 37.
11. Insertion of new section 44AA.
12. Amendment of section 49.
13. Amendment of section 64.
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34. Amendment of section 131.
35. Amendment of section 132.
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40. Amendment of section 140.
41. Amendment of section 140A.
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44. Amendment of section 144.
45. Insertion of new sections 144A and 144B.
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49. Amendment of section 176.
50. Amendment of section 179.
51. Amendment of section 185.
52. Amendment of section 189.
53. Amendment of section 221.
54. Amendment of section 222.
55. Amendment of section 223.
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58. Amendment of section 246.
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- 109. Amendment of section 7B.
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- 112. Insertion of new section 16A.
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- 120. Insertion of new sections 35A, 35B and 35C.
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- 124. Amendment of section 18.
- 125. Amendment of section 25.

THE TAXATION LAWS (AMENDMENT) ACT, 1975

No. 41 OF 1975

[7th August, 1975.]

An Act further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and the Companies (Profits) Surtax Act, 1964.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 1975.

Short
title and
com-
mence-
ment.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act; and any reference to "the commencement of the Taxation Laws (Amendment) Act, 1975" in any amendment made by any provision of this Act shall be construed as a reference to the coming into force of that provision.

CHAPTER II

AMENDMENTS TO THE INCOME-TAX ACT, 1961

13 of 1961.

2. In section 2 of the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act), after clause (15), the following clause shall be inserted, namely:—

Amend-
ment of
section 2.

'(15A) "child", in relation to an individual, includes a step-child and an adopted child of that individual;'

Amend-
ment of
section 10.

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

(i) in clause (6), after sub-clause (vi), the following sub-clause shall be inserted, namely:—

“(via) the remuneration received by him as an employee of, or a consultant to, an institution or association or a body established or formed outside India solely for philanthropic purposes, for services rendered by him in India in connection with such purposes; provided that such institution or association or body and the purposes for which his services are rendered in India are approved by the Central Government;”;

(ii) after clause (23B), the following clause shall be inserted, namely:—

“(23C) any income received by any person on behalf of—

(i) the Prime Minister's National Relief Fund; or

(ii) the Prime Minister's Fund (Promotion of Folk Art);

or

(iii) the Prime Minister's Aid to Students Fund; or

(iv) any other fund or institution established for charitable purposes which may be notified by the Central Government in the Official Gazette, having regard to the objects of the fund or institution and its importance throughout India or throughout any State or States; or

(v) any trust (including any other legal obligation) or institution, being a trust or institution wholly for public religious purposes or wholly for public religious and charitable purposes, which may be notified by the Central Government in the Official Gazette, having regard to the manner in which the affairs of the trust or institution are administered and supervised for ensuring that the income accruing thereto is properly applied for the purposes thereof:

Provided that any notification issued by the Central Government under sub-clause (iv) or sub-clause (v) shall have effect for such assessment year or years (including an assessment year or years commencing before the date on which such notification is issued) as may be specified in the notification;”.

Amend-
ment of
section 11.

4. In section 11 of the Income-tax Act,—

(i) in sub-section (1),—

(a) for clauses (a) and (b), the following clauses shall be substituted, namely:—

“(a) income derived from property held under trust wholly for charitable or religious purposes, to the extent to

which such income is applied to such purposes in India; and, where any such income is accumulated or set apart for application to such purposes in India, to the extent to which the income so accumulated or set apart is not in excess of twenty-five per cent. of the income from such property;

(b) income derived from property held under trust in part only for such purposes, the trust having been created before the commencement of this Act, to the extent to which such income is applied to such purposes in India; and, where any such income is finally set apart for application to such purposes in India, to the extent to which the income so set apart is not in excess of twenty-five per cent. of the income from such property;”;

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

“*Explanation.*—For the purposes of clauses (a) and (b),—

(1) in computing the twenty-five per cent. of the income which may be accumulated or set apart, any such voluntary contributions as are referred to in section 12 shall be deemed to be part of the income;

(2) if, in the previous year, the income applied to charitable or religious purposes in India falls short of seventy-five per cent. of the income derived during that year from property held under trust, or, as the case may be, held under trust in part, by any amount—

(i) for the reason that the whole or any part of the income has not been received during that year, or

(ii) for any other reason,

then—

(a) in the case referred to in sub-clause (i), so much of the income applied to such purposes in India during the previous year in which the income is received or during the previous year immediately following as does not exceed the said amount; and

(b) in the case referred to in sub-clause (ii), so much of the income applied to such purposes in India during the previous year immediately following the previous year in which the income was derived as does not exceed the said amount,

may, at the option of the person in receipt of the income [such option to be exercised in writing before the expiry of the time allowed under sub-section (1) or sub-section (2) of section 139, whether fixed originally or on extension for furnishing the return of income] be deemed to be income applied to such purposes during the

previous year in which the income was derived; and the income so deemed to have been applied shall not be taken into account in calculating the amount of income applied to such purposes, in the case referred to in sub-clause (i), during the previous year in which the income is received or during the previous year immediately following, as the case may be, and, in the case referred to in sub-clause (ii), during the previous year immediately following the previous year in which the income was derived.”;

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

“(1B) Where any income in respect of which an option is exercised under clause (2) of the *Explanation* to sub-section (1) is not applied to charitable or religious purposes in India during the period referred to in sub-clause (a) or, as the case may be sub-clause (b), of the said clause, then, such income shall be deemed to be the income of the person in receipt thereof—

(a) in the case referred to in sub-clause (i) of the said clause, of the previous year immediately following the previous year in which the income was received, or

(b) in the case referred to in sub-clause (ii) of the said clause, of the previous year immediately following the previous year in which the income was derived.”;

(iii) in sub-section (2), for the portion beginning with the words, brackets, letters and figure “Where any income referred to in clause (a) or clause (b) of sub-section (1)” and ending with the words “the following conditions are complied with, namely:—”, the following shall be substituted, namely:—

“Where seventy-five per cent. of the income referred to in clause (a) or clause (b) of sub-section (1) read with the *Explanation* to that sub-section is not applied, or is not deemed to have been applied, to charitable or religious purposes in India during the previous year but is accumulated or set apart, either in whole or in part for application to such purposes in India, such income so accumulated or set apart shall not be included in the total income of the previous year of the person in receipt of the income, provided the following conditions are complied with namely:—”;

(iv) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) Notwithstanding anything contained in sub-section (3), where due to circumstances beyond the control of the person in receipt of the income, any income invested or deposited in accordance with the provisions of clause (b) of sub-section (2) cannot be applied for the purpose for which it was accumulated or set apart, the Income-tax Officer may, on an application made to him in this behalf, allow such person to apply such income for such other charitable or religious purpose in India as is specified in the application by such person and as is in conformity with

the objects of the trust; and thereupon the provisions of sub-section (3) shall apply as if the purpose specified by such person in the application under this sub-section were a purpose specified in the notice given to the Income-tax Officer under clause (a) of sub-section (2).”.

5. In section 13 of the Income-tax Act,—

(i) in sub-section (1),—

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

“(bb) in the case of a charitable trust or institution for the relief of the poor, education or medical relief, which carries on any business, any income derived from such business, unless the business is carried on in the course of the actual carrying out of a primary purpose of the trust or institution;”;

(b) after clause (c) and the provisos thereto, the following clause shall be inserted, namely:—

“(d) subject to the provisions of clause (bb), in the case of a trust for charitable or religious purposes or a charitable or religious institution, any income thereof assessable for any assessment year commencing on or after the 1st day of April, 1979, if any funds of the trust or institution are invested or deposited or continue to remain invested or deposited for any period during any previous year commencing on or after the 1st day of April, 1978, otherwise than in any of the forms or modes specified in sub-section (5).”;

(ii) in sub-section (3), for clause (b), the following clause shall be substituted, namely:—

“(b) any person who has made a substantial contribution to the trust or institution, that is to say, any person whose total contribution up to the end of the relevant previous year exceeds five thousand rupees;”;

(iii) after sub-section (4) and before *Explanation 1*, the following sub-sections shall be inserted, namely:—

“(5) The forms and modes of investing or depositing funds referred to in clause (d) of sub-section (1) shall be—

(a) subject to the provisions of clause (b), in a case where such funds represent the original corpus of the trust or institution or any contributions made to the trust or institution with a specific direction that they shall form part of the corpus of the trust or institution,—

(i) investment in savings certificates as defined in clause (c) of section 2 of the Government Savings Certificates Act, 1959, and any other securities or certificates issued by the Central Government under the small savings schemes of that Government;

(ii) deposit in any account with the Post Office Savings Bank;

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(iii) deposit in any account with any nationalised bank, that is to say, any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970; 5 of 1970.

(iv) investment in units in the Unit Trust of India established under the Unit Trust of India Act, 1963; 52 of 1963.

(v) investment in any security for money created and issued by the Central Government or a State Government;

(vi) investment in debentures issued by, or on behalf of, any company or corporation both the principal whereof and the interest whereon are fully and unconditionally guaranteed by the Central Government or by a State Government;

(vii) investment or deposit in any Government company as defined in section 617 of the Companies Act, 1956; 1 of 1956.

(b) in a case where such funds represent—

(i) the corpus of the trust or institution immediately before the 1st day of June, 1973; or

(ii) the original corpus (being assets other than cash) of any trust or institution created or established on or after the 1st day of June, 1973; or

(iii) any contributions (otherwise than in cash) made to any trust or institution on or after the 1st day of June, 1973, with a specific direction that they shall form part of the corpus of the trust or institution,

any form or mode, other than investment in shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) in a company (not being a Government company as defined in section 617 of the Companies Act, 1956 or a corporation established by or under a Central, State or Provincial Act); 1 of 1956.

(c) in any other case, the forms or modes referred to in sub-clause (i), sub-clause (ii), sub-clause (iii) and sub-clause (iv) of clause (a).

(6) Nothing contained in clause (d) of sub-section (1) shall apply in relation to any monies accumulated or finally set apart and invested or deposited in the manner referred to in clause (b) of sub-section (2) of section 11.

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

(i) in sub-section (1),—

(a) for the opening paragraph, the following shall be substituted, namely:—

“(1) For the purposes of section 22, the annual value of any property shall be deemed to be—

(a) the sum for which the property might reasonably be expected to let from year to year; or

(b) where the property is let and the annual rent received or receivable by the owner in respect thereof

is in excess of the sum referred to in clause (a), the amount so received or receivable:";

(b) the following *Explanation* shall be inserted at the end, namely:—

Explanation.—For the purposes of this sub-section, "annual rent" means—

(a) in a case where the property is let throughout the previous year, the actual rent received or receivable by the owner in respect of such year; and

(b) in any other case, the amount which bears the same proportion to the amount of the actual rent received or receivable by the owner for the period for which the property is let, as the period of twelve months bears to such period.';

(ii) for sub-section (2), the following sub-sections shall be substituted, namely:—

"(2) Where the property consists of—

(i) a house in the occupation of the owner for the purposes of his own residence, the annual value of such house shall first be determined in the same manner as if the property had been let and further be reduced by one-half of the amount so determined or one thousand and eight hundred rupees, whichever is less;

(ii) more than one house in the occupation of the owner for the purposes of his own residence, the provisions of clause (i) shall apply only in respect of one of such houses, which the assessee may, at his option, specify in this behalf:

Provided that for the purposes of clauses (i) and (ii), where the sum so arrived at exceeds ten per cent. of the total income of the owner (the total income for this purpose being computed without including therein any income from such property and before making any deduction under Chapter VIA), the excess shall be disregarded.

Explanation.—Where any such residential unit as is referred to in the second proviso to sub-section (1) is in the occupation of the owner for the purposes of his own residence, nothing contained in that proviso shall apply in computing the annual value of that residential unit.

(2A) For the removal of doubt, it is hereby declared that, where the property consists of more than one house and such houses are in the occupation of the owner for the purposes of his own residence, the annual value of the houses, other than that the annual value of which is required to be determined under clause (ii) of sub-section (2), shall be determined under sub-section (1) as if such houses had been let."

Amendment of section 26.

7. In section 26 of the Income-tax Act, the following *Explanation* shall be inserted at the end, namely:—

*“Explanation.—*For the purposes of this section, in applying the provisions of sub-section (2) of section 23 for computing the share of each such person as is referred to in this section, such share shall be computed, as if each such person is individually entitled to the relief provided in that sub-section.”

Amendment of section 32.

8. In sub-section (1) of section 32 of the Income-tax Act, for clause (i), the following clause shall be substituted, namely:—

“(i) in the case of ships other than ships ordinarily plying on inland waters, such percentage on the actual cost thereof to the assessee as may, in any case or class of cases or in respect of any period or periods, be prescribed:

Provided that different percentages may be prescribed for different periods having regard to the date of acquisition of the ship;”

Amendment of section 35C.

9. In sub-section (1) of section 35C of the Income-tax Act,—

(i) in clause (a), after the words “Where any company”, the words “or a co-operative society” shall be inserted;

(ii) for the words “the company”, wherever they occur, the words “the company or co-operative society” shall be substituted.

Amendment of section 37.

10. In sub-section (1) of section 37 of the Income-tax Act, after the words and figures “sections 30 to 36”, the words, figures and letters “and section 80VV” shall be inserted.

Insertion of new section 44AA.

11. In Chapter IV of the Income-tax Act, under the heading “D.—*Profits and gains of business or profession*”, after section 44A, the following section shall be inserted, namely:—

Maintenance of accounts by certain persons carrying on profession or business.

“44AA. (1) Every person carrying on legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or any other profession as is notified by the Board in the Official Gazette shall keep and maintain such books of account and other documents as may enable the Income-tax Officer to compute his total income in accordance with the provisions of this Act.

(2) Every person carrying on business or profession [not being a profession referred to in sub-section (1)] shall,—

(i) if his income from business or profession exceeds twenty-five thousand rupees or his total sales, turnover or gross receipts, as the case may be, in business or profession exceed or exceeds two hundred and fifty thousand rupees in any one of the three years immediately preceding the previous year; or

(ii) where the business or profession is newly set up in any previous year, if his income from business or profession is likely to exceed twenty-five thousand rupees or his total sales, turnover or gross receipts, as the case may be, in business or profession are or is likely to exceed two hundred and fifty

thousand rupees, during such previous year,

keep and maintain such books of account and other documents as may enable the Income-tax Officer to compute his total income in accordance with the provisions of this Act.

(3) The Board may, having regard to the nature of the business or profession carried on by any class of persons, prescribe, by rules, the books of account and other documents (including inventories, wherever necessary) to be kept and maintained under sub-section (1) or sub-section (2), the particulars to be contained therein and the form and the manner in which and the place at which they shall be kept and maintained.

(4) Without prejudice to the provisions of sub-section (3), the Board may prescribe, by rules, the period for which the books of account and other documents to be kept and maintained under sub-section (1) or sub-section (2) shall be retained.”.

12. In sub-section (1) of section 49 of the Income-tax Act,—

Amendment of section 49.

(a) after clause (iii), the following clause shall be inserted, namely:—

“(iv) such assessee being a Hindu undivided family, by the mode referred to in sub-section (2) of section 64 at any time after the 31st day of December, 1969;”

(b) in the *Explanation*, for the words, brackets and figures “clause (ii) or clause (iii)”, the words, brackets and figures “clause (ii) or clause (iii) or clause (iv)” shall be substituted.

13. In section 64 of the Income-tax Act,—

Amendment of section 64.

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

“(1) In computing the total income of any individual, there shall be included all such income as arises directly or indirectly—

(i) to the spouse of such individual from the membership of the spouse in a firm carrying on a business in which such individual is a partner;

(ii) to the spouse of such individual by way of salary, commission, fees or any other form of remuneration whether in cash or in kind from a concern in which such individual has a substantial interest:

Provided that nothing in this clause shall apply in relation to any income arising to the spouse where the spouse possesses technical or professional qualifications and the income is solely attributable to the application of his or her technical or professional knowledge and experience;

(iii) to a minor child of such individual from the admission of the minor to the benefits of partnership in a firm;

(iv) subject to the provisions of clause (i) of section 27, in a case not falling under clause (i) of this sub-section, to the spouse of such individual from assets transferred directly or indirectly to the spouse by such individual

otherwise than for adequate consideration or in connection with an agreement to live apart;

(v) subject to the provisions of clause (i) of section 27, in a case not falling under sub-clause (iii) of this sub-section, to a minor child (not being a married daughter) of such individual, from assets transferred directly or indirectly to the minor child by such individual otherwise than for adequate consideration;

(vi) to the son's wife, or son's minor child, of such individual, from assets transferred directly or indirectly on or after the 1st day of June, 1973, to the son's wife or son's minor child by such individual otherwise than for adequate consideration; and

(vii) to any person or association of persons from assets transferred directly or indirectly otherwise than for adequate consideration to the person or association of persons by such individual, to the extent to which the income from such assets is for the immediate or deferred benefit of his or her spouse or minor child (not being a married daughter) or both.

Explanation 1.—For the purposes of clause (i), the individual, in computing whose total income the income referred to in that clause is to be included, shall be the husband or wife whose total income (excluding the income referred to in that clause) is greater; and, for the purposes of clause (iii), the income of the minor child from the partnership shall be included in the income of that parent whose total income (excluding the income referred to in that clause) is greater; and where any such income is once included in the total income of either spouse or parent, any such income arising in any succeeding year shall not be included in the total income of the other spouse or parent unless the Income-tax Officer is satisfied, after giving that spouse or parent an opportunity of being heard, that it is necessary so to do.

Explanation 2.—For the purposes of clause (ii), an individual shall be deemed to have a substantial interest in a concern—

(i) in a case where the concern is a company, if its shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than twenty per cent. of the voting power are, at any time during the previous year, owned beneficially by such person or partly by such person and partly by one or more of his relatives;

(ii) in any other case, if such person is entitled, or such person and one or more of his relatives are entitled in the aggregate, at any time during the previous year, to not less than twenty per cent. of the profits of such concern.

Explanation 3.—For the purposes of clauses (iv) and (v), where the assets transferred directly or indirectly by an individual to his spouse or minor child are invested by the spouse or

minor child in any business, that part of the income arising out of the business to the spouse or minor child in any previous year, which bears the same proportion to the income of the spouse or minor child from the business as the value of the assets aforesaid as on the first day of the previous year bears to the total investment in the business by the spouse or the minor child as on the said day, shall be included in the total income of the individual in that previous year.”;

(b) in sub-section (2),—

(i) in clause (b), the words “, in so far as it is attributable to the interest of the individual in the property of the family,” shall be omitted;

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

“(c) where the converted property has been the subject-matter of a partition (whether partial or total) amongst the members of the family, the income derived from such converted property as is received by the spouse or minor child on partition shall be deemed to arise to the spouse or minor child from assets transferred indirectly by the individual to the spouse or minor child and the provisions of sub-section (1) shall, so far as may be, apply accordingly.”;

(iii) in the proviso, for the words “minor son”, the words “minor child” shall be substituted;

(iv) in the *Explanation*,—

(A) the brackets and figure “(1)” shall be omitted;

(B) clause (2) shall be omitted.

14. In Chapter VI of the Income-tax Act, under the heading “*Aggregation of income*”, after section 69B, the following sections shall be inserted, namely:—

“69C. Where in any financial year an assessee has incurred any expenditure and he offers no explanation about the source of such expenditure or part thereof, or the explanation, if any, offered by him is not, in the opinion of the Income-tax Officer, satisfactory, the amount covered by such expenditure or part thereof, as the case may be, may be deemed to be the income of the assessee for such financial year.

69D. Where any amount is borrowed on a *hundi* from, or any amount due thereon is repaid to, any person otherwise than through an account payee cheque drawn on a bank, the amount so borrowed or repaid shall be deemed to be the income of the person borrowing or repaying the amount aforesaid for the previous year in which the amount was borrowed or repaid, as the case may be:

Provided that, if in any case any amount borrowed on a *hundi* has been deemed under the provisions of this section to be the income of any person, such person shall not be liable to be assessed again in respect of such amount under the provisions of this section on repayment of such amount.

Insertion of new sections 69C and 69D.

Unexplained expenditure, etc.

Amount borrowed or repaid on *hundi*.

Explanation.—For the purposes of this section, the amount repaid shall include the amount of interest paid on the amount borrowed.”.

Amendment of section 73.

15. In section 73 of the Income-tax Act, the following *Explanation* shall be inserted at the end, namely:—

“*Explanation.*—Where any part of the business of a company [other than an investment company, as defined in clause (ii) of section 109, or a company the principal business of which is the business of banking or the granting of loans and advances] consists in the purchase and sale of shares of other companies, such company shall, for the purposes of this section, be deemed to be carrying on a speculation business to the extent to which the business consists of the purchase and sale of such shares.”.

Amendment of section 80A.

16. In section 80A of the Income-tax Act,—

(i) in sub-section (1), for the figures and letter “80U”, the figures and letters “80VV” shall be substituted;

(ii) in sub-section (3), the words, figures and letter “or section 80H” shall be omitted.

Amendment of section 80B.

17. In section 80B of the Income-tax Act, clauses (1) and (9) shall be omitted.

Amendment of section 80G.

18. In section 80G of the Income-tax Act,—

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

“(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount equal to fifty per cent. of the aggregate of the sums specified in sub-section (2).”;

(ii) in clause (i) of sub-section (5), after the words, brackets and figures “or clause (23)”, the words, brackets, figures and letter “or clause (23C)” shall be inserted.

Insertion of new section 80GG.

Deduction in respect of rents paid.

19. In Chapter VIA of the Income-tax Act, under the heading “B.—*Deductions in respect of certain payments*”, after section 80G, the following section shall be inserted, namely:—

“80GG. In computing the total income of an assessee, not being an assessee having any income falling within clause (13A) of section 10, there shall be deducted any expenditure incurred by him in excess of ten per cent. of his total income towards payment of rent (by whatever name called) in respect of any furnished or unfurnished accommodation occupied by him for the purposes of his own residence, to the extent to which such excess expenditure does not exceed three hundred rupees per month or fifteen per cent. of his total income for the year, whichever is less, and subject to such other conditions or limitations as may be prescribed, having regard to the area or place in which such accommodation is situated and other relevant considerations:

Provided that nothing in this section shall apply to an assessee in any case where any residential accommodation is owned by him or by his spouse or minor child, or, where such assessee is a member of a Hindu undivided family, by such family.

Explanation.—In this section, the expressions “ten per cent. of his total income” and “fifteen per cent. of his total income” shall mean ten per cent. or fifteen per cent., as the case may be, of the assessee’s total income before allowing deduction for any expenditure under this section.’

20. Section 80H of the Income-tax Act shall be omitted. Omission of section 80H.
21. In section 80HH of the Income-tax Act, sub-section (8) shall be omitted. Amendment of section 80HH.
22. In section 80J of the Income-tax Act,— Amendment of section 80J.
- (i) in sub-section (1), for the brackets, words, figures and letters “(reduced by the aggregate of the deductions, if any, admissible to the assessee under section 80H and section 80HH)”, the brackets, words, figures and letters “(reduced by the deduction, if any, admissible to the assessee under section 80HH)” shall be substituted;
- (ii) in sub-section (3), the word, figures and letter “section 80H,” shall be omitted.
23. In sub-section (1) of section 80L of the Income-tax Act, after clause (vii), the following clause shall be inserted, namely:— Amendment of section 80L.
- “(viii) interest on deposits with any authority constituted in India by or under any law enacted either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both;”.
24. In sub-section (3) of section 80P of the Income-tax Act,— Amendment of section 80P.
- (i) the words, figures and letter “section 80H or” shall be omitted;
- (ii) for the words, figures and letters “deductions under section 80H, section 80HH, section 80J and section 80JJ”, the words, figures and letters “deductions under section 80HH, section 80J and section 80JJ” shall be substituted.
25. In sub-section (2) of section 80QQ of the Income-tax Act,— Amendment of section 80QQ.
- (i) the words, figures and letter “section 80H or” shall be omitted;
- (ii) the word, figures and letter “section 80H,” shall be omitted.
26. In Chapter VIA of the Income-tax Act, under the heading “D.— Other deductions”, after section 80U, the following sections shall be inserted, namely:— Insertion of new sections 80V and 80VV.
- “80V. In computing the total income of an assessee, there shall be allowed by way of deduction any interest paid by him in the previous year on any money borrowed for the payment of any tax due from him under this Act. Deduction of interest on moneys borrowed to pay taxes.

Deduction in respect of expenses incurred in connection with certain proceedings under the Act.

80VV. In computing the total income of an assessee, there shall be allowed by way of deduction any expenditure incurred by him in the previous year in respect of any proceedings before any Income-tax authority or the Appellate Tribunal or any court relating to the determination of any liability under this Act, by way of tax, penalty or interest:

Provided that no deduction under this section shall, in any case, exceed in the aggregate five thousand rupees."

Amendment of section 104.

27. In section 104 of the Income-tax Act, for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) Without prejudice to the provisions of section 108, nothing contained in this section shall apply to a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India."

Amendment of section 109.

28. In section 109 of the Income-tax Act,—

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

'(ia) "industrial company" means an Indian company whose business consists wholly in the construction of ships or in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power;

(ib) "consultancy service company" means an Indian company whose business consists wholly in the provision of technical know-how, or in the rendering of services in connection with the provision of technical know-how, to other persons.

Explanation.—In this clause and in sub-clause (3) of clause (iii), the expression "provision of technical know-how" has the meaning assigned to it in sub-section (2) of section 80MM;";

(b) in clause (iii),—

(i) for sub-clause (1), the following sub-clause shall be substituted, namely:—

"(1) in the case of an industrial company or a consultancy service company .. 45%;

(2) in the case of an investment company other than an investment company which falls under sub-clause (3) of this clause .. 90%";

(ii) in sub-clause (3), for the portion beginning with the words "in the case of an Indian company" and ending with the words "attributable to such business .. Nil,";

the following shall be substituted, namely:—

"in the case of an Indian company, not being an industrial company or a consultancy service company, a part of whose gross total income consists of profits and gains attributable to the business of provision of technical know-how, or of rendering services in connection with the provision of technical know-how, to other persons, or of construction of ships or of manufacture or processing of goods or of mining

or of generation or distribution of electricity or any other form of power—

(a) in relation to the said part of its gross total income ... 45%;”;

(iii) for the *Explanation* below sub-clause (3), the following *Explanation* shall be substituted, namely:—

“*Explanation.*—The provisions of this Chapter shall apply as if the aforesaid two parts of the gross total income of the company were respectively the gross total income of the company in relation to each such part and as if the amount of dividends actually distributed and the distributable income were also similarly apportioned for the purposes of section 104 and this section;”.

29. In sub-section (2) of section 124 of the Income-tax Act, for the portion beginning with the words “and shall perform such functions” and ending with the words “work to be performed.”, the following shall be substituted, namely:—

Amendment of section 124.

“and shall perform their functions in relation to the said area, or persons or classes of persons, or incomes or classes of income, or cases or classes of cases, in accordance with such general or special orders in writing as the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf, may make for the purpose of facilitating the performance of such functions.”.

30. In sub-section (1) of section 125 of the Income-tax Act, in the proviso,—

Amendment of section 125.

(i) after the figures and letter “132A,”, the figures and letter “132B,” shall be inserted;

(ii) for the words, figures and brackets “and 271 to 274 (both inclusive)”, the figures, words and brackets “, 271 to 273 (both inclusive) and 274” shall be substituted.

31. After section 125 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 125A.

“125A. (1) The Commissioner may, by general or special order in writing, direct that all or any of the powers or functions conferred on, or assigned to, the Income-tax Officer or Income-tax Officers by or under this Act in respect of any area, or persons or classes of persons, or incomes or classes of income, or cases or classes of cases, shall be exercised or performed concurrently by the Inspecting Assistant Commissioner.

Concurrent jurisdiction of Inspecting Assistant Commissioner and Income-tax Officer.

(2) Where under sub-section (1), an Inspecting Assistant Commissioner exercises concurrent jurisdiction with one or more Income-tax Officers in respect of any area, or persons or classes of persons, or incomes or classes of income, or cases or classes of cases, the Income-tax Officer or Income-tax Officers shall exercise the powers and perform the functions under this Act in relation thereto as the Inspecting Assistant Commissioner may direct.

(3) Without prejudice to the generality of the provisions contained in sub-section (3) of section 119, every Income-tax Officer shall also observe and follow such instructions as may be issued to him for his guidance by the Inspecting Assistant Commissioner within

whose jurisdiction he performs his functions in relation to any particular proceeding or the initiation of any proceeding under this Act:

Provided that no instructions, which are prejudicial to the assessee, shall be issued before an opportunity is given to the assessee to be heard.

Explanation.—For the purposes of this sub-section, no instruction as to the lines on which an investigation connected with the assessment should be made shall be deemed to be an instruction prejudicial to the assessee.

(4) Where an order is made under sub-section (1) and the Inspecting Assistant Commissioner exercises the powers or performs the functions of an Income-tax Officer in relation to any area, or persons or classes of persons, or incomes or classes of income, or cases or classes of cases, references in this Act or in any rule made thereunder to the Income-tax Officer and the Appellate Assistant Commissioner shall be construed as references to the Inspecting Assistant Commissioner and the Commissioner respectively and, accordingly:—

(i) any provision of this Act requiring approval or sanction of the Inspecting Assistant Commissioner shall not apply;

(ii) any appeal which would otherwise have lain to the Appellate Assistant Commissioner shall lie to the Commissioner;

(iii) any appeal which would have lain from an order of the Appellate Assistant Commissioner to the Appellate Tribunal shall lie from the order of the Commissioner.”

Amend-
ment of
section
127.

32. In section 127 of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from one or more of the following officers subordinate to him, namely:—

(a) any Income-tax Officer or Income-tax Officers;

(b) any Income-tax Officer or Income-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner,

to any other Income-tax Officer or Income-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) also subordinate to him and the Board may similarly transfer any case from—

(i) any Income-tax Officer or Income-tax Officers, or

(ii) any Income-tax Officer or Income-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner,

to any other Income-tax Officer or Income-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner):

Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where the transfer is from any Income-tax Officer or Income-tax Officers (whether with or

without concurrent jurisdiction with the Inspecting Assistant Commissioner) to any other Income-tax Officer or Income-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) and the offices of all such officers are situated in the same city, locality or place:

Provided further that—

(a) where any case has been transferred from any Income-tax Officer or Income-tax Officers to two or more Income-tax Officers, the Income-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf, may make for the purpose of facilitating the performance of such functions;

(b) where any case has been transferred from any Income-tax Officer or Income-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner), to two or more Income-tax Officers with concurrent jurisdiction with the Inspecting Assistant Commissioner, the officers (including the Inspecting Assistant Commissioner) to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner may make for the purpose of facilitating the performance of such functions, and the Income-tax Officers shall perform their functions also in accordance with such orders or directions as the Inspecting Assistant Commissioner may make under sub-section (2) of section 124 or, as the case may be, under sub-section (2) of section 125A.”

33. In section 130A of the Income-tax Act, after clause (b), the following clause shall be inserted, namely:—

Amend-
ment of
section
130A.

“(c) in a case, where two or more Income-tax Officers have concurrent jurisdiction over such assessee in relation to any function, be the Income-tax Officers empowered to perform such function by the Board or, as the case may be, the Income-tax Officers to whom such function has been assigned by an order of the Commissioner or by an order or a direction of the Inspecting Assistant Commissioner under sub-section (2) of section 124 or, as the case may be, under sub-section (2) of section 125A.”

34. In section 131 of the Income-tax Act,—

Amend-
ment of
section
131.

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

“(1A) If the Assistant Director of Inspection has reason to suspect that any income has been concealed, or is likely to be concealed, by any person or class of persons, within his jurisdiction, then, for the purpose of making any enquiry or investigation relating thereto, it shall be competent for him to exercise the powers conferred under sub-section (1) on the Income-tax authorities referred to in that sub-section, notwithstanding that no proceedings with respect to such person or class of persons are pending before him or any other Income-tax authority.”;

(ii) in sub-section (3),—

(a) in the opening paragraph, after the word, brackets and figure “sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted;

(b) in the proviso, for the words “an Income-tax Officer”, the words “an Income-tax Officer or an Assistant Director of Inspection” shall be substituted.

Amend-
ment of
section
132.

35. In section 132 of the Income-tax Act,—

(a) in sub-section (1),—

(i) in the opening paragraph, for the words “Where the Director of Inspection or the Commissioner,”, the following shall be substituted, namely:—

“Where the Director of Inspection or the Commissioner or any such Deputy Director of Inspection or Inspecting Assistant Commissioner as may be empowered in this behalf by the Board,”;

(ii) in clause (c), for the words “which has not been disclosed”, the words “which has not been, or would not be, disclosed” shall be substituted;

(iii) for the portion beginning with the words “he may authorise” and ending with the brackets and words “(hereinafter referred to as the authorised officer) to—”, the following shall be substituted, namely:—

“then,—

(A) the Director of Inspection or the Commissioner, as the case may be, may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Income-tax Officer; or

(B) such Deputy Director of Inspection or Inspecting Assistant Commissioner, as the case may be, may authorise any Assistant Director of Inspection or Income-tax Officer,

(the officer so authorised in all cases being hereinafter referred to as the authorised officer) to—”;

(iv) in clause (i), for the words “building or place”, the words “building, place, vessel, vehicle or aircraft” shall be substituted;

(v) after clause (ii), the following clause shall be inserted, namely:—

“(ia) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account, other documents, money, bullion, jewellery or other valuable article or thing;”;

(vi) the following proviso shall be inserted at the end, namely:—

“Provided that where any building, place, vessel, vehicle or aircraft referred to in clause (i) is within the area of

jurisdiction of any Commissioner, but such Commissioner has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c), then, notwithstanding anything contained in section 121, it shall be competent for him to exercise the powers under this sub-section in all cases where he has reason to believe that any delay in getting the authorisation from the Commissioner having jurisdiction over such person may be prejudicial to the interests of the revenue.”;

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

“(1A) Where any Commissioner, in consequence of information in his possession, has reason to suspect that any books of account, other documents, money, bullion, jewellery or other valuable article or thing in respect of which an officer has been authorised by the Director of Inspection or any other Commissioner or any such Deputy Director of Inspection or Inspecting Assistant Commissioner as may be empowered in this behalf by the Board to take action under clauses (i) to (v) of sub-section (1) are or is kept in any building, place, vessel, vehicle or aircraft not mentioned in the authorisation under sub-section (1), such Commissioner may, notwithstanding anything contained in section 121, authorise the said officer to take action under any of the clauses aforesaid in respect of such building, place, vessel, vehicle or aircraft.”;

(c) in sub-section (2), after the word, brackets and figure “sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted;

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

“(4A) Where any books of account, other documents, money, bullion, jewellery or other valuable article or thing are or is found in the possession or control of any person in the course of a search, it may be presumed—

(i) that such books of account, other documents, money, bullion, jewellery or other valuable article or thing belong or belongs to such person;

(ii) that the contents of such books of account and other documents are true; and

(iii) that the signature and every other part of such books of account and other documents which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a document stamped, executed or attested, that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested.”;

(e) in sub-section (5),—

(i) for the opening paragraph, the following shall be substituted, namely:—

“Where any money, bullion, jewellery or other valuable article or thing (hereafter in this section and in sections 132A and 132B referred to as the assets) is seized under sub-section (1) or sub-section (1A), the Income-tax Officer, after affording a reasonable opportunity to the person concerned of being heard and making such enquiry as may be prescribed, shall, within ninety days of the seizure, make an order, with the previous approval of the Inspecting Assistant Commissioner,—”;

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

“(iia) determining the amount of interest payable and the amount of penalty imposable in accordance with the provisions of the Indian Income-tax Act, 1922 or this Act, as if the order had been the order of regular assessment;”;

11 of 1922.

(iii) for the words, brackets and figures “clauses (ii) and (iii)”, at both the places where they occur, the words, brackets, figures and letter “clauses (i), (iia) and (iii)” shall be substituted;

(iv) in the first proviso, after the words “the financial year in which the assets were seized”, the words “and may also determine the interest or penalty, if any, payable or imposable accordingly” shall be inserted;

(f) in sub-section (6), for the word, figures and letter “section 132A”, the word, figures and letter “section 132B” shall be substituted;

(g) in sub-section (8), after the word, brackets and figure “sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted;

(h) in sub-section (9), after the word, brackets and figure “sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted;

(i) after sub-section (9), the following sub-section shall be inserted, namely:—

“(9A) Where the authorised officer has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of sub-section (1), the books of account or other documents or assets seized under that sub-section shall be handed over by the authorised officer to the Income-tax Officer having jurisdiction over such person within a period of fifteen days of such seizure and thereupon the powers exercisable by the authorised officer under sub-section (8) or sub-section (9) shall be exercisable by such Income-tax Officer.”;

(j) in sub-section (10), after the word, brackets and figure "sub-section (1)", the words, brackets, figure and letter "or sub-section (1A)" shall be inserted;

(k) for sub-section (13), the following sub-section shall be substituted, namely:—

2 of 1974

"(13) The provisions of the Code of Criminal Procedure, 1973, relating to searches and seizure shall apply, so far as may be, to searches and seizure under sub-section (1) or sub-section (1A).";

(l) in sub-section (14), in clause (i), for the words "such building or place", the words "any building, place, vessel, vehicle or aircraft" shall be substituted.

36. Section 132A of the Income-tax Act shall be re-numbered as section 132B thereof, and—

Amend-
ment of
section
132A.

(i) before that section as so re-numbered, the following section shall be inserted, namely:—

'132A. (1) Where the Director of Inspection or the Commissioner, in consequence of information in his possession, has reason to believe that—

Powers to
requisi-
tion
books of
account,
etc.

11 of 1922.

(a) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents, as required by such summons or notice and the said books of account or other documents have been taken into custody by any officer or authority under any other law for the time being in force, or

11 of 1922.

(b) any books of account or other documents will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 or under this Act and any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, such books of account or other documents on the return of such books of account or other documents by any officer or authority by whom or which such books of account or other documents have been taken into custody under any other law for the time being in force, or

11 of 1922.

(c) any assets represent either wholly or partly income or property which has not been, or would not have been, disclosed for the purposes of the Indian Income-tax Act, 1922 or this Act by any person from whose possession or control such assets have been taken into custody by any officer or authority under any other law for the time being in force,

then, the Director of Inspection or the Commissioner may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Income-tax Officer [hereafter in this section and in sub-section (2) of section 278D referred to as the requisitioning officer] to require the officer or authority referred to in clause (a) or clause (b) or clause (c), as the case may be, to deliver such books of account, other documents or assets to the requisitioning officer.

(2) On a requisition being made under sub-section (1), the officer or authority referred to in clause (a) or clause (b) or clause (c), as the case may be, of that sub-section shall deliver the books of account, other documents or assets to the requisitioning officer either forthwith or when such officer or authority is of the opinion that it is no longer necessary to retain the same in his or its custody.

(3) Where any books of account, other documents or assets have been delivered to the requisitioning officer, the provisions of sub-sections (4A) to (14) (both inclusive) of section 132 and section 132B shall, so far as may be, apply as if such books of account, other documents or assets had been seized under sub-section (1) of section 132 by the requisitioning officer from the custody of the person referred to in clause (a) or clause (b) or clause (c), as the case may be, of sub-section (1) of this section and as if for the words "the authorised officer" occurring in any of the aforesaid sub-sections (4A) to (14), the words "the requisitioning officer" were substituted.;

(ii) in section 132B as so re-numbered, in sub-section (1), in clause (i), after the word "relates", the brackets and words "(including any penalty levied or interest payable in connection with such assessment or re-assessment)" shall be inserted.

37. For section 133A of the Income-tax Act, the following section shall be substituted, namely:—

Substitution of new section for section 133A.

Power of survey.

'133A. (1) Notwithstanding anything contained in any other provision of this Act, an Income-tax authority may enter—

(a) any place within the limits of the area assigned to him,
or

(b) any place occupied by any person in respect of whom he exercises jurisdiction,

at which a business or profession is carried on, whether such place be the principal place or not of such business or profession, and require any proprietor, employee or any other person who may at that time and place be attending in any manner to, or helping in, the carrying on of such business or profession—

(i) to afford him the necessary facility to inspect such books of account or other documents as he may require and which may be available at such place,

(ii) to afford him the necessary facility to check or verify the cash, stock or other valuable article or thing which may be found therein, and

(iii) to furnish such information as he may require as to any matter which may be useful for, or relevant to, any proceeding under this Act.

Explanation.—For the purposes of this sub-section, a place where a business or profession is carried on shall also include any other place, whether any business or profession is carried on therein or not, in which the person carrying on the business or profession states that any of his books of account or other documents or any part of his cash or stock or other valuable article or thing relating to his business or profession are or is kept.

(2) An Income-tax authority may enter any place of business or profession referred to in sub-section (1) only during the hours at which such place is open for the conduct of business or profession and, in the case of any other place, only after sunrise and before sunset.

(3) An Income-tax authority acting under this section may,—

(i) if he so deems necessary, place marks of identification on the books of account or other documents inspected by him and make or cause to be made extracts or copies therefrom,

(ii) make an inventory of any cash, stock or other valuable article or thing checked or verified by him,

(iii) record the statement of any person which may be useful for, or relevant to, any proceeding under this Act.

(4) An Income-tax authority acting under this section shall, on no account, remove or cause to be removed from the place wherein he has entered, any books of account or other documents or any cash, stock or other valuable article or thing.

(5) Where, having regard to the nature and scale of expenditure incurred by an assessee, in connection with any function, ceremony or event, the Income-tax authority is of the opinion that it is necessary or expedient so to do, he may, at any time after such function, ceremony or event, require the assessee by whom such expenditure has been incurred or any person who, in the opinion of the Income-tax authority, is likely to possess information as respects the expenditure incurred, to furnish such information as he may require as to any matter which may be useful for, or relevant to, any proceeding under this Act and may have the statements of the assessee or any other person recorded and any statement so recorded may thereafter be used in evidence in any proceeding under this Act.

(6) If a person under this section is required to afford facility to the Income-tax authority to inspect books of account or other documents or to check or verify any cash, stock or other valuable article or thing or to furnish any information or to have his statement recorded either refuses or evades to do so, the Income-tax

authority shall have all the powers under sub-sections (1) and (2) of section 131 for enforcing compliance with the requirement made.

Explanation.—In this section,—

(a) “Income-tax authority” means an Inspecting Assistant Commissioner, an Assistant Director of Inspection or an Income-tax Officer, and for the purposes of clause (i) of sub-section (1), clause (i) of sub-section (3) and sub-section (5), includes an Inspector of Income-tax, if so authorised by the Income-tax Officer;

(b) “proceeding” means any proceeding under this Act in respect of any year which may be pending on the date on which the powers under this section are exercised or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.

Amend-
ment of
section
139.

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

(i) in sub-section (2), for the words “serve a notice upon him”, the words “issue a notice to him and serve the same upon him” shall be substituted;

(ii) for sub-section (6), the following sub-sections shall be substituted, namely:—

“(6) The prescribed form of the returns referred to in sub-sections (1), (2) and (3) shall, in such cases as may be prescribed, require the assessee to furnish the particulars of income exempt from tax, assets of the prescribed nature and value and belonging to him, expenditure exceeding the prescribed limits incurred by him under prescribed heads and such other out-goings as may be prescribed.

(6A) Without prejudice to the provisions of sub-section (6), the prescribed form of the returns referred to in sub-sections (1), (2) and (3) shall, in the case of an assessee engaged in any business or profession, also require him to furnish particulars of the location and style of the principal place where he carries on the business or profession and all the branches thereof, the names and addresses of his partners, if any, in such business or profession and, if he is a member of an association or body of individuals, the names of the other members of the association or the body of individuals and the extent of the share of the assessee and the shares of all such partners or the members, as the case may be, in the profits of the business or profession and any branches thereof.”

39. After section 139 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion
of new
section
139A.

'139A. (1) Every person, if his total income or the total income of any other person in respect of which he is assessable under this Act during any accounting year exceeded the maximum amount which is not chargeable to income-tax and he has not been allotted any permanent account number, shall, within such time as may be prescribed, apply to the Income-tax Officer for the allotment of a permanent account number.

Perma-
nent
account
numbers.

(2) Notwithstanding anything contained in sub-section (1), every person not falling under that sub-section, but carrying on any business whose total sales, turnover or gross receipts are or is likely to exceed fifty thousand rupees in any accounting year and who has not been allotted any permanent account number, shall, within such time as may be prescribed, apply to the Income-tax Officer for the allotment of a permanent account number.

(3) The Income-tax Officer may also allot to any other person by whom tax is payable, a permanent account number.

(4) All permanent account numbers allotted to assesseees before the commencement of the Taxation Laws (Amendment) Act, 1975 shall, with effect from such date as the Board may, by notification in the Official Gazette, specify, be deemed to have been allotted to them under the provisions of this section.

(5) Where a permanent account number has been allotted or is deemed to have been allotted to any person under this section, he shall—

(a) quote such number in all his returns to, or correspondence with, any Income-tax authority;

(b) quote such number in all challans for the payment of any sum due under this Act;

(c) quote such number in all documents pertaining to such transactions as may be prescribed by the Board in the interests of the revenue, and entered into by him;

(d) intimate the Income-tax Officer any change in his address or in the name and nature of his business.

(6) The Board may make rules providing for—

(a) the form and the manner in which an application may be made for the allotment of a permanent account number and the particulars which such application shall contain;

(b) the categories of transactions in relation to which permanent account numbers shall be quoted by the persons to whom such numbers have been allotted, in the documents pertaining to such transactions.

Explanation.—In this section,—

(a) "accounting year" means,—

(i) in relation to a person maintaining accounts, the year ending on the day on which such accounts are or are to be closed and balanced;

(ii) in relation to any other person, the financial year;

(b) "permanent account number" means a number which the Income-tax Officer may allot to any person for the purpose of identification.'

Amend-
ment of
section
140.

40. In section 140 of the Income-tax Act, for clauses (c) and (d), the following clauses shall be substituted, namely:—

"(c) in the case of a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign and verify the return, or where there is no managing director, by any director thereof;

(cc) in the case of a firm, by the managing partner thereof, or where for any unavoidable reason such managing partner is not able to sign and verify the return, or where there is no managing partner as such, by any partner thereof, not being a minor;

(d) in the case of a local authority, by the principal officer thereof;"

Amend-
ment of
section
140A.

41. In section 140A of the Income-tax Act,—

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

"(1) Where any tax is payable on the basis of any return required to be furnished under section 139 or section 148, after taking into account the amount of tax, if any, already paid under any provision of this Act, the assessee shall be liable to pay such tax before furnishing the return and the return shall be accompanied by proof of payment of such tax.";

(ii) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), the Income-tax Officer may direct that a sum equal to two per cent. of such tax or part thereof, as the case may be, shall be recovered from him by way of penalty for every month during which the default continues:

Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard."

Amend-
ment of
section
141A.

42. In section 141A of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Where a return has been furnished under section 139 and the assessee claims that the tax paid or deemed to have been paid under the provisions of Chapter XVII-B, or Chapter XVII-C, exceeds the tax payable on the basis of the return and the accounts and documents accompanying it, the Income-tax Officer, if he is of the opinion that the regular assessment of the assessee is not likely to be made within six months from the date of furnishing of the return, shall make in a summary manner within the said six months a provisional assessment of the sum refundable to the assessee, after

making such adjustments to the income or loss declared in the return as are required to be made under sub-section (2) with reference to such return, accounts and documents, and for the purposes of the adjustments referred to in clause (iv) of sub-section (2), also with reference to the records of the assessments, if any, of past years.”.

43. In section 142 of the Income-tax Act,—

Amend-
ment of
section
142.

(i) in sub-section (1), for the words, brackets and figures “or upon whom a notice has been served under sub-section (2) of section 139”, the words, brackets and figures “or to whom a notice has been issued under sub-section (2) of section 139” shall be substituted;

(ii) after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) If, at any stage of the proceedings before him, the Income-tax Officer, having regard to the nature and complexity of the accounts of the assessee and the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Commissioner, direct the assessee to get the accounts audited by an accountant, as defined in the *Explanation* below sub-section (2) of section 288, nominated by the Commissioner in this behalf and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed and such other particulars as the Income-tax Officer may require.

(2B) The provisions of sub-section (2A) shall have effect notwithstanding that the accounts of the assessee have been audited under any other law for the time being in force or otherwise.

(2C) Every report under sub-section (2A) shall be furnished by the assessee to the Income-tax Officer within such period as may be specified by the Income-tax Officer:

Provided that the Income-tax Officer may, on an application made in this behalf by the assessee and for any good and sufficient reason, extend the said period by such further period or periods as he thinks fit; so, however, that the aggregate of the period originally fixed and the period or periods so extended shall not, in any case, exceed one hundred and eighty days from the date on which the direction under sub-section (2A) is received by the assessee.

(2D) The expenses of, and incidental to, any audit under sub-section (2A) (including the remuneration of the accountant) shall be determined by the Commissioner (which determination shall be final) and paid by the assessee and in default of such payment, shall be recoverable from the assessee in the manner provided in Chapter XVII-D for the recovery of arrears of tax.”;

(iii) in sub-section (3), after the words, brackets and figure “under sub-section (2)”, the words, brackets, figure and letter “or any audit under sub-section (2A)” shall be inserted.

Amendment of section 144.

44. In section 144 of the Income-tax Act, in clause (b), after the words, brackets and figures "sub-section (1) of section 142", the words, brackets, figure and letter "or fails to comply with a direction issued under sub-section (2A) of that section" shall be inserted.

Insertion of new sections 144A and 144B.

45. After section 144 of the Income-tax Act, the following sections shall be inserted, namely:—

Power of Inspecting Assistant Commissioner to issue directions in certain cases.

"144A. (1) An Inspecting Assistant Commissioner may, on his own motion or on a reference being made to him by the Income-tax Officer or on the application of an assessee, call for and examine the record of any proceeding in which an assessment is pending and, if he considers that, having regard to the nature of the case or the amount involved or for any other reason, it is necessary or expedient so to do, he may issue such directions as he thinks fit for the guidance of the Income-tax Officer to enable him to complete the assessment and such directions shall be binding on the Income-tax Officer:

Provided that no directions which are prejudicial to the assessee shall be issued before an opportunity is given to the assessee to be heard.

Explanation.—For the purposes of this sub-section, no direction as to the lines on which an investigation connected with the assessment should be made, shall be deemed to be a direction prejudicial to the assessee.

(2) The provisions of this section shall be in addition to, and not in derogation of, the provisions contained in sub-section (3) of section 119.

Reference to Inspecting Assistant Commissioner in certain cases.

144B. (1) Notwithstanding anything contained in this Act, where, in an assessment to be made under sub-section (3) of section 143, the Income-tax Officer proposes to make any variation in the income or loss returned which is prejudicial to the assessee and the amount of such variation exceeds the amount fixed by the Board under sub-section (6), the Income-tax Officer shall, in the first instance, forward a draft of the proposed order of assessment (hereafter in this section referred to as the draft order) to the assessee.

(2) On receipt of the draft order, the assessee may forward his objections, if any, to such variation to the Income-tax Officer within seven days of the receipt by him of the draft order or within such further period not exceeding fifteen days as the Income-tax Officer may allow on an application made to him in this behalf.

(3) If no objections are received within the period or the extended period aforesaid, or the assessee intimates to the Income-tax Officer the acceptance of the variation, the Income-tax Officer shall complete the assessment on the basis of the draft order.

(4) If any objections are received, the Income-tax Officer shall forward the draft order together with the objections to the Inspecting Assistant Commissioner and the Inspecting Assistant Commissioner shall, after considering the draft order and the objections and

after going through (wherever necessary) the records relating to the draft order, issue, in respect of the matters covered by the objections, such directions as he thinks fit for the guidance of the Income-tax Officer to enable him to complete the assessment:

Provided that no directions which are prejudicial to the assessee shall be issued under this sub-section before an opportunity is given to the assessee to be heard.

(5) Every direction issued by the Inspecting Assistant Commissioner under sub-section (4) shall be binding on the Income-tax Officer.

(6) For the purposes of sub-section (1), the Board may, having regard to the proper and efficient management of the work of assessment, by order, fix, from time to time, such amount as it deems fit:

Provided that different amounts may be fixed for different areas:

Provided further that the amount fixed under this sub-section shall, in no case, be less than twenty-five thousand rupees.

(7) Nothing in this section shall apply to a case where an Inspecting Assistant Commissioner exercises the powers or performs the functions of an Income-tax Officer in pursuance of an order made under section 125 or section 125A."

46. Section 146 of the Income-tax Act shall be re-numbered as sub-section (1) thereof, and after that sub-section as so re-numbered, the following sub-section shall be inserted, namely:—

Amend-
ment of
section
146.

"(2) Every application made under sub-section (1) shall be disposed of within ninety days from the date of receipt thereof by the Income-tax Officer:

Provided that in computing the period of ninety days aforesaid, any delay in disposing of the application which is attributable to the assessee shall be excluded."

47. In section 153 of the Income-tax Act, for *Explanation 1*, the following *Explanation* shall be substituted, namely:—

Amend-
ment of
section
153.

"*Explanation 1*.—In computing the period of limitation for the purposes of this section—

(i) the time taken in re-opening the whole or any part of the proceeding or in giving an opportunity to the assessee to be re-heard under the proviso to section 129, or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court, or

(iii) the period commencing from the date on which the Income-tax Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and ending with the date on which the assessee furnishes a report of such audit under that sub-section, or

(iv) the period (not exceeding one hundred and eighty days) commencing from the date on which the Income-tax Officer forwards the draft order under sub-section (1) of section 144B to the assessee and ending with the date on which the Income-tax Officer receives the directions from the Inspecting Assistant

Commissioner under sub-section (4) of that section, or, in a case where no objections to the draft order are received from the assessee, a period of thirty days, or

(v) in a case where an application made before the Income-tax Settlement Commission under section 245C is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which such application is made and ending with the date on which the order under sub-section (1) of section 245D is received by the Commissioner under sub-section (2) of that section,

shall be excluded.”.

Amendment of section 154.

48. In sub-section (1) of section 154 of the Income-tax Act, clause (bb) shall be omitted.

Amendment of section 176.

49. In section 176 of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) Where any business is discontinued in any year, any sum received after the discontinuance shall be deemed to be the income of the recipient and charged to tax accordingly in the year of receipt, if such sum would have been included in the total income of the person who carried on the business had such sum been received before such discontinuance.”.

Amendment of section 179.

50. For the existing sub-heading “*M-Private company in liquidation*” before section 179 of the Income-tax Act, the sub-heading “*M-Private companies*” shall be substituted and that section shall be re-numbered as sub-section (1) thereof and,—

(a) in sub-section (1) as so re-numbered, for the portion beginning with the word “Notwithstanding” and ending with the words “any previous year”, the following shall be substituted, namely:—

“Notwithstanding anything contained in the Companies Act, 1956, where any tax due from a private company in respect of any income of any previous year or from any other company in respect of any income of any previous year during which such other company was a private company”;

1 of 1956.

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

“(2) Where a private company is converted into a public company and the tax assessed in respect of any income of any previous year during which such company was a private company cannot be recovered, then, nothing contained in sub-section (1) shall apply to any person who was a director of such private company in relation to any tax due in respect of any income of such private company assessable for any assessment year commencing before the 1st day of April, 1962.”.

Amendment of section 185.

51. In section 185 of the Income-tax Act, in sub-section (1), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

“*Explanation.*—For the purposes of this section and section 186, a firm shall not be regarded as a genuine firm if any partner of the firm was, in relation to the whole or any part of his share in the

income or property of the firm, at any time during the previous year, a *benamidar*—

(a) of any other partner to whom the first-mentioned partner does not stand in the relationship of a spouse or minor child, or

(b) of any person, not being a partner of the firm, and any of the other partners knew or had reason to believe that the first-mentioned partner was such *benamidar* and such knowledge or belief had not been communicated by such other partner to the Income-tax Officer in the prescribed manner.”.

52. In section 189 of the Income-tax Act, in sub-section (3), the following *Explanation* shall be inserted, namely:—

Amend-
ment of
section
189.

“*Explanation.*—The amount of tax referred to in this sub-section shall also include that part of the share of each partner in the income of the firm before its discontinuance or dissolution which the firm could have retained under sub-section (4) of section 182 but which has not been so retained.”.

53. In sub-section (1) of section 221 of the Income-tax Act, after the second proviso, the following *Explanation* shall be inserted, namely:—

Amend-
ment of
section
221.

“*Explanation.*—For the removal of doubt, it is hereby declared that an assessee shall not cease to be liable to any penalty under this sub-section merely by reason of the fact that before the levy of such penalty he has paid the tax.”.

54. In sub-section (1) of section 222 of the Income-tax Act, the following *Explanation* shall be inserted at the end, namely:—

Amend-
ment of
section
222.

“*Explanation.*—For the purposes of this sub-section, the assessee’s movable or immovable property shall include any property which has been transferred, directly or indirectly on or after the 1st day of June, 1973, by the assessee to his spouse or minor child or son’s wife or son’s minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid; and so far as the movable or immovable property so transferred to his minor child or his son’s minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son’s minor child, as the case may be, continue to be included in the assessee’s movable or immovable property for recovering any arrears due from the assessee in respect of any period prior to such date.”.

55. In section 223 of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted, namely:—

Amend-
ment of
section
223.

“(2) Where an assessee has property within the jurisdiction of more than one Tax Recovery Officer and the Tax Recovery Officer to whom a certificate is sent by an Income-tax Officer—

(a) is not able to recover the entire amount by the sale of the property, movable or immovable, within his jurisdiction, or

(b) is of the opinion that, for the purpose of expediting or securing the recovery of the whole or any part of the amount under this Chapter, it is necessary so to do,

he may send the certificate or, where only a part of the amount is to be recovered, a copy of the certificate certified in the prescribed manner and specifying the amount to be recovered to a Tax Recovery Officer within whose jurisdiction the assessee resides or has property, and thereupon that Tax Recovery Officer shall also proceed to recover the amount under this Chapter as if the certificate or the copy thereof had been the certificate sent to him by the Income-tax Officer.”.

Amend-
ment of
section
244.

56. In section 244 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Where the whole or any part of the refund referred to in sub-section (1) is due to the assessee, as a result of any amount having been paid by him after the 31st day of March, 1975, in pursuance of any order of assessment or penalty and such amount or any part thereof having been found in appeal or other proceeding under this Act to be in excess of the amount which such assessee is liable to pay as tax or penalty, as the case may be, under this Act, the Central Government shall pay to such assessee simple interest at the rate specified in sub-section (1) on the amount so found to be in excess from the date on which such amount was paid to the date on which the refund is granted:

Provided that, where the amount so found to be in excess was paid in instalments, such interest shall be payable on the amount of each such instalment or any part of such instalment, which was in excess, from the date on which such instalment was paid to the date on which the refund is granted:

Provided further that no interest under this sub-section shall be payable for a period of one month from the date of the passing of the order in appeal or other proceeding:

Provided also that where any interest is payable to an assessee under this sub-section, no interest under sub-section (1) shall be payable to him in respect of the amount so found to be in excess.”.

Insertion
of new
Chapter
XIXA.

57. After Chapter XIX of the Income-tax Act, the following Chapter shall be inserted, namely:—

‘CHAPTER XIXA

SETTLEMENT OF CASES

Defini-
tions.

245A. In this Chapter, unless the context otherwise requires,—

(a) “case” means any proceeding under the Indian Income-tax Act, 1922, or under this Act for or in connection with the assessment or re-assessment of any person in respect of any year or years which may be pending before an Income-tax authority on the date on which an application under sub-section (1) of section 245C is made;

(b) “Income-tax authority” means a Director of Inspection, a Commissioner, an Appellate Assistant Commissioner, an Inspecting Assistant Commissioner or an Income-tax Officer.

245B. (1) The Central Government shall constitute a commission to be called the Income-tax Settlement Commission (hereafter in this Chapter referred to as "the Settlement Commission") for the settlement of cases under this Chapter.

Income-
tax
Settle-
ment
Commis-
sion.

(2) The Settlement Commission shall consist of a Chairman and two other members and shall function within the Department of the Central Government dealing with direct taxes.

(3) The Chairman and other members of the Settlement Commission shall be appointed by the Central Government from amongst persons of integrity and outstanding ability, having special knowledge of, and experience in, problems relating to direct taxes and business accounts:

Provided that, where a member of the Board is appointed as the Chairman or as a member of the Settlement Commission, he shall cease to be a member of the Board:

Provided further that, until the members are appointed under this sub-section, it shall be competent for the Central Government to require, from time to time, any two members of the Board to serve as members of the Settlement Commission for such period as the Central Government thinks fit, in addition to their duties as members of the Board.

245C. (1) An assessee may, at any stage of a case relating to him, make an application in such form and in such manner and containing such particulars as may be prescribed to the Settlement Commission to have the case settled and any such application shall be disposed of in the manner hereinafter provided.

Applica-
tion for
settle-
ment of
cases.

(2) Every application made under sub-section (1) shall be accompanied by such fees as may be prescribed.

(3) An application made under sub-section (1) shall not be allowed to be withdrawn by the applicant.

245D. (1) On receipt of an application under section 245C, the Settlement Commission shall call for a report from the Commissioner and on the basis of the materials contained in such report and having regard to the nature and circumstances of the case or the complexity of the investigation involved therein, the Settlement Commission may, by order, allow the application to be proceeded with or reject the application:

Proce-
dure on
receipt
of an
appli-
cation
under
section
245C.

Provided that an application shall not be rejected under this sub-section unless an opportunity has been given to the applicant of being heard:

Provided further that an application shall not be proceeded with under this sub-section if the Commissioner objects to the application being proceeded with on the ground that concealment of particulars of income on the part of the applicant or perpetration of fraud by him for evading any tax or other sum chargeable or imposable under the Indian Income-tax Act, 1922, or under this Act, has been established or is likely to be established by any Income-tax authority, in relation to the case.

(2) A copy of every order under sub-section (1) shall be sent to the applicant and to the Commissioner.

(3) Where an application is allowed to be proceeded with under sub-section (1), the Settlement Commission may call for the relevant records from the Commissioner and after examination of such records, if the Settlement Commission is of the opinion that any further enquiry or investigation in the matter is necessary, it may direct the Commissioner to make or cause to be made such further enquiry or investigation and furnish a report on the matters covered by the application and any other matter relating to the case.

(4) After examination of the records and the report of the Commissioner, received under sub-section (1), and the report, if any, of the Commissioner received under sub-section (3), and after giving an opportunity to the applicant and to the Commissioner to be heard, either in person or through a representative duly authorised in this behalf, and after examining such further evidence as may be placed before it or obtained by it, the Settlement Commission may, in accordance with the provisions of this Act, pass such order as it thinks fit on the matters covered by the application and any other matter relating to the case not covered by the application, but referred to in the report of the Commissioner under sub-section (1) or sub-section (3).

(5) The materials brought on record before the Settlement Commission shall be considered by all the members thereof before passing any order under sub-section (4) and, in the case of a difference of opinion among the members, the opinion of the majority shall prevail and such order shall be expressed in terms of the views of the majority.

(6) Every order passed under sub-section (4) shall provide for the terms of settlement including any demand by way of tax, penalty or interest, the manner in which any sum due under the settlement shall be paid and all other matters to make the settlement effective and shall also provide that the settlement shall be void if it is subsequently found by the Settlement Commission that it has been obtained by fraud or misrepresentation of facts.

(7) Where a settlement becomes void as provided under sub-section (6), the proceedings with respect to the matters covered by the settlement shall be deemed to have been revived from the stage at which the application was allowed to be proceeded with by the Settlement Commission and the Income-tax authority concerned, may, notwithstanding anything contained in any other provision of this Act, complete such proceedings at any time before the expiry of two years from the end of the financial year in which the settlement became void.

Power
of Settlement
Commission
to reopen
completed
proceedings

245E. If the Settlement Commission is of the opinion (the reasons for such opinion to be recorded by it in writing) that, for the proper disposal of the case pending before it, it is necessary or expedient to reopen any proceeding connected with the case but which has been completed under the Indian Income-tax Act, 1922, or under this Act by any Income-tax authority before the application under section 245C was made, it may, with the concurrence of the applicant, reopen such proceeding and pass such order thereon as it thinks fit, as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceeding also:

Provided that no proceeding shall be reopened by the Settlement Commission under this section after the expiry of a period of eight years from the end of the assessment year to which such proceeding relates.

245F. (1) In addition to the powers conferred on the Settlement Commission under this Chapter, it shall have all the powers which are vested in an Income-tax authority under this Act.

Powers
and
procedure
of
Settle-
ment
Com-
mission.

(2) Where an application made under section 245C has been allowed to be proceeded with under section 245D, the Settlement Commission shall, until an order is passed under sub-section (4) of section 245D, have, subject to the provisions of sub-section (3) of that section, exclusive jurisdiction to exercise the powers and perform the functions of an Income-tax authority under this Act in relation to the case.

(3) Notwithstanding anything contained in sub-section (2) and in the absence of any express direction to the contrary by the Settlement Commission, nothing contained in this section shall affect the operation of any other provision of this Act requiring the applicant to pay tax on the basis of self-assessment or by way of advance tax in relation to the matters before the Settlement Commission.

(4) For the removal of doubt, it is hereby declared that, in the absence of any express direction by the Settlement Commission to the contrary, nothing in this Chapter shall affect the operation of the provisions of this Act in so far as they relate to any matters other than those before the Settlement Commission.

(5) The Settlement Commission shall, subject to the provisions of this Chapter, have power to regulate its own procedure (including the fixation of places and times of its meetings) and may act notwithstanding that all the members of the Settlement Commission are not present at any of its meetings.

245G. No person shall be entitled to inspect, or obtain copies of, any reports made by any Income-tax authority to the Settlement Commission; but the Settlement Commission may, in its discretion, furnish copies thereof to any such person on an application made to it in this behalf and on payment of the prescribed fee:

Inspection,
etc., of re-
ports.

Provided that, for the purpose of enabling any person whose case is under consideration to rebut any evidence brought on record against him in any such report, the Settlement Commission shall, on an application made in this behalf, and on payment of the prescribed fee by such person, furnish him with a certified copy of any such report or part thereof relevant for the purpose.

245H. (1) The Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 245C has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his income and the manner in which such income has been derived, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act or under the

Power of
Settle-
ment
Com-
mission
to grant
immunity
from

pro-
secution
and
penalty.

Indian Penal Code or under any other Central Act for the time being in force and also from the imposition of any penalty under this Act, with respect to the case covered by the settlement.

45 of 1860.

(2) An immunity granted to a person under sub-section (1) may, at any time, be withdrawn by the Settlement Commission, if it is satisfied that such person has not complied with the conditions subject to which the immunity was granted or that such person had, in the course of the settlement proceedings, concealed any particulars material to the settlement or had given false evidence, and thereupon such person may be tried for the offence with respect to which the immunity was granted or for any other offence of which he appears to have been guilty in connection with the settlement and shall also become liable to the imposition of any penalty under this Act to which such person would have been liable, had not such immunity been granted.

Order of
settle-
ment to
be con-
clusive.

245I. Every order of settlement passed under sub-section (4) of section 245D shall be conclusive as to the matters stated therein and no matter covered by such order shall, save as otherwise provided in this Chapter, be reopened in any proceeding under this Act or under any other law for the time being in force.

Recovery
of sums
due under
order
of settle-
ment.

245J. Any sum specified in an order of settlement passed under sub-section (4) of section 245D may, subject to such conditions, if any, as may be specified therein, be recovered, and any penalty for default in making payment of such sum may be imposed and recovered in accordance with the provisions of Chapter XVII, by the Income-tax Officer having jurisdiction over the person who made the application for settlement under section 245C.

Bar on
subse-
quent
appli-
cation
for settle-
ment in
certain
cases.

245K. Where,—

(i) an order of settlement passed under sub-section (4) of section 245D provides for the imposition of a penalty on the person who made the application under section 245C for settlement, on the ground of concealment of particulars of his income; or

(ii) after the passing of an order of settlement under the said sub-section (4) in relation to a case, such person is convicted of any offence under Chapter XXII in relation to that case,

then, he shall not be entitled to apply for settlement under section 245C in relation to any other matter.

Proceed-
ings
before
Settle-
ment
Com-
mission
to be judi-
cial pro-
ceedings.

245L. Any proceeding under this Chapter before the Settlement Commission shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196, of the Indian Penal Code.

45 of 1860)

245M. (1) Notwithstanding anything contained in this Chapter, any assessee who has filed an appeal to the Appellate Tribunal under this Act which is pending before it shall, on withdrawing such appeal from the Appellate Tribunal, be entitled to make an application to the Settlement Commission to have his case settled under this Chapter:

Certain persons who have filed appeals to the Appellate Tribunal entitled to make applications to the Settlement Commission.

Provided that no such assessee shall be entitled to make an application in a case where the Income-tax Officer has preferred an appeal under sub-section (2) of section 253 against the order to which the assessee's appeal relates.

(2) Any assessee referred to in sub-section (1) may make an application to the Appellate Tribunal for permission to withdraw the appeal.

(3) On receipt of an application under sub-section (2), the Appellate Tribunal shall grant permission to withdraw the appeal.

(4) Upon the withdrawal of the appeal, the proceeding in appeal immediately before such withdrawal shall, for the purposes of this Chapter, be deemed to be a proceeding pending before an Income-tax authority.

(5) An application to the Settlement Commission under this section shall be made within a period of thirty days from the date on which the order of the Appellate Tribunal permitting the withdrawal of the appeal is communicated to the assessee.

(6) An application made to the Settlement Commission under this section shall be deemed to be an application made under sub-section (1) of section 245C and the provisions of this Chapter [except sub-section (7) of section 245D] shall apply accordingly.

(7) Where an application made to the Settlement Commission under this section is not entertained by the Settlement Commission, then, the assessee shall not be deemed to have withdrawn the appeal from the Appellate Tribunal and the provisions contained in section 253, section 254 and section 255 shall, so far as may be, apply accordingly.

58. In section 246 of the Income-tax Act, in clause (o),—

(i) after sub-clause (iii), the following sub-clause shall be inserted, namely:—

"(iiiA) section 271A, or"

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

"(ivA) section 272B, or"

Amendment of section 246.

Amend-
ment of
section
249.

59. In section 249 of the Income-tax Act,—

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

“(b) where the appeal relates to any assessment or penalty, the date of service of the notice of demand relating to the assessment or penalty:

Provided that, where an application has been made under section 146 for reopening an assessment, the period from the date on which the application is made to the date on which the order passed on the application is served on the assessee shall be excluded, or”;

(ii) after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) No appeal under this Chapter shall be admitted unless at the time of filing of the appeal,—

(a) where a return has been filed by the assessee, the assessee has paid the tax due on the income returned by him; or

(b) where no return has been filed by the assessee, the assessee has paid an amount equal to the amount of advance tax which was payable by him;

Provided that, on an application made by the appellant in this behalf, the Appellate Assistant Commissioner may, for any good and sufficient reason to be recorded in writing, exempt him from the operation of the provisions of this sub-section.”.

Amend-
ment of
section
253.

60. In section 253 of the Income-tax Act, in sub-section (1),—

(i) in clause (a), for the words and figures “or section 271”, the words, figures and letters “, section 271, section 271A or section 272A” shall be substituted;

(ii) in clause (b), for the words, brackets and figures “sub-section (2) of section 274”, the word, figures and letter “section 272A” shall be substituted;

(iii) in clause (c), after the words and figures “under section 263”, where they occur for the first time, the words, figures and letter “or under section 272A” shall be inserted.

Amend-
ment of
section
271.

61. In section 271 of the Income-tax Act,—

(i) in sub-section (1),—

(a) in clause (b), after the words, brackets and figures “sub-section (2) of section 143”, the words, brackets, figures and letter “or fails to comply with a direction issued under sub-section (2A) of section 142” shall be inserted;

(b) for clause (i) (excluding the *Explanation* thereto), the following clause shall be substituted, namely:—

“(i) in the cases referred to in clause (a),—

(a) in the case of a person referred to in sub-section (4A) of section 139, where the total income in respect of which he is assessable as a representative assessee does not exceed the maximum amount which is not chargeable to income-tax, a sum not exceeding one per cent. of the total income computed under this Act without giving effect to the provisions of sections 11 and 12, for each year or part thereof during which the default continued;

(b) in any other case, in addition to the amount of the tax, if any, payable by him, a sum equal to two per cent. of the assessed tax for every month during which the default continued;”;

(c) for clause (iii) and the *Explanation*, the following clause and *Explanations* shall be substituted, namely:—

“(iii) in the cases referred to in clause (c), in addition to any tax payable by him, a sum which shall not be less than, but which shall not exceed twice, the amount of tax sought to be evaded by reason of the concealment of particulars of his income or the furnishing of inaccurate particulars of such income:

Provided that, if in a case falling under clause (c), the amount of income (as determined by the Income-tax Officer on assessment) in respect of which the particulars have been concealed or inaccurate particulars have been furnished exceeds a sum of twenty-five thousand rupees, the Income-tax Officer shall not issue any direction for payment by way of penalty without the previous approval of the Inspecting Assistant Commissioner.

Explanation 1.—Where in respect of any facts material to the computation of the total income of any person under this Act,—

(A) such person fails to offer an explanation or offers an explanation which is found by the Income-tax Officer or the Appellate Assistant Commissioner to be false, or

(B) such person offers an explanation which he is not able to substantiate,

then, the amount added or disallowed in computing the total income of such person as a result thereof shall, for the purposes of clause (c) of this sub-section, be deemed to represent the income in respect of which particulars have been concealed:

Provided that nothing contained in this *Explanation* shall apply to a case referred to in clause (B) in respect of any amount added or disallowed as a result of the rejection of any explanation offered by such person, if such explanation is *bona fide* and all the facts relating to the same and material to the computation of his total income have been disclosed by him.

Explanation 2.—Where the source of any receipt, deposit, outgoing or investment in any assessment year is claimed by any person to be an amount which had been added in computing the income or deducted in computing the loss in the assessment of such person for any earlier assessment year or years but in respect of which no penalty under clause (iii) of this sub-section had been levied, that part of the amount so added or deducted in such earlier assessment year immediately preceding the year in which the receipt, deposit, outgoing or investment appears (such earlier assessment year hereafter in this *Explanation* referred to as the first preceding year) which is sufficient to cover the amount represented by such receipt, deposit or outgoing or value of such investment (such amount or value hereafter in this *Explanation* referred to as the utilised amount) shall be treated as the income of the assessee, particulars of which had been concealed or inaccurate particulars of which had been furnished for the first preceding year; and where the amount so added or deducted in the first preceding year is not sufficient to cover the utilised amount, that part of the amount so added or deducted in the year immediately preceding the first preceding year which is sufficient to cover such part of the utilised amount as is not so covered shall be treated to be the income of the assessee, particulars of which had been concealed or inaccurate particulars of which had been furnished for the year immediately preceding the first preceding year and so on, until the entire utilised amount is covered by the amounts so added or deducted in such earlier assessment years.

Explanation 3.—Where any person who has not previously been assessed under the Indian Income-tax Act, 1922, or under this Act, fails, without reasonable cause, to furnish within the period specified in sub-clause (iii) of clause (a) of sub-section (1) of section 153 a return of his income which he is required to furnish under section 139 in respect of any assessment year commencing on or after the 1st day of April, 1974, and, until the expiry of the period aforesaid, no notice has been issued to him under sub-section (2) of section 139 or section 148 and the Income-tax Officer or the Appellate Assistant Commissioner is satisfied that in respect of such assessment year such person has taxable income, then, such person shall, for the purposes of clause (c) of this sub-section, be deemed to have concealed the particulars of his income in respect of such assessment year, notwithstanding that such person furnishes a return of his income at any time after the expiry of the period aforesaid in pursuance of a notice under section 148.

Explanation 4.—For the purposes of clause (iii) of this sub-section, the expression “the amount of tax sought to be evaded”,—

(a) in any case where the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished exceeds the total income assessed, means the tax that would have been chargeable on the income in respect of which particulars have been concealed or inaccurate particulars have been furnished had such income been the total income;

(b) in any case to which *Explanation 3* applies, means the tax on the total income assessed;

(c) in any other case, means the difference between the tax on the total income assessed and the tax that would have been chargeable had such total income been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished.’;

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

“(1A) Where any penalty is imposable by virtue of *Explanation 2* to sub-section (1), proceedings for the imposition of such penalty may be initiated notwithstanding that any proceedings under this Act in the course of which such penalty proceedings could have been initiated under sub-section (1) have been completed.”;

(iii) in sub-section (3), after clause (c), the following clause and proviso shall be inserted, namely:—

“(d) the penalty imposed under clause (i) of sub-section (1) and the penalty imposed under clause (iii) of that sub-section, read with *Explanation 3* thereto, shall not exceed in the aggregate twice the amount of the tax sought to be evaded:

Provided that nothing contained in clause (a) or clause (b) shall apply to a case referred to in sub-clause (a) of clause (i) of sub-section (1).”;

(iv) sub-sections (4A) and (4B) shall be omitted.

62. After section 271 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion
of new
section
271A.

“271A. Without prejudice to the provisions of section 271, if any person, without reasonable cause, fails to keep and maintain any such books of account and other documents as required by section 44AA or the rules made thereunder, in respect of any previous year or to retain such books of account and other documents for the period specified in the said rules, the Income-tax Officer or the Appellate Assistant Commissioner may direct that such person shall pay, by way of penalty, a sum which shall not be less than ten per cent, but which shall not exceed fifty per cent. of the amount of the

Failure
to keep,
maintain
or re-
tain
books
of ac-
count,
docu-
ments,
etc.

tax, if any, which would have been avoided if the income returned by such person had been accepted as the correct income.”.

Insertion
of new
sections
272A and
272B.

63. After section 272 of the Income-tax Act, the following sections shall be inserted, namely:—

Penalty
for fail-
ure to
answer
questions,
sign
state-
ments,
allow
inspec-
tions,
etc.

“272A. (1) If a person,—

(a) being legally bound to state the truth of any matter touching the subject of his assessment, refuses to answer any question demanded of him by an Income-tax Officer or an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner in the exercise of his powers under this Act; or

(b) refuses to sign any statement made by him in the course of any proceeding under this Act which an Income-tax Officer or an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner may legally require him to sign,

he shall pay, by way of penalty, a sum which may extend to one thousand rupees.

(2) If a person, without reasonable cause or excuse, fails,—

(a) to furnish in due time any of the returns or statements mentioned in section 133, section 206, section 285, section 285B or section 286; or

(b) to allow inspection of any register referred to in section 134 or of any entry in such register or to allow copies of such register or of any entry therein to be taken; or

(c) to furnish a certificate as required by section 203; or

(d) to deduct and pay tax as required by sub-section (2) of section 226,

he shall pay, by way of penalty, a sum which may extend to ten rupees for every day during which the failure continues.

(3) Any penalty imposable under sub-section (1) or sub-section (2) shall be imposed,—

(a) in a case where the contravention, failure or default in respect of which such penalty is imposable occurs in the course of any proceeding before the Commissioner or the Appellate

Assistant Commissioner, by the Commissioner or, as the case may be, the Appellate Assistant Commissioner; and

(b) in any other case, by the Inspecting Assistant Commissioner.

(4) No order under this section shall be passed by any officer referred to in sub-section (3) unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter by such officer.

272B. (1) If a person, without reasonable cause, fails to comply with the provisions of section 139A, he shall, on an order passed by the Income-tax Officer, pay, by way of penalty, a sum which may extend to five hundred rupees.

Penalty for failure to comply with the provisions of section 139A.

(2) No order under sub-section (1) shall be passed unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter."

64. After section 273 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 273A.

"273A. (1) Notwithstanding anything contained in this Act, the Commissioner may, in his discretion, whether on his own motion or otherwise,—

Power to reduce or waive penalty, etc., in certain cases.

(i) reduce or waive the amount of penalty imposed or imposable on a person under clause (i) of sub-section (1) of section 271 for failure, without reasonable cause, to furnish the return of total income which he was required to furnish under sub-section (1) of section 139; or

(ii) reduce or waive the amount of penalty imposed or imposable on a person under clause (iii) of sub-section (1) of section 271; or

(iii) reduce or waive the amount of interest paid or payable under sub-section (8) of section 139 or section 215 or section 217 or the penalty imposed or imposable under section 273,

if he is satisfied that such person—

(a) in the case referred to in clause (i), has, prior to the issue of a notice to him under sub-section (2) of section 139, voluntarily and in good faith made full and true disclosure of his income;

(b) in the case referred to in clause (ii), has, prior to the detection by the Income-tax Officer, of the concealment of particulars of income or of the inaccuracy of particulars furnished in respect of such income, voluntarily and in good faith, made full and true disclosure of such particulars;

(c) in the cases referred to in clause (iii), has, prior to the issue of a notice to him under sub-section (2) of section 139, or where no such notice has been issued and the period for the issue of such notice has expired, prior to the issue of notice to him under section 148, voluntarily and in good faith made full and true disclosure of his income and has paid the tax on the income so disclosed,

and also has, in all the cases referred to in clauses (a), (b) and (c), co-operated in any enquiry relating to the assessment of his income and has either paid or made satisfactory arrangements for the payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year.

Explanation.—For the purposes of this sub-section, a person shall be deemed to have made full and true disclosure of his income or of the particulars relating thereto in any case where the excess of income assessed over the income returned is of such a nature as not to attract the provisions of clause (c) of sub-section (1) of section 271.

(2) Notwithstanding anything contained in sub-section (1),—

(a) if in a case the penalty imposed or imposable under clause (i) of sub-section (1) of section 271 or the minimum penalty imposable under section 273 for the relevant assessment year, or, where such disclosure relates to more than one assessment year, the aggregate of the penalty imposed or imposable under the said clause or of the minimum penalty imposable under the said section for those years, exceeds a sum of fifty thousand rupees, or

(b) if in a case falling under clause (c) of sub-section (1) of section 271, the amount of income in respect of which the penalty is imposed or imposable for the relevant assessment year, or, where such disclosure relates to more than one assessment year, the aggregate amount of such income for those years, exceeds a sum of five hundred thousand rupees,

no order reducing or waiving the penalty under sub-section (1) shall be made by the Commissioner except with the previous approval of the Board.

(3) Where an order has been made under sub-section (1) in favour of any person, whether such order relates to one or more assessment years, he shall not be entitled to any relief under this section in relation to any other assessment year at any time after the making of such order.

(4) Without prejudice to the powers conferred on him by any other provision of this Act, the Commissioner may, on an application made in this behalf by an assessee, and after recording his reasons for so doing, reduce or waive the amount of any penalty payable by the assessee under this Act or stay or compound any proceeding for the recovery of any such amount, if he is satisfied that—

(i) to do otherwise would cause genuine hardship to the assessee, having regard to the circumstances of the case; and

(ii) the assessee has co-operated in any enquiry relating to the assessment or any proceeding for the recovery of any amount due from him.

(5) Every order made under this section shall be final and shall not be called into question by any court or any other authority.”

65. In section 274 of the Income-tax Act, sub-section (2) shall be omitted.

Amendment of section 274.

66. In section 275 of the Income-tax Act, for the *Explanation*, the following *Explanation* shall be substituted, namely:—

Amendment of section 275.

“*Explanation*.—In computing the period of limitation for the purposes of this section,—

(i) the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 129;

(ii) any period during which the immunity granted under section 245H remained in force; and

(iii) any period during which a proceeding under this Chapter for the levy of penalty is stayed by an order or injunction of any court,

shall be excluded.”.

67. Section 276 of the Income-tax Act shall be omitted.

Omission of section 276.

68. For sections 276B and 276C of the Income-tax Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 276B and 276C.

“276B. If a person, without reasonable cause or excuse, fails to deduct or after deducting, fails to pay the tax as required by or under the provisions of sub-section (9) of section 80E or Chapter XVII-B, he shall be punishable,—

Failure to deduct or pay tax.

(i) in a case where the amount of tax which he has failed to deduct or pay exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

276C. (1) If a person wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable,—

Wilful attempt to evade tax, etc.

(i) in a case where the amount sought to be evaded exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

(2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this

Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine.

Explanation.—For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

(i) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement; or

(ii) makes or causes to be made any false entry or statement in such books of account or other documents; or

(iii) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or

(iv) causes any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

Failure to
furnish
returns of
income.

276CC. If a person wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (1) of section 139 or by notice given under sub-section (2) of section 139 or section 148, he shall be punishable,—

(i) in a case where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with imprisonment for a term which shall not be less than three months but which may extend to three years and with fine:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (1) of section 139—

(i) for any assessment year commencing prior to the 1st day of April, 1975; or

(ii) for any assessment year commencing on or after the 1st day of April, 1975, if—

(a) the return is furnished by him before the expiry of the assessment year; or

(b) the tax payable by him on the total income determined on regular assessment, as reduced by the advance tax, if any, paid, and any tax deducted at source, does not exceed three thousand rupees.”

Amend-
ment of
section
276D.

69. In section 276D of the Income-tax Act, after the words “such accounts and documents as are referred to in the notice”, the words, brackets, figure and letter “or wilfully fails to comply with a direction issued to him under sub-section (2A) of that section” shall be inserted.

70. For sections 277 and 278 of the Income-tax Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 277 and 278.

277. If a person makes a statement in any verification under this Act or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable,—

False statement in verification, etc.

(i) in a case where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

278. If a person abets or induces in any manner another person to make and deliver an account or a statement or declaration relating to any income chargeable to tax which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 276C, he shall be punishable,—

Abetment of false return, etc.

(i) in a case where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

278A. If any person convicted of an offence under section 276B or sub-section (1) of section 276C or section 276CC or section 277 or section 278 is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and for every subsequent offence with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment for second and subsequent offences.

278B. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences by companies.

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

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

Explanation.—For the purposes of this section,—

(a) “company” means a body corporate, and includes—

(i) a firm, and

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

(b) “director”, in relation to—

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

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

Offences
by Hindu
undivided fami-
lies.

278C. (1) Where an offence under this Act has been committed by a Hindu undivided family, the *Karta* thereof shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

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

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

Presump-
tion as
to assets,
books of
account,
etc.,
in certain
cases.

278D. (1) Where during the course of any search made under section 132, any money, bullion, jewellery or other valuable article or thing (hereafter in this section referred to as the assets) or any books of account or other documents has or have been found in the possession or control of any person and such assets or books of account or other documents are tendered by the prosecution in evidence against such person or against such person and the person referred to in section 278 for an offence under this Act, the provisions of sub-section (4A) of section 132 shall, so far as may be, apply in relation to such assets or books of account or other documents.

(2) Where any assets or books of account or other documents taken into custody, from the possession or control of any person, by the officer or authority referred to in clause (a) or clause (b) or clause (c), as the case may be, of sub-section (1) of section 132A are delivered to the requisitioning officer under sub-section (2) of that section and such assets, books of account or other documents are tendered by the prosecution in evidence against such person or against such person and the person referred to in section 278 for an offence

under this Act, the provisions of sub-section (4A) of section 132 shall, so far as may be, apply in relation to such assets or books of account or other documents.'

71. In section 279 of the Income-tax Act,—

(i) for sub-sections (1) and (1A), the following sub-sections shall be substituted, namely:—

Amendment of section 279.

“(1) A person shall not be proceeded against for an offence under section 275A, section 276A, section 276B, section 276C, section 276CC, section 276D, section 277, section 278 or section 278A except at the instance of the Commissioner.

(1A) A person shall not be proceeded against for an offence under section 276C or section 277 in relation to the assessment for an assessment year in respect of which the penalty imposed or imposable on him under clause (iii) of sub-section (1) of section 271 has been reduced or waived by an order under section 273A.”;

(ii) in sub-section (3), for the words, brackets, figures and letter “under sub-section (4A) of section 271”, the words, figures and letter “under section 273A” shall be substituted.

72. After section 279 of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 279A.

“279A. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under section 276B or section 276C or section 276CC or section 277 or section 278 shall be deemed to be non-cognizable within the meaning of that Code.”.

Certain offences to be non-cognizable.

2 of 1974.

73. For section 281 of the Income-tax Act, the following section shall be substituted, namely:—

Substitution of new section for section 281.

‘281. (1) Where, during the pendency of any proceeding under this Act or after the completion thereof, but before the service of notice under rule 2 of the Second Schedule, any assessee creates a charge on, or parts with the possession (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the assessee as a result of the completion of the said proceeding or otherwise:

Certain transfers to be void.

Provided that such charge or transfer shall not be void if it is made—

(i) for adequate consideration and without notice of the pendency of such proceeding or, as the case may be, without notice of such tax or other sum payable by the assessee; or

(ii) with the previous permission of the Income-tax Officer.

(2) This section applies to cases where the amount of tax or other sum payable or likely to be payable exceeds five thousand rupees and the assets charged or transferred exceed ten thousand rupees in value.

Explanation.—In this section, “assets” means land, building, machinery, plant, shares, securities and fixed deposits in banks, to the extent to which any of the assets aforesaid does not form part of the stock in trade of the business of the assessee.

Insertion
of new
section
281B.

74. After section 281A of the Income-tax Act, the following section shall be inserted, namely:—

Provi-
sional
attach-
ment to
protect
revenue
in cer-
tain
cases.

“281B. (1) Where, during the pendency of any proceeding for the assessment of any income or for the assessment or re-assessment of any income which has escaped assessment, the Income-tax Officer is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, he may, with the previous approval of the Commissioner, by order in writing, attach provisionally any property belonging to the assessee in the manner provided in the Second Schedule.

(2) Every such provisional attachment shall cease to have effect after the expiry of a period of six months from the date of the order made under sub-section (1):

Provided that the Commissioner may, for reasons to be recorded in writing, extend the aforesaid period by such further period or periods as he thinks fit, so however, that the total period of extension shall not in any case exceed two years.”

Amend-
ment of
section
285A.

75. In section 285A of the Income-tax Act, in sub-section (1), for the words “for the construction of a building for, or the supply of goods or services in connection therewith to, any other person, the value of which exceeds fifty thousand rupees”, the following shall be substituted, namely:—

“with another person for carrying out any work or for the supply of goods or services in connection therewith, the value of which work or supply or both exceeds fifty thousand rupees”.

Insertion
of new
section
285B.

76. After section 285A of the Income-tax Act, the following section shall be inserted, namely:—

Submis-
sion of
state-
ments by
producers
of cinema-
tograph
films.

“285B. Any person carrying on the production of a cinematograph film during the whole or any part of any financial year shall, in respect of the period during which such production is carried on by him in such financial year, prepare and deliver or cause to be delivered to the Income-tax Officer, within thirty days from the end of such financial year or within thirty days from the date of the completion of the production of the film, whichever is earlier, a statement in the prescribed form containing particulars of all payments of over five thousand rupees in the aggregate made by him or due from him to each such person as is engaged by him in such production as employee or otherwise.”

77. In section 287 of the Income-tax Act,—

(i) in sub-section (1), after the word “proceedings”, the words “or prosecutions” shall be inserted;

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

“(2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner has expired without an appeal having been presented or the appeal, if presented, has been disposed of.”.

Amendment of section 287.

78. After section 292 of the Income-tax Act, the following sections shall be inserted, namely:—

Insertion of new sections 292A and 292B.

“292A. Nothing contained in section 360 of the Code of Criminal Procedure, 1973, or in the Probation of Offenders Act, 1958, shall apply to a person convicted of an offence under this Act unless that person is under eighteen years of age.

Section 360 of the Code of Criminal Procedure, 1973 and the Probation of Offenders Act, 1958 not to apply.

292B. No return of income, assessment, notice, summons or other proceeding furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of income, assessment, notice, summons or other proceeding if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.”.

Return of income, etc., not to be invalid on certain grounds.

79. In sub-section (2) of section 295 of the Income-tax Act,—

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

“(dda) the matters specified in sub-sections (2) and (3) of section 44AA;”;

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

“(ee) the conditions or limitations subject to which any payment of rent made by an assessee shall be deducted under section 80GG;

“(eea) the cases, the nature and value of assets, the limits and heads of expenditure and the outgoings, which are required to be prescribed under sub-section (6) of section 139;

Amendment of section 295.

(*eeb*) the time within which any person may apply for the allotment of a permanent account number, the form and the manner in which such application may be made and the particulars which such application shall contain and the transactions with respect to which permanent account numbers shall be quoted on documents relating to such transactions under section 139A;

(*eec*) the form of the report of audit and the particulars which such report shall contain under sub-section (2A) of section 142;";

(*iii*) after clause (*mm*), the following clause shall be inserted, namely:—

"(*mma*) the form in which the statement under section 285B shall be delivered to the Income-tax Officer;".

Substitution of new section for section 296.

80. For section 296 of the Income-tax Act, the following section shall be substituted, namely:—

Rules and certain notifications to be placed before Parliament.

"296. The Central Government shall cause every rule made under this Act and every notification issued under sub-clause (*iv*) of clause (23C) of section 10 to be laid as soon as may be after the rule is made or the notification is issued 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 notification or both Houses agree that the rule or notification should not be made or issued, that rule or notification 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 or notification."

Amendment of Second Schedule.

81. In the Second Schedule to the Income-tax Act,—

(*i*) rule 19A shall be re-numbered as sub-rule (2) thereof, and before that sub-rule as so re-numbered, the following sub-rule shall be inserted, namely:—

"(1) A Tax Recovery Officer, being a Gazetted Officer of the Central Government who is authorised to exercise the powers of a Tax Recovery Officer under this Act, may entrust any of his functions as Tax Recovery Officer to any other officer lower than him in rank (not being lower in rank than an Inspector of Income-tax) and such officer shall, in relation to the functions so entrusted to him, be deemed to be a Tax Recovery Officer:

Provided that where the Tax Recovery Officer is an Income-tax Officer any entrustment under this sub-rule shall be made only with the approval of the Inspecting Assistant Commissioner.";

(ii) in rule 53, in clause (c), the word "and" occurring at the end shall be omitted, and after that clause, the following clause shall be inserted, namely:—

"(cc) the reserve price, if any, below which the property may not be sold; and";

(iii) to rule 56, the following proviso shall be added, namely:—

"Provided that no sale under this rule shall be made if the amount bid by the highest bidder is less than the reserve price, if any, specified under clause (cc) of rule 53.";

(iv) rule 59 shall be re-numbered as sub-rule (2) thereof, and before that sub-rule as so re-numbered, the following sub-rule shall be inserted, namely:—

"(1) Where the sale of a property, for which a reserve price has been specified under clause (cc) of rule 53, has been postponed for want of a bid of an amount not less than such reserve price, it shall be lawful for an Income-tax Officer, if so authorised by the Commissioner in this behalf, to bid for the property on behalf of the Central Government at any subsequent sale.";

(v) in Part III, after rule 68, the following rule shall be inserted, namely:—

"68A. (1) Without prejudice to the provisions contained in this Part, an Income-tax Officer, duly authorised by the Commissioner in this behalf, may accept in satisfaction of the whole or any part of the amount due from the defaulter the property, the sale of which has been postponed for the reason mentioned in sub-rule (1) of rule 59, at such price as may be agreed upon between the Income-tax Officer and the defaulter.

Acceptance of property in satisfaction of amount due from the defaulter.

(2) Where any property is accepted under sub-rule (1), the defaulter shall deliver possession of such property to the Income-tax Officer and on the date the possession of the property is delivered to the Income-tax Officer, the property shall vest in the Central Government and the Central Government shall, where necessary, intimate the concerned Registering Officer appointed under the Registration Act, 1908, accordingly.

(3) Where the price of the property agreed upon under sub-rule (1) exceeds the amount due from the defaulter, such excess shall be paid by the Income-tax Officer to the defaulter within a period of three months from the date of delivery of possession of the property and where the Income-tax Officer fails to pay such excess within the period aforesaid, the Central Government shall, for the period commencing on the expiry of such period and ending with the date of payment of the amount remaining unpaid, pay simple interest at twelve per cent. per annum to the defaulter on such amount.";

(vi) in rule 73,—

(i) after sub-rule (3), the following sub-rule shall be inserted, namely:—

"(3A) A warrant of arrest issued by a Tax Recovery Officer under sub-rule (2) or sub-rule (3) may also be exe-

cuted by any other Tax Recovery Officer within whose jurisdiction the defaulter may for the time being be found.”;

(ii) in sub-rule (4),—

(a) for the words, brackets and figures “sub-rule (2) or sub-rule (3)”, the words “this rule” shall be substituted, and after the words “Tax Recovery Officer”, the words “issuing the warrant” shall be inserted;

(b) after the proviso, the following *Explanation* shall be inserted, namely:—

“*Explanation.*—For the purposes of this rule, where the defaulter is a Hindu undivided family, the *Karta* thereof shall be deemed to be the defaulter.”.

CHAPTER III

AMENDMENTS TO THE WEALTH-TAX ACT, 1957

Amend-
ment of
section 4.

82. In section 4 of the Wealth-tax Act, 1957 (hereafter in this Chapter referred to as the Wealth-tax Act),—

27 of 1957.

(i) in clause (a) of sub-section (1),—

(a) in sub-clause (iii), after the words “by the individual”, the words “, directly or indirectly,” shall be inserted;

(b) in sub-clause (iv), the word “or” shall be inserted at the end and after that sub-clause, the following sub-clause shall be inserted, namely:—

“(v) by the son’s wife, or the son’s minor child, of such individual, to whom such assets have been transferred by the individual, directly or indirectly, on or after the 1st day of June, 1973, otherwise than for adequate consideration,”;

(ii) in sub-section (1A),—

(a) in clause (b), the words “, in so far as it is attributable to the interest of the individual in the property of the family,” shall be omitted;

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

“(c) where the converted property has been the subject-matter of a partition (whether partial or total) amongst the members of the family, the converted property or any part thereof which is received by the spouse or minor child of the individual on such partition shall be deemed to be assets transferred indirectly by the individual to the spouse or minor child and the provisions of sub-section (1) shall, so far as may be, apply accordingly.”;

(iii) after sub-section (5), the following sub-section shall be inserted, namely:—

“(5A) Where a gift of money from one person to another is made by means of entries in the books of account maintained by the person making the gift or by an individual or a Hindu undivided family or a firm or an association of persons or body of individuals with whom or which he has business or other relationship, the value of such gift shall be liable to be included in computing the net wealth of the person making the gift unless he proves to the satisfaction of the Wealth-tax Officer that the money has actually been delivered to the other person at the time the entries were made.”;

(iv) in the *Explanation*,—

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

‘(aa) the expression “child” includes a step-child and an adopted child;’;

(b) in clause (b), the word “and” shall be inserted at the end;

(c) in clause (c), the word “and” occurring at the end shall be omitted;

(d) clause (d) shall be omitted.

83. In sub-section (1) of section 5 of the Wealth-tax Act, in clause (v), for the proviso, the following proviso shall be substituted, namely:—

Amendment of section 5.

“Provided that they are held by him in his own right as the inventor or author of such patent or copyright, as the case may be, and have not been assigned to, or acquired by, him under a contract or by way of inheritance or otherwise;”.

84. In section 8 of the Wealth-tax Act, in the proviso, for the portion beginning with the words “and perform such functions” and ending with the words “work to be performed”, the following shall be substituted, namely:—

Amendment of section 8.

“and shall perform their functions in respect of such individual, Hindu undivided family or company, as the case may be, in accordance with such general or special orders in writing as the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf may make for the purpose of facilitating the performance of such functions”.

85. After section 8A of the Wealth-tax Act, the following section shall be inserted, namely:—

Insertion of new section 8AA. Concurrent jurisdiction of Inspecting Assistant Commissioner

“8AA. (1) The Commissioner may, by general or special order in writing, direct that all or any of the powers or functions conferred on or assigned to the Wealth-tax Officer or Wealth-tax Officers by or under this Act in respect of any area, or cases or classes of cases, or persons or classes of persons shall be exercised or performed concurrently by the Inspecting Assistant Commissioner.

and
Wealth-
tax
Officer.

(2) Where under sub-section (1), an Inspecting Assistant Commissioner exercises concurrent jurisdiction with one or more Wealth-tax Officers in respect of any area, cases or classes of cases, or persons or classes of persons, the Wealth-tax Officer or Wealth-tax Officers shall exercise the powers and perform the functions under this Act in relation thereto as the Inspecting Assistant Commissioner may direct.

(3) Without prejudice to the generality of the provisions contained in sub-section (2) of section 13, every Wealth-tax Officer shall also observe and follow such instructions as may be issued to him for his guidance by the Inspecting Assistant Commissioner within whose jurisdiction he performs his functions in relation to any particular proceeding or the initiation of any proceeding under this Act:

Provided that no instructions which are prejudicial to the assessee shall be issued before an opportunity is given by the Inspecting Assistant Commissioner to the assessee to be heard.

Explanation.—For the purposes of this sub-section, no instruction as to the lines on which an investigation connected with the assessment should be made shall be deemed to be an instruction prejudicial to the assessee.

(4) Where an order is made under sub-section (1) and the Inspecting Assistant Commissioner exercises the powers or performs the functions of a Wealth-tax Officer in respect of any case or person or proceeding, references in this Act or in any rule made thereunder to the Wealth-tax Officer and the Appellate Assistant Commissioner shall be construed as references to the Inspecting Assistant Commissioner and the Commissioner respectively and, accordingly,—

(i) any provision of this Act requiring approval or sanction of the Inspecting Assistant Commissioner shall not apply;

(ii) any appeal which would otherwise have lain to the Appellate Assistant Commissioner shall lie to the Commissioner;

(iii) any appeal which would have lain from an order of the Appellate Assistant Commissioner to the Appellate Tribunal shall lie from the order of the Commissioner.”

Amend-
ment of
section
8B.

86. In section 8B of the Wealth-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from one or more of the following officers subordinate to him, namely:—

(a) any Wealth-tax Officer or Wealth-tax Officers;

(b) any Wealth-tax Officer or Wealth-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner,

to any other Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant

Commissioner) also subordinate to him and the Board any similarly transfer any case from—

(i) any Wealth-tax Officer or Wealth-tax Officers, or

(ii) any Wealth-tax Officer or Wealth-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner,

to any other Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner):

Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where a transfer is from any Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) to any other Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) and the offices of all such officers are situated in the same city, locality or place:

Provided further that—

(a) where any case has been transferred from any Wealth-tax Officer or Wealth-tax Officers to two or more Wealth-tax Officers, the Wealth-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf, may make for the purpose of facilitating the performance of such functions;

(b) where any case has been transferred from any Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) to two or more Wealth-tax Officers with concurrent jurisdiction with the Inspecting Assistant Commissioner, the officers (including the Inspecting Assistant Commissioner) to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner may make for the purpose of facilitating the performance of such functions and the Wealth-tax Officers shall perform their functions also in accordance with such orders or directions as the Inspecting Assistant Commissioner may make under section 8 or, as the case may be, under sub-section (2) of section 8AA.”

87. In section 11B of the Wealth-tax Act, after clause (b), the following clause shall be inserted, namely:—

“(c) in a case where two or more Wealth-tax Officers have concurrent jurisdiction over such assessee in respect of such function, be the Wealth-tax Officers empowered to perform such function by the Board or, as the case may be, the Wealth-tax Officers to whom

Amend-
ment of
section
11B.

such function has been assigned by an order of the Commissioner or by an order or a direction of the Inspecting Assistant Commissioner under section 8 or, as the case may be, under sub-section (2) of section 8AA.”.

Amendment of section 15A.

88. In section 15A of the Wealth-tax Act, for clause (c), the following clause shall be substituted, namely:—

“(c) in the case of a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign and verify the return or where there is no managing director, by any director thereof.”.

Amendment of section 15B.

89. In section 15B of the Wealth-tax Act,—

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

“(1) Where any tax is payable on the basis of any return required to be furnished under section 14 or section 15 or section 17, after taking into account the amount of tax, if any, already paid under any provision of this Act, the assessee shall be liable to pay such tax before furnishing the return and the return shall be accompanied by proof of payment of such tax.”;

(ii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), the Wealth-tax Officer may direct that a sum equal to two per cent. of such tax or part thereof, as the case may be, shall be recovered from him by way of penalty for every month during which the default continues:

Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard.”.

Insertion of new section 17A.

90. After section 17 of the Wealth-tax Act, the following section shall be inserted, namely:—

“17A. (1) No order of assessment shall be made under section 16 at any time after the expiration of a period of—

(a) four years commencing on and from the 1st day of April, 1975 or one year from the date of the filing of a return or a revised return under section 15, whichever is later, where the assessment year is an assessment year commencing before that date;

(b) four years from the end of the assessment year in which the net wealth was first assessable, or one year from the date of the filing of a return or a revised return under section 15, whichever is later, where the assessment year is an assessment year commencing on or after the 1st day of April, 1975.

Time-limit for completion of assessment and re-assessment.

(2) No order of assessment or re-assessment shall be made under section 17,—

(a) where any proceeding for an assessment or re-assessment is pending on the 1st day of April, 1975, at any time after the expiration of a period of four years commencing on and from that date;

(b) where the assessment or re-assessment is to be made in a case falling within clause (a) of sub-section (1) of section 17 for which a notice has been served under that sub-section on or after the 1st day of April, 1975, at any time after the expiration of a period of four years from the end of the assessment year in which such notice was served;

(c) where the assessment or re-assessment is to be made in a case falling within clause (b) of sub-section (1) of section 17 for which a notice has been served under that sub-section on or after the 1st day of April, 1975, after the expiration of a period of—

(i) four years from the end of the assessment year in which the net wealth was first assessable, or

(ii) one year from the date of service of such notice, whichever period expires later.

(3) Notwithstanding anything contained in sub-sections (1) and (2), an order of fresh assessment in pursuance of an order passed on or after the 1st day of April, 1975, under section 23, section 24 or section 25, setting aside or cancelling an assessment, may be made at any time before the expiry of four years from the end of the financial year in which the order under section 23 or section 24 is received by the Commissioner or, as the case may be, the order under section 25 is passed by the Commissioner.

(4) The provisions of sub-sections (1) and (2) shall not apply to the assessment or re-assessment made on the assessee or any other person in consequence of, or to give effect to, any finding or direction contained in an order under section 23, section 24, section 25, section 27 or section 29 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act, and such assessment or re-assessment, may, subject to the provisions of sub-section (3), be completed at any time.

Explanation 1.—In computing the period of limitation for the purposes of this section—

(i) the time taken in re-opening the whole or any part of the proceeding or in giving an opportunity to the assessee to be re-heard under the proviso to section 39, or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court, or

(iii) in a case where an application made before the Wealth-tax Settlement Commission under section 22C is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which such application is made and ending

with the date on which the order under sub-section (1) of section 22D is received by the Commissioner under sub-section (2) of that section,

shall be excluded.

Explanation 2.—Where, by an order referred to in sub-section (4), any asset is excluded from the net wealth of one person and held to be the asset of another person, then, an assessment in respect of such asset on such other person shall, for the purposes of sub-section (2) of section 17 and this section, be deemed to be one made in consequence of, or to give effect to, any finding or direction contained in the said order, provided such other person was given an opportunity of being heard before the said order was passed.”.

Amend-
ment of
section
18.

91. In section 18 of the Wealth-tax Act,—

(i) in sub-section (1), for clauses (i), (ii), (iii) and the *Explanations*, the following clauses and *Explanations* shall be substituted, namely:—

‘(i) in the cases referred to in clause (a), in addition to the amount of wealth-tax, if any, payable by him, a sum equal to two per cent. of the assessed tax for every month during which the default continued.

Explanation.—In this clause, “assessed tax” means the wealth-tax chargeable under the provisions of this Act;

(ii) in the cases referred to in clause (b), in addition to the amount of wealth-tax payable by him, a sum which shall not be less than ten per cent., but which shall not exceed fifty per cent. of the amount of the wealth-tax, if any, which would have been avoided if the net wealth returned by such person had been accepted as the correct net wealth;

(iii) in the cases referred to in clause (c), in addition to any wealth-tax payable by him, a sum which shall not be less than, but which shall not exceed five times, the amount of tax sought to be evaded by reason of the concealment of particulars of any assets or the furnishing of inaccurate particulars in respect of any assets or debts.

Explanation 1.—For the purposes of clause (iii) of this sub-section, the expression “the amount of tax sought to be evaded”—

(a) in a case to which *Explanation 3* applies, means the tax on the net wealth assessed;

(b) in any other case, means the difference between the tax on the net wealth assessed and the tax that would have been chargeable had the net wealth assessed been reduced by the amount which represents the value of any assets in respect of which particulars have been concealed or inaccurate particulars have been furnished and of any debts in respect of which inaccurate particulars have been furnished.

Explanation 2.—Where in respect of any facts material to the computation of the net wealth of any person under this Act,—

(A) such person fails to offer an explanation or offers an explanation which is found by the Wealth-tax Officer or the Appellate Assistant Commissioner to be false; or

(B) such person offers an explanation which he is not able to substantiate,

then, the amount added or disallowed in computing the net wealth of such person as a result thereof shall, for the purposes of clause (c) of this sub-section, be deemed to represent the value of the assets in respect of which particulars have been concealed:

Provided that nothing contained in this *Explanation* shall apply to a case referred to in clause (B) in respect of any amount added or disallowed as a result of the rejection of any explanation offered by such person, if such explanation is *bona fide* and all the facts relating to the same and material to the computation of his net wealth have been disclosed by him.

Explanation 3.—Where any person who has not previously been assessed under this Act fails, without reasonable cause, to furnish within the period specified in clause (a) or, as the case may be, clause (b) of sub-section (1) of section 17A a return of his net wealth which he is required to furnish under section 14 in respect of any assessment year and, until the expiry of either of the periods applicable to him, no notice had been issued to him under sub-section (2) of section 14 or sub-section (1) of section 17 and the Wealth-tax Officer or the Appellate Assistant Commissioner is satisfied that in respect of such assessment year such person has assessable net wealth, then, such person shall, for the purposes of clause (c) of this sub-section, be deemed to have concealed the particulars of his assets or furnished inaccurate particulars of any assets or debts in respect of such assessment year, notwithstanding that such person furnishes a return of his net wealth at any time after the expiry of either of the periods aforesaid applicable to him in pursuance of a notice under section 17.

Explanation 4.—Where the value of any asset returned by any person is less than seventy per cent. of the value of such asset as determined in an assessment under section 16 or section 17, such person shall be deemed to have furnished inaccurate particulars of such asset within the meaning of clause (c) of this sub-section; unless he proves that the value of the asset as returned by him is the correct value.;

(ii) sub-section (1A) shall be omitted;

(iii) sub-sections (2A) and (2B) shall be omitted;

(iv) for sub-section (3), the following sub-sections shall be substituted, namely:—

“(3) Notwithstanding anything contained in clause (iii) of sub-section (1), if, in a case falling under clause (c) of that sub-section, the amount (as determined by the Wealth-tax Officer on assessment) in respect of which penalty is imposed under clause (c) aforesaid exceeds a sum of twenty-five thousand rupees, the

Wealth-tax Officer shall not issue any direction under sub-section (1) for payment by way of penalty without the previous approval of the Inspecting Assistant Commissioner.

(3A) Notwithstanding anything contained in this section, the penalty imposed under clause (iii) of sub-section (1) read with *Explanation 3* to that sub-section and the penalty imposed under clause (i) of that sub-section shall not exceed, in the aggregate, five times the amount of the tax sought to be evaded.”; (v) for the *Explanation* below sub-section (5), the following *Explanation* shall be substituted, namely:—

“*Explanation.*—In computing the period of limitation for the purposes of this section,—

(i) any period during which the immunity granted under section 22H remained in force;

(ii) the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 39; and

(iii) any period during which a proceeding under this section for the levy of penalty is stayed by an order or injunction of any court,

shall be excluded.”.

92. In Chapter IV of the Wealth-tax Act, after section 18, the following sections shall be inserted, namely:—

Insertion
of new
sections
18A and
18B.

Penalty
for
failure to
answer
questions,
sign
state-
ments,
allow
inspec-
tions, etc.

“18A. (1) If a person,—

(a) being legally bound to state the truth of any matter touching the subject of his assessment, refuses to answer any question demanded of him by a Wealth-tax Officer or an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner, in the exercise of his powers under this Act; or

(b) refuses to sign any statement made by him in the course of any proceeding under this Act which a Wealth-tax Officer or an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner may legally require him to sign, he shall pay, by way of penalty, a sum which may extend to one thousand rupees.

(2) If a person, without reasonable cause, fails to furnish in due time such statement or information which such person is bound to furnish to the Wealth-tax Officer under section 38, he shall pay, by way of penalty, a sum which may extend to ten rupees for every day during which the failure continues.

(3) No order shall be made under this section except by an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner, and where a contravention, failure or default for which any penalty is imposable under this section occurs in the course of any proceeding before a Wealth-tax Officer, the Wealth-tax Officer shall refer the case to the Inspecting Assistant Commissioner for passing such orders as he deems fit.

(4) No order under this section shall be passed by any officer referred to in sub-section (3), unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter by such officer.

18B. (1) Notwithstanding anything contained in this Act, the Commissioner may, in his discretion, whether on his own motion or otherwise,—

Power to reduce or waive penalty in certain cases.

(i) reduce or waive the amount of penalty imposed or imposable on a person under clause (i) of sub-section (1) of section 18 for failure without reasonable cause to furnish the return of net wealth which such person was required to furnish under sub-section (1) of section 14; or

(ii) reduce or waive the amount of penalty imposed or imposable on a person under clause (iii) of sub-section (1) of section 18,

if he is satisfied that such person,—

(a) in the case referred to in clause (i), has, prior to the issue of a notice to him under sub-section (2) of section 14, voluntarily and in good faith, made full and true disclosure of his net wealth, and

(b) in the case referred to in clause (ii), has, prior to the detection by the Wealth-tax Officer, of the concealment of particulars of assets or of the inaccuracy of particulars furnished in respect of any asset or debt in respect of which the penalty is imposable, voluntarily and in good faith made full and true disclosure of such particulars,

and also has co-operated in any inquiry relating to the assessment of his net wealth and has either paid or made satisfactory arrangements for the payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year.

Explanation.—For the purposes of this sub-section, a person shall be deemed to have made full and true disclosure of the particulars of his assets or debts in any case where the excess of net wealth assessed over the net wealth returned is of such a nature as not to attract the provisions of clause (c) of sub-section (1) of section 18.

(2) Notwithstanding anything contained in sub-section (1), if in a case falling under clause (c) of sub-section (1) of section 18, the net wealth in respect of which the penalty is imposed or imposable for the relevant assessment year, or, where such disclosure relates to more than one assessment year, the net wealth for any one of the relevant assessment years, exceeds five hundred thousand rupees, no order reducing or waiving the penalty under sub-section (1) shall be made by the Commissioner, except with the previous approval of the Board.

(3) Where an order has been made under sub-section (1) in favour of any person, whether such order relates to one or more assessment years, he shall not be entitled to any relief under this

section in relation to any other assessment year at any time after the making of such order.

(4) Without prejudice to the powers conferred on him by any other provision of this Act, the Commissioner may, on an application made in this behalf by an assessee, and after recording his reasons for so doing, reduce or waive the amount of any penalty payable by the assessee under this Act or stay or compound any proceeding for the recovery of any such amount, if he is satisfied that—

(i) to do otherwise would cause genuine hardship to the assessee, having regard to the circumstances of the case, and

(ii) the assessee has co-operated in any inquiry relating to the assessment or any proceeding for the recovery of any amount due from him.

(5) Every order made under this section shall be final and shall not be called into question by any court or any other authority.”

Insertion
of new
Chapter
VA.

93. After Chapter V of the Wealth-tax Act, the following Chapter shall be inserted, namely:—

CHAPTER VA

SETTLEMENT OF CASES

Defini-
tions.

22A. In this Chapter, unless the context otherwise requires,—

(a) “case” means any proceeding under this Act for or in connection with the assessment or re-assessment of any person in respect of any year or years which may be pending before a Wealth-tax authority on the date on which an application referred to in section 22C is made;

(b) “Wealth-tax authority” means a Director of Inspection, a Commissioner, an Appellate Assistant Commissioner, an Inspecting Assistant Commissioner or a Wealth-tax Officer.

Wealth-
tax
Settle-
ment
Com-
mission.

22B. (1) The Central Government shall constitute a Commission to be called the Wealth-tax Settlement Commission (hereafter in this Chapter referred to as “the Settlement Commission”) for the settlement of cases under this Chapter.

(2) The Settlement Commission shall consist of a Chairman and two other members and shall function within the Department of the Central Government dealing with direct taxes.

(3) The Chairman and other members of the Settlement Commission shall be appointed by the Central Government from amongst persons of integrity and outstanding ability, having special knowledge of, and experience in, problems relating to direct taxes and business accounts:

Provided that, where a member of the Board is appointed as the Chairman or as a member of the Settlement Commission, he shall cease to be a member of the Board:

Provided further that, until the members are appointed under this sub-section, it shall be competent for the Central Government to require, from time to time, any two members of the Board to serve as members of the Settlement Commission for such period as the Central Government thinks fit, in addition to their duties as members of the Board.

22C. (1) An assessee may, at any stage of a case relating to him, make an application in such form and in such manner and containing such particulars as may be prescribed to the Settlement Commission to have the case settled and any such application shall be disposed of in the manner hereinafter provided.

Application for settlement of cases.

(2) Every application made under sub-section (1) shall be accompanied by such fees as may be prescribed.

(3) An application made under sub-section (1) shall not be allowed to be withdrawn by the applicant.

22D. (1) On receipt of an application under section 22C, the Settlement Commission shall call for a report from the Commissioner and on the basis of the materials contained in such report and having regard to the nature and circumstances of the case or the complexity of the investigation involved therein, the Settlement Commission may, by order, allow the application to be proceeded with or reject the application:

Procedure on receipt of an application under section 22C.

Provided that an application shall not be rejected under this sub-section unless an opportunity has been given to the applicant of being heard:

Provided further that an application shall not be proceeded with under this sub-section if the Commissioner objects to the application being proceeded with on the ground that concealment of particulars of the net wealth on the part of the applicant or perpetration of fraud by him for evading any tax or other sum chargeable or imposable under this Act has been established or is likely to be established by any Wealth-tax authority, in relation to the case.

(2) A copy of every order under sub-section (1) shall be sent to the applicant and to the Commissioner.

(3) Where an application is allowed to be proceeded with under sub-section (1), the Settlement Commission may call for the relevant records from the Commissioner and after examination of such records, if the Settlement Commission is of the opinion that any further enquiry or investigation in the matter is necessary, it may direct the Commissioner to make or cause to be made such further enquiry or investigation and furnish a report on the matters covered by the application and any other matter relating to the case.

(4) After examination of the records and the report of the Commissioner received under sub-section (1) and the report, if any, of the Commissioner received under sub-section (3), and after giving an opportunity to the applicant and to the Commissioner to be heard, either in person or through a representative duly authorised in this behalf, and after examining such further evidence as may be placed

before it or obtained by it, the Settlement Commission may, in accordance with the provisions of this Act, pass such order as it thinks fit on the matters covered by the application and any other matter relating to the case not covered by the application but referred to in the report of the Commissioner under sub-section (1) or sub-section (3).

(5) The materials brought on record before the Settlement Commission shall be considered by all the members thereof before passing any order under sub-section (4) and, in the case of a difference of opinion among the members, the opinion of the majority shall prevail and such order shall be expressed in terms of the views of the majority.

(6) Every order passed under sub-section (4) shall provide for the terms of settlement including any demand by way of tax, penalty or interest, the manner in which any sum due under the settlement shall be paid and all other matters to make the settlement effective and shall also provide that the settlement shall be void if it is subsequently found by the Settlement Commission that it has been obtained by fraud or misrepresentation of facts.

(7) Where a settlement becomes void as provided in sub-section (6), the proceedings with respect to the matters covered by the settlement shall be deemed to have been revived from the stage at which the application was allowed to be proceeded with by the Settlement Commission and the Wealth-tax authority concerned, may, notwithstanding anything contained in any other provision of this Act, complete such proceedings at any time before the expiry of two years from the end of the financial year in which the settlement became void.

Power of
settlement
Commis-
sion to re-
open
comple-
ted
proceed-
ings.

22E. If the Settlement Commission is of the opinion (the reasons for such opinion to be recorded by it in writing) that, for the proper disposal of the case pending before it, it is necessary or expedient to re-open any proceeding connected with the case, but which has been completed under this Act by any Wealth-tax authority before the application under section 22C was made, it may, with the concurrence of the applicant, re-open such proceeding and pass such order thereon as it thinks fit as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceeding also:

Provided that no proceeding shall be re-opened by the Settlement Commission under this section after the expiry of a period of eight years from the end of the assessment year to which such proceeding relates.

Powers
and
proce-
dure of
Settle-
ment
Commis-
sion.

22F. (1) In addition to the powers conferred on the Settlement Commission under this Chapter, it shall have all the powers which are vested in a Wealth-tax authority under this Act.

(2) Where an application made under section 22C has been allowed to be proceeded with under section 22D, the Settlement Commission shall, until an order is passed under sub-section (4) of section 22D, have, subject to the provisions of sub-section (3) of that section, exclusive jurisdiction to exercise the powers and perform the functions of a Wealth-tax authority under this Act in relation to the case.

(3) Notwithstanding anything contained in sub-section (2) and in the absence of any express direction to the contrary by the Settlement Commission, nothing contained in this section shall affect the operation of any other provision of this Act requiring the applicant to pay tax on the basis of self-assessment in relation to the matters before the Settlement Commission.

(4) For the removal of doubt, it is hereby declared that in the absence of any express direction by the Settlement Commission to the contrary, nothing in this Chapter shall affect the operation of the provisions of this Act in so far as they relate to any matters other than those before the Settlement Commission.

(5) The Settlement Commission shall, subject to the provisions of this Chapter, have power to regulate its own procedure (including the fixation of places and times of its meetings) and may act notwithstanding that all the members of the Settlement Commission are not present at any of its meetings.

22G. No person shall be entitled to inspect, or obtain copies of, any reports made by any Wealth-tax authority to the Settlement Commission; but the Settlement Commission may, in its discretion, furnish copies thereof to any such person on an application made to it in this behalf and on payment of the prescribed fee: Inspection, etc., of reports.

Provided that, for the purpose of enabling any person whose case is under consideration to rebut any evidence brought on the record against him in any such report, the Settlement Commission shall, on an application made in this behalf and on payment of the prescribed fee by such person, furnish him with a certified copy of any such report or part thereof relevant for the purpose.

22H. (1) The Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 22C has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his net wealth and the manner in which such wealth has been acquired, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act or under the Indian Penal Code or under any other Central Act for the time being in force and also from the imposition of any penalty under this Act, with respect to the case covered by the settlement. Powers of Settlement Commission to grant immunity from prosecution

45 of 1860.

(2) An immunity granted to a person under sub-section (1) may, at any time, be withdrawn by the Settlement Commission, if it is satisfied that such person has not complied with the conditions subject to which the immunity was granted or that such person had, in the course of the settlement proceedings, concealed any particulars material to the settlement or had given false evidence, and thereupon such person may be tried for the offence with respect to which the immunity was granted or for any other offence of which he appears to have been guilty in connection with the settlement and shall also become liable to the imposition of any penalty under this Act to which such person would have been liable, had no such immunity been granted.

Order of settlement to be conclusive

22I. Every order of settlement passed under sub-section (4) of section 22D shall be conclusive as to the matters stated therein and no matter covered by such order shall, save as otherwise provided in this Chapter, be re-opened in any proceeding under this Act or under any other law for the time being in force.

Recovery of sums due under order of Settlement.

22J. Any sum specified in an order of settlement passed under sub-section (4) of section 22D may, subject to such conditions, if any, as may be specified therein, be recovered, and any penalty for default in making payment of such sum may be imposed and recovered in accordance with the provisions of section 32 by the Wealth-tax Officer having jurisdiction over the person who made the application for settlement under section 22C.

Bar on subsequent application for Settlement in certain cases.

22K. Where—

(i) an order of settlement passed under sub-section (4) of section 22D provides for the imposition of a penalty on the person who made the application under section 22C for settlement, on the ground of concealment of particulars of his net wealth; or

(ii) after the passing of an order of settlement under the said sub-section (4) in relation to a case, such person is convicted of any offence under Chapter VIII in relation to that case,

then, he shall not be entitled to apply for settlement under section 22C in relation to any other matter.

Proceedings before Settlement Commission to be judicial proceedings.

22L. Any proceeding under this Chapter before the Settlement Commission shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196, of the Indian Penal Code.

45 of 1860.

Certain persons who have filed appeals to the Appellate Tribunal entitled to make applications to the settlement Commission.

22M. (1) Notwithstanding anything contained in this Chapter, any assessee who has filed an appeal to the Appellate Tribunal under this Act which is pending before it shall, on withdrawing such appeal from the Appellate Tribunal, be entitled to make an application to the Settlement Commission to have his case settled under this Chapter:

Provided that no such assessee shall be entitled to make an application in a case where the Wealth-tax Officer has preferred an appeal under sub-section (2) of section 24 against the order to which the assessee's appeal relates.

(2) Any assessee referred to in sub-section (1) may make an application to the Appellate Tribunal for permission to withdraw the appeal.

(3) On receipt of an application under sub-section (2), the Appellate Tribunal shall grant permission to withdraw the appeal.

(4) Upon the withdrawal of the appeal, the proceeding in appeal immediately before such withdrawal shall, for the purposes of this Chapter, be deemed to be a proceeding pending before a Wealth-tax authority.

(5) An application to the Settlement Commission under this section shall be made within a period of thirty days from the date on which the order of the Appellate Tribunal permitting the withdrawal of the appeal is communicated to the assessee.

(6) An application made to the Settlement Commission under this section shall be deemed to be an application made under sub-section (1) of section 22C and the provisions of this Chapter [except sub-section (7) of section 22D] shall apply accordingly.

(7) Where an application made to the Settlement Commission under this section is not entertained by the Settlement Commission, then, the assessee shall not be deemed to have withdrawn the appeal from the Appellate Tribunal and the provisions contained in section 24 and section 26 shall, so far as may be, apply accordingly.

94. In section 23 of the Wealth-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:—

Amend-
ment of
section 23.

“(2A) Where a return has been filed by an assessee, no appeal under this section shall be admitted unless at the time of filing of the appeal he has paid the tax due on the net wealth returned by him:

Provided that, on an application made by the appellant in this behalf, the Appellate Assistant Commissioner may, for any good and sufficient reason to be recorded in writing, exempt him from the operation of the provision of this sub-section.”

95. In section 24 of the Wealth-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

Amend-
ment of
section 24.

“(1) An assessee objecting to an order passed by the Appellate Assistant Commissioner under section 18 or section 18A or section 23 or sub-section (2) of section 37, or to an order passed by the Inspecting Assistant Commissioner under section 18A, may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.”

96. In sub-section (1) of section 26 of the Wealth-tax Act, after the word and figures “section 18”, the words, figures and letter “or section 18A” shall be inserted.

Amend-
ment of
section 26.

97. In section 34A of the Wealth-tax Act, after sub-section (3), the following sub-section shall be inserted, namely:—

Amend-
ment of
section
34A.

“(3A) Where the whole or any part of the refund referred to in sub-section (3) is due to the assessee as a result of any amount

having been paid by him after the 31st day of March, 1975 in pursuance of any order of assessment or penalty and such amount or any part thereof having been found in appeal or other proceeding under this Act to be in excess of the amount which such assessee is liable to pay as tax or penalty, as the case may be, under this Act, the Central Government shall pay to such assessee simple interest at the rate specified in sub-section (3) on the amount so found to be in excess from the date on which such amount was paid to the date on which the refund is granted:

Provided that, where the amount so found to be in excess was paid in instalments, such interest shall be payable on the amount of each such instalment or any part of such instalment, which was in excess, from the date on which such instalment was paid to the date on which the refund is granted:

Provided further that no interest under this sub-section shall be payable for a period of one month from the date of the passing of the order in appeal or other proceeding:

Provided also that, where any interest is payable to an assessee under this sub-section, no interest under sub-section (3) shall be payable to him in respect of the amount so found to be in excess."

Substitution of new sections for section 34B.

Transfers to defraud revenue to be void.

98. For section 34B of the Wealth-tax Act, the following sections shall be substituted, namely:—

'34B. (1) Where, during the pendency of any proceeding under this Act or after the completion thereof, but before the service of notice under rule 2 of the Second Schedule to the Income-tax Act as made applicable to this Act by section 32, any assessee creates a charge on, or parts with (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) the possession of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the assessee as a result of the completion of the said proceeding or otherwise:

Provided that such charge or transfer shall not be void, if it is made—

(i) for adequate consideration and without notice of the pendency of such proceeding or, as the case may be, without notice of such tax or other sum payable by the assessee; or

(ii) with the previous permission of the Wealth-tax Officer.

(2) This section applies to cases where the amount of tax or other sum payable or likely to be payable exceeds five thousand rupees and the assets charged or transferred exceed ten thousand rupees in value.

Explanation.—In this section, "assets" means land, building, machinery, plant, shares, securities and fixed deposits in banks to the extent to which any of the assets aforesaid does not form part of the stock in trade of the business of the assessee.

34C. (1) Where, during the pendency of any proceeding for the assessment of net wealth or for the assessment or re-assessment of net wealth which has escaped assessment, the Wealth-tax Officer is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, he may, with the previous approval of the Commissioner, by order in writing, attach provisionally any property belonging to the assessee in the manner provided in the Second Schedule to the Income-tax Act as made applicable to this Act by section 32.

Provisional attachment to protect revenue in certain cases.

(2) Every such provisional attachment shall cease to have effect after the expiry of a period of six months from the date of the order made under sub-section (1):

Provided that the Commissioner may, for reasons to be recorded in writing, extend the aforesaid period by such further period or periods as he thinks fit, so however, that the total period of extension shall not in any case exceed two years.'

99. In sub-section (1) of section 35 of the Wealth-tax Act, clause (c) shall be omitted.

Amendment of section 35.

100. After section 35 of the Wealth-tax Act, the following sections shall be inserted, namely:—

Insertion of new sections 35A to 35N.

"35A. (1) If a person wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable,—

Wilful attempt to evade tax, etc.

(i) in a case where the amount sought to be evaded exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

(2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine.

Explanation.—For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

(a) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement, or

(b) makes, or causes to be made, any false entry or statement in such books of account or other documents, or

(c) wilfully omits, or causes to be omitted, any relevant entry or statement in such books of account or other documents, or

(d) causes any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

Failure to furnish returns of net wealth.

35B. If a person wilfully fails to furnish in due time the return of his net wealth which he is required to furnish under sub-section (1) of section 14 or by notice given under sub-section (2) of section 14 or under sub-section (1) of section 17, he shall be punishable,—

(i) in a case where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of net wealth under sub-section (1) of section 14—

(i) for any assessment year commencing prior to the 1st day of April, 1975; or

(ii) for any assessment year commencing on or after the 1st day of April, 1975, if—

(a) the return is furnished by him before the expiry of the assessment year; or

(b) the tax payable by him on his net wealth determined on regular assessment does not exceed three thousand rupees.

Failure to produce accounts, records, etc.

35C. If a person wilfully fails to produce, or cause to be produced, on or before the date specified in any notice under sub-section (4) of section 16, such accounts, records and documents as are referred to in the notice, he shall be punishable with rigorous imprisonment for a term which may extend to one year or with fine equal to a sum calculated at a rate which shall not be less than four rupees or more than ten rupees for every day during which the default continues, or with both.

False statement in verification, etc. made under certain provisions of the Act.

35D. If a person makes a statement in any verification under this Act (other than under section 34AB) or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable,—

(i) in a case where the amount of tax which would have been evaded if the statement or account had been accepted as true,

exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

35E. If a person makes a statement in a verification mentioned in section 34AB which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to six months or with fine or with both.

False statement in verification mentioned in section 34AB.

35F. If a person abets or induces in any manner another person to make and deliver an account, statement or declaration relating to any net wealth chargeable to tax which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 35A, he shall be punishable,—

Abetment of false return, etc.

(i) in a case where the amount of tax, penalty or interest, which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

35G. If any person convicted of an offence under sub-section (1) of section 35A or section 35B or section 35D or section 35F is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and for every subsequent offence with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment for second and subsequent offences.

35H. (1) Where an offence under this Act has been committed by a Hindu undivided family, the *Karta* thereof shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences by Hindu undivided families.

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

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Hindu undivided family and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any member thereof, such member shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Prosecutions to be at the instance of Commissioner and power of Commissioner to compound offences.

Certain offences to be non-cognizable.

Bar on prosecutions and on inadmissibility of evidence in certain circumstances.

Jurisdiction of courts.

Section 360 of the Code of Criminal Procedure, 1973 and the Probation of Offenders Act, 1958, not to apply.

Presumption as to books of account, etc., in certain cases

35I. (1) A person shall not be proceeded against for an offence under this Act except at the instance of the Commissioner.

(2) The Commissioner may, either before or after the institution of proceedings, compound any offence under this Act.

35J. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under section 35A or section 35B or section 35D or section 35F shall be deemed to be non-cognizable within the meaning of that Code.

2 of 1974.

35K. (1) A person shall not be proceeded against for an offence under section 35A or section 35D in relation to the assessment for an assessment year in respect of which the penalty imposed or imposed on him under clause (iii) of sub-section (1) of section 18 has been reduced or waived by an order under section 18B.

(2) Where any proceeding for prosecution has been taken against any person under this Act, any statement made or account or other document produced by such person before any of the Wealth-tax authorities specified in sections 8, 9, 10, 10A and 11 shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposed would be reduced or waived under section 18B or that the offence in respect of which such proceeding was taken would be compounded.

35L. No court inferior to that of a Metropolitan Magistrate or a Magistrate of the first class shall try any offence under this Act.

35M. Nothing contained in section 360 of the Code of Criminal Procedure, 1973, or in the Probation of Offenders Act, 1958, shall apply to a person convicted of an offence under this Act unless that person is under eighteen years of age.

2 of 1974.
20 of 1958.

35N. (1) Where during the course of any search made under section 37A, any books of account or other documents, articles or things including money have been found in the possession or control of any person and such books of account or other documents are tendered, or such articles or things including money are relied upon, by the prosecution in evidence against such person or against such person and the person referred to in section 35F for an offence under this Act, the provisions of sub-section (5) of section 37A shall, so far as may be, apply in relation to such books of account or other documents, articles or things including money.

(2) Where—

(i) any books of account or other documents taken into custody, from the possession or control of any person by any officer or authority under clause (a) or clause (b) of sub-section (1) of section 37B, are delivered to the requisitioning officer under sub-section (2) of that section; or

(ii) any note or inventory of any articles or things including money taken into custody, from the possession of any person, by any officer or authority under clause (c) of sub-section (1) of section 37B, is furnished to the requisitioning officer under sub-section (2) of that section,

and such books of account or other documents are tendered, or such note or inventory is relied upon, by the prosecution in evidence against such person or against such person and the person referred to in section 35F for an offence under this Act, the provisions of sub-section (5) of section 37A shall, so far as may be, apply in relation to such books of account or other documents or, as the case may be, the articles or things including money, covered by such note or inventory.”.

101. Section 36 of the Wealth-tax Act shall be omitted.

102. For section 37A of the Wealth-tax Act, the following sections shall be substituted, namely:—

“37A. (1) Where the Director of Inspection or the Commissioner or any such Deputy Director of Inspection or Inspecting Assistant Commissioner as may be empowered in this behalf by the Board, in consequence of information in his possession, has reason to believe that—

(a) any person to whom a notice under sub-section (4) of section 16 or a summons under section 37 was issued to produce, or cause to be produced, any books of account or other documents, has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such notice or summons, or

(b) any person to whom a notice or summons as aforesaid has been or might be issued will not, or would not, produce, or cause to be produced, any books of account or other documents which will be useful for, or relevant to, any proceeding under this Act, or

(c) any person is in possession of any articles or things including money disproportionate to his known assets, particulars of which will be useful for, or relevant to, any proceeding under this Act,

then,—

(A) the Director of Inspection or the Commissioner, as the case may be, may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Wealth-tax Officer, or

Omission of section 36.

Substitution of new sections for section 37A.

Power of search and seizure.

(B) such Deputy Director of Inspection or Inspecting Assistant Commissioner may authorise any Assistant Director of Inspection or Wealth-tax Officer,

(the officer so authorised in all cases being hereafter in this section referred to as the authorised officer) to—

(i) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such books of account or other documents, articles or things including money are kept;

(ii) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account or other documents, articles or things including money;

(iii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;

(iv) seize any such books of account or other documents;

(v) place marks of identification on any such books of account or other documents or make, or cause to be made, extracts or copies therefrom;

(vi) make a note or an inventory of any articles or things including money found which, in his opinion, will be useful for, or relevant to, any proceeding under this Act:

Provided that where any building, place, vessel, vehicle or aircraft referred to in clause (i) is within the area of jurisdiction of any Commissioner but such Commissioner has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of this sub-section, then, notwithstanding anything contained in section 10, it shall be competent for him to exercise the powers under this sub-section in all cases where he has reason to believe that any delay in getting the authorisation from the Commissioner having jurisdiction over such person may be prejudicial to the interests of the revenue.

(2) Where any Commissioner, in consequence of information in his possession, has reason to suspect that any books of account or other documents, articles or things including money in respect of which an officer has been authorised by the Director of Inspection or any other Commissioner or any such Deputy Director of Inspection or Inspecting Assistant Commissioner as may be empowered in this behalf by the Board to take action under clauses (i) to (vi) of sub-section (1) are kept in any building, place, vessel, vehicle or aircraft not mentioned in the authorisation under sub-section (1), such Commissioner may, notwithstanding anything contained in section 10, authorise the said officer to take action under any of the clauses aforesaid in respect of such building, place, vessel, vehicle or aircraft.

(3) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both to assist him for all or any of the purposes specified in sub-section

(1) or sub-section (2) and it shall be the duty of every such officer to comply with such requisition.

(4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of account or other documents, articles or things including money and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under this Act.

(5) Where any books of account or other documents, articles or things including money are found in the possession or control of any person in the course of a search, it may be presumed that—

(i) such books of account or other documents, articles or things including money belong to such person;

(ii) the contents of such books of account or other documents are true; and

(iii) the signature and every other part of such books of account or other documents which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a document stamped, executed or attested, that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested.

(6) The books of account or other documents seized under sub-section (1) or sub-section (2) shall not be retained by the authorised officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained:

Provided that the Commissioner shall not authorise the retention of the books of account or other documents for a period exceeding thirty days after all the proceedings under this Act in respect of the years for which the books of account or other documents are relevant are completed.

(7) The person from whose custody any books of account or other documents are seized under sub-section (1) or sub-section (2) may make copies thereof, or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf at such place and time as the authorised officer may appoint in this behalf.

(8) Where the authorised officer has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of sub-section (1), the books of account or other documents seized under that sub-section shall be handed over by the authorised officer to the Wealth-tax Officer having jurisdiction over such person within a period of fifteen days of such seizure and thereupon the powers exercisable by the authorised officer under sub-section (6) or sub-section (7) shall be exercisable by such Wealth-tax Officer.

(9) If a person legally entitled to the books of account or other documents seized under sub-section (1) or sub-section (2) objects

for any reason to the approval given by the Commissioner under sub-section (6), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents.

(10) On receipt of the application under sub-section (9), the Board may, after giving the applicant an opportunity of being heard, pass such orders thereon as it thinks fit.

(11) The provisions of the Code of Criminal Procedure, 1973 relating to searches shall apply, so far as may be, to searches under this section.

2 of 1974.

(12) The Board may make rules in relation to searches or seizure under this section; and in particular and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer—

(i) for obtaining ingress into any building, place, vessel, vehicle or aircraft to be searched where free ingress thereto is not available;

(ii) for ensuring the safe custody of any books of account or other documents seized.

37B. (1) Where the Director of Inspection or the Commissioner, in consequence of information in his possession, has reason to believe that—

(a) any person to whom a notice under sub-section (4) of section 16 or a summons under section 37 was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such notice or summons and the said books of account or other documents have been taken into custody by any officer or authority under any other law for the time being in force, or

(b) any books of account or other documents will be useful for, or relevant to, any proceeding under this Act and any person to whom a notice or summons as aforesaid has been or might be issued will not, or would not, produce or cause to be produced such books of account or other documents on the return of such books of account or other documents by any officer or authority by whom or which such books of account or other documents have been taken into custody under any other law for the time being in force, or

(c) any articles or things including money disproportionate to the known assets of any person, particulars of which will be useful for, or relevant to, any proceeding under this Act, have been taken into custody by any officer or authority, under any other law for the time being in force, from the possession of such person,

then, the Director of Inspection or the Commissioner may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Wealth-tax Officer (here-

Power to
requisi-
tion books
of
account,
etc.

after in this section referred to as the requisitioning officer) to require such officer or authority,—

(i) in a case falling under clause (a) or clause (b), to deliver such books of account or other documents to the requisitioning officer;

(ii) in a case falling under clause (c), to furnish a note or an inventory of such articles or things including money to the requisitioning officer.

(2) On a requisition being made under sub-section (1),—

(i) in a case falling under clause (a) or clause (b) of that sub-section, the officer or authority referred to therein shall deliver the books of account or other documents to the requisitioning officer either forthwith or when such officer or authority is of the opinion that it is no longer necessary to retain the same in his or its custody;

(ii) in a case falling under clause (c), the officer or authority referred to therein shall furnish the note or inventory to the requisitioning officer within a reasonable period.

(3) Where any books of account or other documents have been delivered to the requisitioning officer, the provisions of sub-sections (5) to (12) (both inclusive) of section 37A shall, so far as may be, apply as if such books of account or other documents had been seized under sub-section (1) of that section by the requisitioning officer from the custody of the person referred to in clause (a) or clause (b), as the case may be, of sub-section (1) of this section and as if for the words "the authorised officer" occurring in any of the aforesaid sub-sections, the words "the requisitioning officer" were substituted.'

103. In section 42A of the Wealth-tax Act,—

(i) in sub-section (1), after the word "proceedings", the words "or prosecutions" shall be inserted;

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

"(2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner has expired without an appeal having been presented or the appeal, if presented, has been disposed of."

104. After section 42B of the Wealth-tax Act, the following section shall be inserted, namely:—

"42C. No return of wealth, assessment, notice, summons or other proceeding furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such

Amendment of section 42A.

Insertion of new section 42C.

Return of wealth, etc., not to be invalid on certain grounds.

return of wealth, assessment, notice, summons or other proceeding if such return of wealth, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.”.

Amendment of section 46.

105. In sub-section (4) of section 46 of the Wealth-tax Act,—

(i) for the words “or in two successive sessions”, the words “or in two or more successive sessions” shall be substituted;

(ii) for the words “in which it is so laid or the session immediately following”, the words “immediately following the session or the successive sessions aforesaid” shall be substituted.

CHAPTER IV

AMENDMENTS TO THE GIFT-TAX ACT, 1958

Insertion of new section 6A.

106. In Chapter II of the Gift-tax Act, 1958 (hereafter in this Chapter referred to as the Gift-tax Act), after section 6, the following section shall be inserted, namely:—

18 of 1958

Aggregation of gifts made during a certain period.

“6A. Notwithstanding anything contained in this Act, where an assessee has made taxable gifts during any previous year and has also made taxable gifts (not being gifts made at any time before the 1st day of June, 1973) during any one or more of the four previous years immediately preceding such previous year, the gift-tax payable by him for the assessment year relevant to such previous year (hereafter in this section referred to as the assessment year) shall be determined in the following manner, namely:—

(a) the value of the taxable gifts made during any one or more of the four previous years immediately preceding such previous year shall be aggregated with the value of the taxable gifts made by the assessee during such previous year and gift-tax shall be calculated on the aggregate value at the rate or rates applicable for the assessment year;

(b) from the amount of gift-tax calculated under clause (a), there shall be deducted an amount equal to the gift-tax payable had the value of the taxable gifts made during one or more of the four previous years immediately preceding such previous year been aggregated and tax levied thereon at the rate or rates applicable for the assessment year, and the balance shall be the amount of gift-tax payable by the assessee.”.

Amendment of section 7.

107. In section 7 of the Gift-tax Act, for the proviso, the following proviso shall be substituted, namely:—

“Provided that where two or more Income-tax Officers have jurisdiction or exercise powers under the Income-tax Act in respect of any person, they shall have concurrent jurisdiction and shall perform their functions of a Gift-tax Officer under this Act in respect of such person in accordance with such general or special

orders in writing as the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf, may make for the purpose of facilitating the performance of such functions.”.

108. After section 7A of the Gift-tax Act, the following section shall be inserted, namely:—

Insertion of new section 7AA.

“7AA. (1) The Commissioner may, by general or special order in writing, direct that all or any of the powers or functions conferred on or assigned to the Gift-tax Officer or Gift-tax Officers by or under this Act in respect of any area, or cases or classes of cases, or persons or classes of persons, shall be exercised or performed concurrently by the Inspecting Assistant Commissioner.

Concurrent jurisdiction of Inspecting Assistant Commissioner and Gift-tax Officer.

(2) Where under sub-section (1), an Inspecting Assistant Commissioner exercises concurrent jurisdiction with one or more Gift-tax Officers in respect of any area, cases or classes of cases, persons or classes of persons, the Gift-tax Officer or Gift-tax Officers shall exercise the powers and perform the functions under this Act in relation thereto as the Inspecting Assistant Commissioner may direct.

(3) Without prejudice to the generality of the provisions contained in sub-section (2) of section 12, every Gift-tax Officer shall also observe and follow such instructions as may be issued to him for his guidance by the Inspecting Assistant Commissioner within whose jurisdiction he performs his functions in relation to any particular proceeding or the initiation of any proceeding under this Act:

Provided that no instructions which are prejudicial to the assessee shall be issued before an opportunity is given to the assessee to be heard.

Explanation.—For the purposes of this sub-section, no instruction as to the lines on which an investigation connected with the assessment should be made shall be deemed to be an instruction prejudicial to the assessee.

(4) Where an order is made under sub-section (1) and the Inspecting Assistant Commissioner exercises the powers or performs the functions of a Gift-tax Officer in respect of any case or person or proceeding under this Act, references in this Act or in any rule made thereunder to the Gift-tax Officer and the Appellate Assistant Commissioner shall be construed as references to the Inspecting Assistant Commissioner and the Commissioner respectively and, accordingly,—

(i) any provision of this Act requiring approval or sanction of the Inspecting Assistant Commissioner shall not apply;

(ii) any appeal which would otherwise have lain to the Appellate Assistant Commissioner shall lie to the Commissioner;

(iii) any appeal which would have lain from an order of the Appellate Assistant Commissioner to the Appellate Tribunal shall lie from the order of the Commissioner.”.

Amend-
ment of
section
7 B.

109. For sub-section (1) of section 7B of the Gift-tax Act, the following sub-section shall be substituted, namely:—

“(1) The Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from one or more of the following officers subordinate to him, namely:—

(a) any Gift-tax Officer or Gift-tax Officers,

(b) any Gift-tax Officer or Gift-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner,

to any other Gift-tax Officer or Gift-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) also subordinate to him and the Board may similarly transfer any case from—

(i) any Gift-tax Officer or Gift-tax Officers, or

(ii) any Gift-tax Officer or Gift-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner,

to any other Gift-tax Officer or Gift-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner):

Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where the transfer is from any Gift-tax Officer or Gift-tax Officers to any other Gift-tax Officer or Gift-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) to any other Gift-tax Officer or Gift-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) and the offices of all such officers are situated in the same city, locality or place:

Provided further that,—

(a) where any case has been transferred from any Gift-tax Officer or Gift-tax Officers to two or more Gift-tax Officers, the Gift-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over the case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner or the Inspecting Assistant Commissioner, authorised by the Commissioner in this behalf, may make for the purpose of facilitating the performance of such functions,

(b) where any case has been transferred from any Gift-tax Officer or Gift-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner)

to two or more Gift-tax Officers with concurrent jurisdiction with the Inspecting Assistant Commissioner, the officers (including the Inspecting Assistant Commissioner) to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner may make for the purpose of facilitating the performance of such functions and the Gift-tax Officers shall perform their functions also in accordance with such orders or directions as the Inspecting Assistant Commissioner may make under section 7 or, as the case may be, under sub-section (2) of section 7AA."

110. In section 11AA of the Gift-tax Act, after clause (b), the following clause shall be inserted, namely:—

Amend-
ment of
section
11AA.

"(c) in a case where two or more Gift-tax Officers have concurrent jurisdiction over such assessee in respect of such function, be the Gift-tax Officers empowered to perform such function by the Board or, as the case may be, the Gift-tax Officers to whom such function has been assigned by an order of the Commissioner or by an order or a direction of the Inspecting Assistant Commissioner under section 7 or, as the case may be, under sub-section (2) of section 7AA."

111. In section 14A of the Gift-tax Act, for clauses (c) and (d), the following clauses shall be substituted, namely:—

Amend-
ment of
section
14A.

"(c) in the case of a company, by the managing director thereof or where for any unavoidable reason such managing director is not able to sign and verify the return or where there is no managing director, by any director thereof;

(d) in the case of a firm, by the managing partner thereof or where for any unavoidable reason such managing partner is not able to sign and verify the return, or where there is no managing partner as such, by any partner thereof, not being a minor;"

112. After section 16 of the Gift-tax Act, the following section shall be inserted, namely:—

Insertion
of new
section
16A.

"16A. (1) No order of assessment shall be made under section 15 at any time after the expiration of a period of—

Time
limit for
comple-
tion of
assess-
ment
and
re-assess-
ment.

(a) four years commencing on and from the 1st day of April, 1975 or one year from the date of the filing of a return or a revised return under section 14, whichever is later, where the assessment year is an assessment year commencing before that date;

(b) four years from the end of the assessment year in which the gifts were first assessable, or one year from the date of the filing of a return or a revised return under section 14, whichever

is later, where the assessment year is an assessment year commencing on or after the 1st day of April, 1975.

(2) No order of assessment or re-assessment shall be made under section 16,—

(a) where any proceeding for an assessment or a re-assessment is pending on the 1st day of April, 1975, at any time after the expiration of a period of four years commencing on and from that date;

(b) where the assessment or re-assessment is to be made in a case falling within clause (a) of sub-section (1) of section 16 for which a notice has been served under that sub-section on or after the 1st day of April, 1975, at any time after the expiration of a period of four years from the end of the assessment year in which the said notice was served;

(c) where the assessment or re-assessment is to be made in a case falling within clause (b) of sub-section (1) of section 16 for which a notice has been served under that sub-section on or after the 1st day of April, 1975, after the expiration of a period of—

(i) four years from the end of the assessment year in which the gifts were first assessable, or

(ii) one year from the date of service of such notice, whichever period expires later.

(3) Notwithstanding anything contained in sub-sections (1) and (2), an order of fresh assessment in pursuance of an order passed on or after the 1st day of April, 1975 under section 22, section 23 or section 24, setting aside or cancelling an assessment, may be made at any time before the expiry of four years from the end of the financial year in which the order under section 22 or section 23 is received by the Commissioner or, as the case may be, the order under section 24 is passed by the Commissioner.

(4) The provisions of sub-sections (1) and (2) shall not apply to the assessment or re-assessment made on the assessee in consequence of, or to give effect to, any finding or direction contained in an order under section 22, section 23, section 24, section 26 or section 28 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act and such assessment or re-assessment may, subject to the provisions of sub-section (3), be completed at any time.

Explanation 1.—In computing the period of limitation for the purposes of this section—

(i) the time taken in reopening the whole or any part of the proceeding or in giving an opportunity to the assessee to be reheard under the proviso to section 38, or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court,

shall be excluded.

Explanation 2.—Where, by an order referred to in sub-section (4), any gift is excluded from the taxable gifts for an assessment year in respect of an assessee, then, an assessment of such gift for another assessment year shall, for the purposes of sub-section (2) of section 16 and this section, be deemed to be one made in consequence of, or to give effect to, any finding or direction contained in the said order.”.

113. In section 17 of the Gift-tax Act,—

(i) in sub-section (1), in clause (i), the words “but not exceeding in the aggregate fifty per cent. of the assessed tax” shall be omitted;

(ii) in sub-section (3), for the words “the Gift-tax Officer shall refer the case to the Inspecting Assistant Commissioner who shall, for the purpose, have all the powers conferred under this section for the imposition of penalty”, the following shall be substituted, namely:—

“the Gift-tax Officer shall not make any order for payment, by way of penalty, without the previous approval of the Inspecting Assistant Commissioner”.

114. After section 17 of the Gift-tax Act, the following section shall be inserted, namely:—

“17A. (1) If a person,—

(a) being legally bound to state the truth of any matter touching the subject of his assessment, refuses to answer any question demanded of him by a Gift-tax Officer or an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner in the exercise of his powers under this Act, or

(b) refuses to sign any statement made by him in the course of any proceeding under this Act which a Gift-tax Officer or an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner may legally require him to sign,

he shall pay, by way of penalty, a sum which may extend to one thousand rupees.

(2) If a person, without reasonable cause or excuse, fails to furnish within the time specified any statement or information which such person is bound to furnish to the Gift-tax Officer under section 37, he shall pay, by way of penalty, a sum which may extend to ten rupees for every day during which the failure continues.

(3) No order shall be made under this section except by an Appellate Assistant Commissioner or an Inspecting Assistant Commissioner or a Commissioner, and where a contravention, failure or default for which any penalty is imposable under this section

Amend-
ment of
section
17.

Insertion
of new
section
17A.

Penalty
for
failure
to answer
questions,
sign
state-
ments,
etc.

occurs in the course of any proceeding before a Gift-tax Officer, the Gift-tax Officer shall refer the case to the Inspecting Assistant Commissioner for passing such orders as he deems fit.

(4) No order under this section shall be passed by any officer referred to in sub-section (3) unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter by such officer."

Substitu-
tion of
new
section
for
section 18.

115. For section 18 of the Gift-tax Act, the following section shall be substituted, namely:—

Rebate on
advance
pay-
ments.

"18. If a person making a taxable gift pays into the treasury within fifteen days of his making the gift any part of the amount of tax due on the gift calculated at the rates specified in the Schedule or, in a case where the provisions of section 6A are applicable to a gift, in the manner specified in that section, he shall, at the time of assessment under section 15, be given credit—

(i) for the amount so paid; and

(ii) for a sum equal to one-ninth of the amount so paid, so however, that such sum shall in no case exceed one-tenth of the tax due on the gift.

Explanation.—If a person makes more than one taxable gift in the course of a previous year, the amount of tax due on any one of such gifts shall be the difference between the total amount of tax due on the aggregate value of all the taxable gifts so far made, including the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule or, as the case may be, in the manner specified in section 6A, and the total amount of tax on the aggregate value of all the gifts made during that year, excluding the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule or, as the case may be, in the manner specified in section 6A."

Amend-
ment of
section 23.

116. In sub-section (1) of section 23 of the Gift-tax Act,—

(i) for the words and figures "under section 17", the words, figures and letter "under section 17 or section 17A" shall be substituted;

(ii) for the words, brackets and figures "under sub-section (3) of section 17", the words, figures and letter "under section 17A" shall be substituted.

Amend-
ment of
section 25

117. In sub-section (1) of section 25 of the Gift-tax Act, for the words and figures "under section 17", the words, figures and letter "under section 17 or section 17A" shall be substituted.

118. In section 33A of the Gift-tax Act, after sub-section (3), the following sub-section shall be inserted, namely:—

Amend-
ment of
section
33A.

“(3A) Where the whole or any part of the refund referred to in sub-section (3) is due to an assessee as a result of any amount having been paid by him after the 31st day of March, 1975, in pursuance of any order of assessment or penalty and such amount or any part thereof having been found in appeal or other proceeding under this Act to be in excess of the amount which such assessee is liable to pay as tax or penalty, as the case may be, under this Act, the Central Government shall pay to such assessee simple interest at the rate specified in sub-section (3) on the amount so found to be in excess from the date on which such amount was paid to the date on which the refund is granted:

Provided that, where the amount so found to be in excess was paid in instalments, such interest shall be payable, on the amount of each such instalment or any part of such instalment, which was in excess, from the date on which such instalment was paid to the date on which the refund is granted:

Provided further that no interest under this sub-section shall be payable for a period of one month from the date of the passing of the order in appeal or other proceeding:

Provided also that where any interest is payable to an assessee under this sub-section, no interest under sub-section (3) shall be payable to him in respect of the amount so found to be in excess.”.

119. In sub-section (1) of section 35 of the Gift-tax Act,—

Amend-
ment of
section
35.

(i) in clause (b), the words, brackets and figures “sub-section (2) or” shall be omitted;

(ii) clause (c) shall be omitted.

120. After section 35 of the Gift-tax Act, the following sections shall be inserted, namely:—

Insertion
of new
sections
35A, 35B
and 35C.

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

Offences
by com-
panies.

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

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

Explanation.—For the purposes of this section,—

(a) “company” means a body corporate, and includes—

(i) a firm, and

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

(b) “director”, in relation to—

(i) a firm, means a partner in the firm,

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

Offences
by Hindu
undivided
families.

35B. (1) Where an offence under this Act has been committed by a Hindu undivided family, the *Karta* thereof shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

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

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

Section
360 of the
Code of
Criminal
Procedure,
1973, and
the Pro-
bation of
Offenders
Act, 1958,
not to
apply.
Amend-
ment of
section
41A.

35C. Nothing contained in section 360 of the Code of Criminal Procedure, 1973, or in the Probation of Offenders Act, 1958, shall apply to a person convicted of an offence under this Act unless that person is under eighteen years of age.

2 of 1974,
20 of 1958,

121. In section 41A of the Gift-tax Act,—

(i) in sub-section (1), after the word “proceedings”, the words “or prosecutions” shall be inserted;

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

“(2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner has expired without an appeal having been presented or the appeal, if presented, has been disposed of.”.

122. After section 41B of the Gift-tax Act, the following section shall be inserted, namely:—

Insertion of new section 41C.

“41C. No return of gifts, assessment, notice, summons or other proceeding, furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of gifts, assessment, notice, summons or other proceeding, if such return of gifts, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.”.

Return of gifts, etc., not to be invalid on certain grounds.

123. In sub-section (4) of section 46 of the Gift-tax Act,—

Amendment of section 46.

(i) for the words “or in two successive sessions”, the words “or in two or more successive sessions” shall be substituted;

(ii) for the words “in which it is so laid or the session immediately following”, the words “immediately following the session or the successive sessions aforesaid” shall be substituted.

CHAPTER V

AMENDMENTS TO THE COMPANIES (PROFITS) SURTAX ACT, 1964

7 of 1964.

124. In section 18 of the Companies (Profits) Surtax Act, 1964 [hereafter in this Chapter referred to as the Companies (Profits) Surtax Act],—

Amendment of section 18.

(i) after the figures “125”, the figures and letter “, 125A” shall be inserted;

(ii) after the figures and letter “132A”, the figures and letter “, 132B” shall be inserted;

(iii) after the figures “281”, the figures and letter “, 281B” shall be inserted.

125. In sub-section (3) of section 25 of the Companies (Profits) Surtax Act,—

Amendment of section 25.

(i) for the words “or in two successive sessions”, the words “or in two or more successive sections” shall be substituted;

(ii) for the words "in which it is so laid or the session immediately following", the words "immediately following the session or the successive sessions aforesaid" shall be substituted.

THE BANKING SERVICE COMMISSION ACT, 1975

ARRANGEMENT OF SECTIONS

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THE BANKING SERVICE COMMISSION ACT, 1975

No. 42 OF 1975

[7th August, 1975.]

An Act to provide for the establishment of a Commission for the selection of personnel for appointment to services and posts in certain banking institutions and for matters connected therewith or incidental thereto.

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

CHAPTER I PRELIMINARY

1. (1) This Act may be called the Banking Service Commission Act, 1975.

Short
title and
commen-
cement

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

2. In this Act, unless the context otherwise requires,—

(a) "banking company" has the meaning assigned to it in the Banking Regulation Act, 1949;

Defini-
tions.

(b) "Chairman" means the Chairman of the Commission;

(c) "Commission" means the Banking Service Commission, established under sub-section (1) of section 3;

10 of 1949.

(d) "junior officers' cadre", in relation to a public sector bank, means such cadre of junior officers as the Central Government may, by notification, specify in relation to that bank;

(e) "member" means a member of the Commission, but does not include the Chairman;

(f) "notification" means a notification published in the Official Gazette;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "public sector bank" means—

(i) a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;

5 of 1970.

(ii) the State Bank of India constituted under the State Bank of India Act, 1955;

23 of 1955.

(iii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;

38 of 1959.

(i) "regulation" means regulation made under this Act;

(j) "Reserve Bank" means the Reserve Bank of India, constituted under the Reserve Bank of India Act, 1934;

2 of 1934.

(k) "Secretary" means the Secretary of the Commission

CHAPTER II

BANKING SERVICE COMMISSION

Establishment of the Commission.

3. (1) With effect from such date as the Central Government may, by notification specify in this behalf, there shall be established a Commission, to be called the Banking Service Commission.

(2) The Commission shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract, and may by the said name sue and be sued.

(3) Unless otherwise provided by the Central Government by notification, the Central Office of the Commission shall be at New Delhi.

(4) The Commission shall have regional offices in such State or group of States as the Commission may, with the previous approval of the Central Government, determine and no such regional office shall be abolished without the previous approval of the Central Government.

Appointment and terms of office of Chairman and members

4. (1) The Central Government shall, by notification, appoint a person to be the Chairman of the Commission and not more than eight other persons to be members of the Commission.

(2) The Chairman and members shall be persons who, in the opinion of the Central Government, are men of ability, integrity and standing and have special knowledge of, or practical experience in, financial economic or business administration or in the administration of Government or in any other matter which would render such person suitable for appointment as Chairman or member:

Provided that as nearly as may be one-half of the members shall be persons who, on the date of their respective appointments, have had such experience for not less than ten years in a banking company or in any

public sector bank or Reserve Bank or in an institution wholly or substantially owned by the Reserve Bank or a public financial institution.

Explanation I.—For the purposes of this section and of section 5, each of the following institutions shall be deemed to be a public financial institution, namely:—

- 1 of 1956. (i) the Industrial Credit and Investment Corporation of India Limited, a company formed and registered under the Companies Act, 1956;
- 15 of 1948. (ii) the Industrial Finance Corporation of India, established under section 3 of the Industrial Finance Corporation Act, 1948;
- 18 of 1964. (iii) the Industrial Development Bank of India, established under section 3 of the Industrial Development Bank of India Act, 1964;
- 31 of 1956. (iv) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;
- 52 of 1963. (v) the Unit Trust of India, established under section 3 of the Unit Trust of India Act, 1963;
- (vi) any other financial institution which is declared by the Central Government, by notification, to be a public financial institution.

Explanation II.—For the purposes of this section and of section 5, an institution shall be deemed to be substantially owned by the Reserve Bank if, in the capital of such institution, that Bank has not less than forty per cent. share.

(3) The Chairman or any member shall hold office for a term of five years from the date on which he enters upon his office or until he attains the age of sixty-five years, whichever is earlier:

Provided that—

(a) the Chairman or any member may, by writing under his hand addressed to the Central Government, resign his office;

(b) the Chairman or any member may be removed from his office in the manner provided by this Act.

(4) The other terms and conditions of service of the Chairman and members shall be such as may be prescribed.

(5) If the office of the Chairman becomes vacant or if the Chairman is unable to discharge his functions owing to absence, illness or any other cause, such member of the Commission as the Central Government may, by order, specify, shall discharge the functions of the Chairman up to the date on which a new Chairman is appointed or, as the case may be, the Chairman resumes his duties.

5. A person who holds office as Chairman or member shall, on his ceasing to hold such office by reason of the expiration of his term or otherwise, be ineligible for re-appointment in the Commission or for employment under the Government of India or of any State or in the Reserve Bank or in any institution wholly or substantially owned by the Reserve Bank or in any public sector Bank or any banking company or in a public financial institution:

Prohibition as to holding offices by Chairman or member on ceasing to be such Chairman or member.

Provided that a member to whom this section applies, shall be eligible for appointment as Chairman, but shall not be eligible for any other employment.

Removal and suspension of Chairman or the members from office in certain circumstances.

6. (1) The Central Government may remove from office the Chairman or any member, who—

(a) is adjudged an insolvent, or

(b) is convicted of an offence involving moral turpitude, or

(c) is, in the opinion of the Central Government, unfit to continue in office by reason of infirmity of mind or body, or

(d) engages during the term of office in any paid employment outside the duties of his office, or

(e) has acquired such financial or other interest as is likely to affect prejudicially his functioning as the Chairman or a member, or

(f) has so abused his position as to render his continuance in office undesirable.

(2) Notwithstanding anything contained in sub-section (1), the Chairman or any member shall not be removed from office on the ground specified in clause (d) or clause (e) or clause (f) of that sub-section unless the matter has been referred to an Inquiry Officer appointed under sub-section (3) and such officer has, after an inquiry, held in accordance with such procedure as the Central Government may specify in this behalf, reported that the member ought, on such grounds, to be removed.

(3) For the purpose of holding an inquiry under sub-section (2), the Central Government may, by order, appoint, as an Inquiry Officer, a person who is holding or has held the office of a Judge of the Supreme Court or of any High Court.

(4) The Central Government may suspend from office the Chairman or any member in respect of whom a reference has been made to an Inquiry Officer under sub-section (2), pending such inquiry.

(5) The terms and conditions of service of any Inquiry Officer appointed under sub-section (3) shall be such as the Central Government may, by order, specify.

Power of Commission to constitute committees.

7. (1) The Commission may, in such manner and subject to such conditions and restrictions as may be prescribed, constitute one or more committees consisting wholly of its members or partly of its members and partly of other persons and delegate to any committee so constituted such of the functions and powers of the Commission as may be specified in the rules made by the Central Government:

Provided that the Commission may constitute any committee either with, or without, the Chairman as one of the members of such committee.

(2) The sitting fee and travelling allowance payable to persons, other than the Chairman and members, for attending any meeting of the committee, shall be such as may be prescribed.

Secretary and other staff of the Commission.

8. (1) The Commission may, with the previous sanction of the Central Government, appoint a Secretary for the efficient discharge of its functions under this Act.

(2) The terms and conditions of service of the Secretary shall be such as may be prescribed.

(3) Subject to such regulations as may be made in this behalf, the Commission may appoint such other employees as it may think necessary for the efficient discharge of its functions under this Act on such terms and conditions as the Commission may, having regard to the terms and conditions of service of the comparable posts in the Central Government, determine with the previous sanction of the Central Government.

9. (1) All orders and instruments issued by the Commission shall be authenticated by the signature of the Secretary or any other officer of the Commission authorised by the Chairman in this behalf.

(2) Orders or instruments issued by the Commission and authenticated in accordance with the provisions of sub-section (1) shall be evidence of the matters recorded therein and shall be admissible in evidence notwithstanding anything contained in the Indian Evidence Act, 1872, or in any other law for the time being in force.

Authentification of orders and other instruments of the Commission.

1 of 1872.

CHAPTER III FUNCTIONS OF THE COMMISSION

10. (1) It shall be the duty of the Commission to conduct examinations for appointments in each public sector bank to—

(a) posts in the clerical and allied cadres and the junior officers' cadre, and

(b) such other posts of, or posts in the cadres of, officers as the Central Government may, by notification, specify.

(2) If any question arises as to whether any post or class of posts falls in any clerical and allied cadre or junior officers' cadre, such question shall be referred to the Central Government and that Government shall decide the same.

11. The Commission shall call for applications from such category of persons and in such manner as may be specified by it in the regulations and conduct examinations in such State or group of States as may be necessary having regard to the requirements of section 17 and the vacancies communicated to it under section 12.

12. (1) It shall be the duty of every public sector bank to communicate to the Commission—

(a) all the vacancies in the clerical and allied cadres, or in such other post or cadre as may be specified by the Central Government under section 10, and

(b) twenty-five per cent. of the estimated total number of vacancies in the junior officers' cadre,

which are likely to occur during the unexpired portion of the calendar year in which this Act comes into force and thereafter, as soon as may be, after the commencement of each calendar year:

Provided that, in relation to the junior officers' cadre, the Central Government may, if it is of opinion that it is necessary so to do in the interests of the public sector banks, by notification, raise the percentage of vacancies to be communicated to the Commission to thirty-three and one-third per cent.

Duty of Commission to hold competitive examinations for appointment to posts in public sector banks.

Calling for applications and conduct of examinations.

Duty of public sector banks to communicate to the Commission of number of vacancies.

(2) Communication of vacancies referred to in sub-section (1) shall be made in such form and in such manner as may be specified in the regulations made by the Commission and every such communication, in relation to the vacancies in the clerical and allied cadre, shall also indicate the number of vacancies which exist or are likely to occur in a State or group of States.

Explanation.—In this Act, the expression “vacancy” includes a newly created post which has not been filled in.

Cases in which Commission shall not be consulted.

13. It shall not be necessary to consult the Commission in regard to the selection of a person—

(a) for appointment to a post in the clerical or allied cadre, on compassionate grounds (in pursuance of the scheme framed by a public sector bank in consultation with the Commission and with the previous sanction of the Central Government), of a dependant of an employee who had died while in the service of the public sector bank;

(b) if the person appointed is not likely to hold the post for a period of more than one year, and it is necessary in the interests of the public sector bank to make the appointment immediately and reference to the Commission will cause undue delay:

Provided that—

(i) such appointment is made in the manner specified by the Commission by regulations and is reported to the Commission as soon as it is made;

(ii) if the appointment continues beyond a period of six months, a fresh estimate as to the period for which the person appointed is likely to hold the post shall be made and reported to the Commission; and

(iii) if such estimate indicates that the person appointed is likely to hold the post for a period of more than one year from the date of appointment, the Commission shall immediately be consulted in regard to the filling of the post.

Duty of Commission to make recommendation.

14. It shall be the duty of the Commission to make, on the basis of the results of examinations conducted by it in accordance with the provisions of sub-section (1) of section 10, recommendations to each public sector bank for appointments to fill the vacancies communicated to it by such bank under section 12.

Communicated vacancies to be filled only on the recommendation of the Commission.

15. (1) Notwithstanding anything to the contrary contained in any award, settlement or agreement, or in any judgment, decree or order of any court or tribunal or other authority or in any other law in force for the time being, appointment to all the vacancies required to be communicated to the Commission under section 12 shall, on or from such date as the Commission may notify in respect of each public sector bank, be made by such public sector bank only on the recommendation of the Commission, except where consultation with the Commission is not necessary under this Act.

(2) If, in any calendar year, the Commission is unable to make recommendation for appointment to all the vacancies communicated to it by a

public sector bank under section 12, or if the public sector bank is unable, in any calendar year, to make appointments on the basis of recommendations made by the Commission, the vacancies may be carried forward to the subsequent calendar year, to be filled in the said manner:

Provided that the public sector bank may, in consultation with the Commission, fill such vacancies temporarily in such manner and for such period as the Commission may by regulations specify.

16. The Commission shall discharge such functions of an advisory nature as the Central Government may, by notification, entrust to it.

Power of Central Government to entrust other advisory functions to the Commission.

17. The Central Government may, by order, direct that in relation to every public sector bank, reservations in favour of the Scheduled Castes, Scheduled Tribes and other categories of persons shall be made in such manner and to such extent as it may specify:

Provided that in giving any direction as aforesaid, the Central Government shall have due regard to the reservation of posts made for the Scheduled Castes, Scheduled Tribes and other categories of persons in relation to recruitments to the services of the Government and to the general need, and special requirements, of such public sector bank.

Reservation of posts for candidates belonging to Scheduled Castes and Scheduled Tribes and other categories of persons. Fund of the Commission.

Explanation.—The expressions “Scheduled Castes” and “Scheduled Tribes” shall have the meanings respectively assigned to them in article 366 of the Constitution.

18. (1) The Commission shall have its own Fund and all the receipts of the Commission shall be credited to the Fund and all payments by the Commission shall be made therefrom.

(2) All moneys belonging to the Fund shall be deposited in such banks or invested in such manner as the Commission may, subject to any general or special order made by the Central Government in this behalf, decide.

(3) The Commission may spend such sums as it thinks fit for performing its functions under this Act and such sums shall be treated as expenditure payable out of the Fund of the Commission.

19. (1) The Central Government may, by general or special order and subject to any rules that may be made in this behalf, direct every public sector bank to pay to the Commission such fee as it may determine and the aggregate amount of the fee so determined shall not exceed the expenses incurred by the Commission.

Payment to the Commission.

(2) The aggregate amount of fees payable under sub-section (1) shall be apportioned by the Central Government between different public sector banks and in making such apportionment in relation to a public sector bank, the Central Government shall have due regard to the demand and time liabilities of that public sector bank.

(3) For the purpose of meeting the initial expenditure of the Commission, the Central Government may, by general or special order, direct the payment by every public sector bank of an advance of such amount as it may specify and the advance so made shall be appropriated or adjusted in such manner as may be prescribed.

Explanation.—The expression “demand liabilities” and “time liabilities” shall have the meanings respectively assigned to them in the Banking Regulation Act, 1949.

Budget
of the
Com-
mission.

20. The Commission shall prepare, in such form and at such time each year as may be prescribed, a budget in respect of the financial year next ensuing showing the estimated receipts and expenditure, and submit the same to the Central Government for approval.

Ac-
counts
and
audit.

21. (1) The Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form and in such manner as may be prescribed.

(2) The accounts of the Commission shall be audited by a person who is qualified to act as an auditor of a company under section 226 of the Companies Act, 1956, and the auditor shall receive such remuneration as the Commission may, in consultation with the Central Government, fix.

(3) In conducting the audit, the auditor shall have the same rights and duties as are possessed by an auditor of a company as if the Commission were a company within the meaning of the Companies Act, 1956.

Annual
report.

22. The Commission shall prepare once every calendar year, in such form and at such time as may be prescribed, an annual report giving a full account of its activities during the previous year, and copies thereof shall be forwarded to the Central Government and that Government shall cause the same to be laid before both Houses of Parliament.

CHAPTER IV

MISCELLANEOUS

Obligation
as to
secrecy.

23. The Chairman and members and every officer or other employee of the Commission, and every member of any committee constituted under sub-section (1) of section 7, shall maintain strictest secrecy regarding the affairs of the Commission and shall not divulge, directly or indirectly, any information of a confidential nature to a member of the public unless compelled to do so by any judicial or other authority or unless instructed to do so by a superior officer in the discharge of his duties.

Chair-
man,
mem-
bers,
etc., to
be public
servants.

24. The Chairman and members of the Commission and every officer or other employee of the Commission, and every member of any committee constituted under sub-section (1) of section 7 shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

Certain
defects
not to
invalidate
acts or
proceed-
ings.

25. (1) All acts done by the Chairman and members and the members of any committee constituted under sub-section (1) of section 7, acting in good faith, shall, notwithstanding any defect in their appointment or procedure, be valid.

10 of 1949.

1 of 1956.

1 of 1956.

45 of 1860.

(2) No act or proceeding of the Commission or of any committee thereof shall be invalid merely on the ground of the existence of any vacancy therein or defect in the constitution of the Commission or the committee, as the case may be.

26. No suit or other legal proceedings shall lie against the Commission, the Central Government or the Chairman or member or Secretary or officer or other employee of the Commission for anything which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder.

Protection of action taken in good faith

43 of 1961.

27. Notwithstanding anything contained in the Income-tax Act, 1961, or any other enactment for the time being in force relating to income-tax, surtax or any other tax on income, profits or gains, the Commission shall not be liable to pay any tax or surtax in respect of—

Commission not liable to be taxed.

(a) any income, profits or gains accruing or arising of the Fund of the Commission or any amount received in that Fund; and

(b) any income, profits or gains derived, or any amount received, by the Commission.

28. The Commission may, by general or special order, delegate to the Chairman, any member or officer of the Commission, subject to such conditions and limitations, if any, as may be specified therein, such of its powers and duties under this Act as it may deem fit.

Delegation of powers.

29. In the Industrial Disputes Act, 1947, in section 2, in sub-clause (i) of clause (a), after the words and figures "of the Food Corporations Act, 1964, or", the words and figures "the Banking Service Commission established under section 3 of the Banking Service Commission Act, 1975, or" shall be inserted.

Amendment of Act 14 of 1947.

30. (1) The Commission shall furnish to the Central Government such returns or other information with respect to its properties or activities as the Central Government may, from time to time, require.

Returns and information.

(2) The Commission may, for the purpose of enabling it to discharge its functions under this Act, call upon any public sector bank to give such statements or furnish such particulars as the Commission may deem fit and every such bank shall comply with the same.

31. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the terms and conditions of service of the Chairman and members;

(b) the sitting fee and travelling allowance payable to persons, other than the Chairman and members, for attending any meeting of the committee, under sub-section (2) of section 7;

(c) the terms and conditions of service of the Secretary under sub-section (2) of section 8;

(d) the category of persons for whom any vacancy or percentage of vacancies in a public sector bank may be reserved by the Central Government;

(e) the procedure for determination of the fee to be paid by every public sector bank to the Commission under section 19;

(f) the form in which and the time within which the Commission shall prepare and submit its budget to the Central Government under section 20;

(g) the form in which and the time within which the Commission shall prepare its annual statement of accounts under sub-section (1) of section 21;

(h) the form and manner in which and the date by which the Commission shall prepare an annual report giving a full account of its activities during the previous year and submitting the same to the Central Government under section 22;

(i) any other matter which is to be, or may be, prescribed.

(3) Every rule made under this section shall 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.

Power
to make
regula-
tions.

32. (1) The Commission may, with the previous approval of the Central Government, by notification, make regulations, not inconsistent with the provisions of this Act or the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) Without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the matters referred to in sub-section (3) of section 8;

(b) the duties and conduct of employees of the Commission, other than the Secretary;

(c) the manner in which, and the category of persons from whom, applications may be called for appearing at examinations or tests held by the Commission;

(d) the manner in which appointments may be made to fill any vacancy without consulting the Commission;

(e) the manner in which and period for which appointments may be made to fill vacancies in relation to which the Commission is unable to make a recommendation;

(f) the number of times and places at which the Commission shall conduct examinations or tests for recruitment to different posts;

(g) the principles in accordance with which candidates shall be selected for different posts;

(h) the fees payable by candidates intending to appear at examinations or tests conducted by the Commission;

(i) generally for the efficient conduct of the affairs of the Commission.

CHAPTER V

EXTENSION OF THE PROVISIONS OF THE ACT TO OTHER BANKING INSTITUTIONS

33. The Central Government may, if it is satisfied that it is necessary or expedient so to do, by notification, specify that all or such of the provisions of this Act as may be specified in the notification (hereinafter referred to as the "specified provisions") shall also apply to, or in relation to, a banking company and thereupon the specified provisions shall apply to such banking company in the same manner as they apply to a public sector bank and references in the specified provisions to a public sector bank shall be construed as references to the banking company:

Provided that no such notification shall be issued in relation to the appointment to any service or post in a banking company unless a request in that behalf has been received by the Central Government from that banking company.

Power of Central Government to extend the provisions of the Act to other banking institutions.

THE DELHI SALES TAX ACT, 1975

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THE DELHI SALES TAX ACT, 1975

No. 43 OF 1975

[7th August, 1975.]

An Act to consolidate and amend the law relating to the levy of tax on sale of goods in the Union territory of Delhi.

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

CHAPTER I

PRELIMINARY

Short
title, ex-
tent and
com-
mence-
ment.

1. (1) This Act may be called the Delhi Sales Tax Act, 1975.

(2) It extends to the whole of the Union territory of Delhi.

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

Defini-
tions.

2. In this Act, unless the context otherwise requires,—

(a) "Administrator" means the Administrator of Delhi appointed by the President under article 239 of the Constitution;

(b) "Appellate Tribunal" means the Appellate Tribunal constituted under section 13;

(c) "business" includes—

(i) any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive to make gain or profit and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure or concern; and

(ii) any transaction in connection with, or incidental or ancillary to, such trade, commerce, manufacture, adventure or concern;

(d) "Commissioner" means the Commissioner of Sales Tax appointed under sub-section (1) of section 9;

(e) "dealer" means any person who carries on business of selling goods in Delhi and includes—

(i) the Central Government or a State Government carrying on such business;

(ii) an incorporated society (including a co-operative society), club or association which sells or supplies goods, whether or not in the course of business, to its members for cash or for deferred payment or for commission, remuneration or other valuable consideration;

(iii) a manager, factor, broker, commission agent, *del credere* agent, or any mercantile agent, by whatever name called, and whether of the same description as hereinbefore mentioned or not, who sells goods belonging to any principal whether disclosed or not; and

(iv) an auctioneer who sells or auctions goods belonging to any principal, whether disclosed or not and whether the offer of the intending purchaser is accepted by him or by the principal or a nominee of the principal;

(f) "Delhi" means the Union territory of Delhi;

(g) "goods" includes all materials, articles, commodities and all other kinds of movable property, but does not include newspapers, actionable claims, stocks, shares, securities or money;

(h) "manufacture", with its grammatical variations and cognate expressions, means producing, making, extracting, altering, ornamenting, finishing or otherwise processing, treating or adapting any goods, but does not include any such process or mode of manufacture as may be prescribed;

(i) "Official Gazette" means the Delhi Gazette;

(j) "prescribed" means prescribed by rules made under this Act;

(k) "registered" means registered under this Act;

(l) "sale", with its grammatical variations and cognate expressions, means any transfer of property in goods by one person to

another for cash or for deferred payment or for any other valuable consideration, and includes—

(i) a transfer of goods on hire-purchase or other system of payment by instalments, but does not include a mortgage or hypothecation of, or a charge or pledge on, goods;

(ii) supply of goods by a society (including a co-operative society), club, firm or any association to its members for cash or for deferred payment, or for commission, remuneration or other valuable consideration, whether or not in the course of business; and

(iii) transfer of goods by an auctioneer referred to in sub-clause (iv) of clause (e);

(m) "sale price" means the amount payable to a dealer as consideration for the sale of any goods, less any sum allowed as cash discount according to the practice normally prevailing in trade, but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before the delivery thereof other than the cost of freight or delivery or the cost of installation in cases where such cost is separately charged;

(n) "tax" means sales tax payable under this Act;

(o) "turnover" means the aggregate of the amounts of sale price receivable, or, if a dealer so elects, actually received by the dealer, in respect of any sale of goods made during any prescribed period in any year after deducting the amount of sale price, if any, refunded by the dealer to a purchaser in respect of any goods purchased and returned by the purchaser within the prescribed period:

Provided that an election as aforesaid once made shall not be altered except with the permission of the Commissioner and on such terms and conditions as he may think fit to impose;

(p) "year" means the financial year.

CHAPTER II

INCIDENCE AND LEVY OF TAX

Incidence
of tax.

3. (1) Every dealer whose turnover during the year immediately preceding the commencement of this Act exceeds the taxable quantum and every dealer who at the commencement of this Act, is registered or is liable to pay tax under the Central Sales Tax Act, 1956, shall be liable to pay tax under this Act on all sales effected by him on or after such commencement.

74 of 1956.

(2) Every dealer to whom sub-section (1) does not apply, shall—

(i) with effect from the date immediately following the day on which his turnover calculated from the commencement of any year first exceeds within such year the taxable quantum, be liable to pay tax under this Act on all sales effected by him after that day;

(ii) if he becomes liable to pay tax under the Central Sales Tax Act, 1956 or is registered as a dealer under the said Act at any time after the commencement of this Act, be liable to pay tax on all sales

74 of 1956

effected by him or on his behalf within Delhi on or after the date he becomes so liable or is registered under the said Act, whichever is earlier.

(3) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until the expiry of three consecutive years during each of which his turnover has failed to exceed the taxable quantum and such further period after the date of such expiry as may be prescribed and on the expiry of such further period his liability to pay tax shall cease:

Provided that any dealer may, after the expiry of one year following the year in which his turnover has failed to exceed the taxable quantum, apply for the cancellation of his certificate of registration, and on such cancellation, his liability to pay tax shall cease:

Provided further that in respect of any goods purchased by any dealer before the date of such cancellation and remaining unsold or unutilised for the purpose for which they were purchased, he shall be liable to pay so much of tax as would have been payable had he not been registered as a dealer on the date of purchase of such goods.

(4) Every dealer whose liability to pay tax under this Act has ceased under sub-section (3), shall, if his turnover calculated from the commencement of any year again exceeds the taxable quantum on any day within such year, be liable to pay such tax with effect from the date immediately following the day on which his turnover first exceeds the taxable quantum, on all sales effected by him after that day.

(5) Any dealer whose certificate of registration has been cancelled under sub-section (3) of section 20, shall—

(a) if his turnover calculated from the date of cancellation of such certificate exceeds the taxable quantum on any day within the year; or

(b) if his turnover calculated from the commencement of any subsequent year, exceeds the taxable quantum on any day within that year,

be liable to pay tax under this Act with effect from the date immediately following the day on which such turnover again first exceeds the taxable quantum on all sales effected by him after that day of goods imported by him from outside Delhi or manufactured by him in Delhi or purchased by him without payment of tax leviable under this Act.

(6) No dealer who deals exclusively in one or more classes of goods specified in the Third Schedule shall be liable to pay any tax under this Act.

(7) For the purposes of this Act, "taxable quantum" means,—

(a) in relation to any dealer who imports for sale any goods into Delhi Nil,

(b) in relation to any dealer who manufactures goods for sale regardless of the value of goods manufactured Rs. 30,000-00,

(c) in relation to any other dealer Rs. 1,00,000-00;

Provided that if the Administrator is of opinion that having regard to the difficulty in maintaining accounts or for other sufficient cause the taxable quantum in respect of any class of dealers falling under clause (b) should be increased, the Administrator may, by notification in the Official Gazette, fix in respect of such class of dealers such taxable quantum, not exceeding rupees one lakh, as may be specified in the notification.

Explanation.—For the purposes of computation of taxable quantum under sub-section (7), the turnover of all sales effected by a dealer shall be taken into account irrespective of whether such sales are taxable under this Act or not.

Rate of
tax.

4. (1) The tax payable by a dealer under this Act shall be levied—

(a) in the case of taxable turnover in respect of the goods specified in the First Schedule, at the rate of twelve paise in the rupee;

(b) in the case of taxable turnover in respect of the goods specified in the Second Schedule, at such rate not exceeding four paise in the rupee as the Central Government may, from time to time, by notification in the Official Gazette, determine;

(c) in the case of taxable turnover in respect of any food or drink served for consumption in a hotel or restaurant or part thereof, with which a cabaret, floor show or similar entertainment is provided therein, at the rate of forty paise in the rupee;

(d) in the case of taxable turnover in respect of any other goods, at the rate of seven paise in the rupee:

Provided that the Administrator may with the previous approval of the Central Government and by notification in the Official Gazette, add to, or omit from, or otherwise amend, the First Schedule or the Second Schedule, either retrospectively or prospectively, and thereupon the First Schedule or, as the case may be, the Second Schedule, shall be deemed to be amended accordingly:

Provided further that no such amendment shall be made retrospectively if it would have the effect of prejudicially affecting the interests of any dealer:

Provided also that in respect of any goods or class of goods the Administrator is of opinion that it is expedient in the interest of the general public so to do, he may, with the previous approval of the Central Government and by notification in the Official Gazette, direct that the tax in respect of the taxable turnover of such goods or class of goods shall, subject to such conditions as may be specified, be levied at such modified rate not exceeding the rate applicable under this section, as may be specified in the notification.

(2) For the purposes of this Act, "taxable turnover" means that part of a dealer's turnover during the prescribed period in any year which remains after deducting therefrom,—

(a) his turnover during that period on—

(i) sale of goods, the point of sale at which such goods shall be taxable is specified by the Administrator under section 5 and in respect of which due tax is shown to the satisfaction of the Commissioner to have been paid;

Bengal
Act VI
of 1941.

(ii) sale of goods declared tax-free under section 7;
(iii) sale of goods not liable to tax under section 8;
(iv) sale of goods which are proved to the satisfaction of the Commissioner to have been purchased within a period of twelve months prior to the date of registration of the dealer and subjected to tax under the Bengal Finance (Sales Tax) Act, 1941, as it was then in force, or under this Act;

(v) sale to a registered dealer—

(A) of goods of the class or classes specified in the certificate of registration of such dealer, as being intended for use by him as raw materials in the manufacture in Delhi of any goods, other than goods specified in the Third Schedule, or newspapers,—

(1) for sale by him inside Delhi; or

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

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

(B) of goods of the class or classes specified in the certificate of registration of such dealer as being intended for resale by him in Delhi, or for sale by him in the course of inter-State trade or commerce or in the course of export outside India in the manner specified in sub-item (2) or sub-item (3) of item (A), as the case may be; and

(C) of containers or other materials, used for the packing of goods, of the class or classes specified in the certificate of registration of such dealer, other than goods specified in the Third Schedule, intended for sale or resale;

(vi) such other sales as are exempt from payment of tax under section 66 or as may be prescribed:

Provided that no deduction in respect of any sale referred to in sub-clause (iv) shall be allowed unless the goods, in respect of which deduction is claimed, are proved to have been sold by the dealer within a period of twelve months from the date of his registration and the claim for such deduction is included in the return required to be furnished by the dealer in respect of the said sale:

Provided further that no deduction in respect of any sale referred to in sub-clause (v) shall be allowed unless a true declaration duly filled and signed by the registered dealer to whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority is furnished in the prescribed manner and within the prescribed time, by the dealer who sells the goods:

Provided also that where any goods are purchased by a registered dealer for any of the purposes mentioned in sub-clause (v), but are not so utilised by him, the price of the goods so purchased shall be allowed to be deducted from the turnover of the selling dealer but shall be included in the taxable turnover of the purchasing dealer; and

(b) the tax collected by the dealer under this Act as such and shown separately in cash memoranda or bills, as the case may be.

Power of Administrator to prescribe points at which goods may be taxed.

5. Notwithstanding anything contained in this Act, the Administrator may, by notification in the Official Gazette and subject to such conditions, if any, as may be specified therein, specify the point of sale at which any goods or class of goods may be taxed, and on the issue of such notification, the points of sale in relation to any such goods or class of goods other than the point of sale so notified, shall be exempt from payment of tax under this Act:

Provided that no such exemption shall be allowed unless a true declaration duly filled and signed by the registered dealer by whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority is furnished in the prescribed manner and within the prescribed time, by the dealer who purchases the goods:

Provided further that the Administrator may, if he is of opinion that it is necessary in the public interest so to do, by notification in the Official Gazette, exempt, subject to such restrictions and conditions as may be specified therein, any dealer or class of dealers from furnishing a declaration under the first proviso.

Burden of proof.

6. The burden of proving that in respect of any sale effected by a dealer he is not liable to pay tax under this Act, shall lie on him.

Tax-free goods.

7. (1) No tax shall be payable under this Act on the sale of goods specified in the Third Schedule subject to the conditions and exceptions, if any, set out therein.

(2) The Administrator may, with the previous approval of the Central Government and by notification in the Official Gazette, add to, or omit from, or otherwise amend, the Third Schedule either retrospectively or prospectively, and thereupon the Third Schedule shall be deemed to be amended accordingly:

Provided that no such amendment shall be made retrospectively if it would have the effect of prejudicially affecting the interests of any dealer.

Certain sales and purchases not liable to tax.

8. Nothing in this Act or the rules made thereunder shall be deemed to impose, or authorise the imposition of a tax on any sale or purchase of any goods when such sale or purchase takes place—

(i) in the course of inter-State trade or commerce; or

(ii) outside Delhi; or

(iii) in the course of the import of the goods into, or export of the goods out of, the territory of India.

Explanation.—Sections 3, 4 and 5 of the Central Sales Tax Act, 1956 shall apply for determining whether or not a particular sale or purchase

takes place in the manner indicated in clause (i), clause (ii) or clause (iii) of this section.

CHAPTER III

SALES TAX AUTHORITIES AND APPELLATE TRIBUNAL

9. (1) For carrying out the purposes of this Act, the Administrator shall appoint a person to be the Commissioner of Sales Tax.

(2) To assist the Commissioner in the execution of his functions under this Act, the Administrator may appoint as many Additional Commissioners of Sales Tax, Sales Tax Officers and such other persons with such designations as the Administrator thinks necessary.

(3) The Commissioner shall have jurisdiction over the whole of Delhi and the other persons appointed under sub-section (2) shall have jurisdiction over such areas as the Commissioner may specify.

(4) The Commissioner and other persons appointed under sub-section (2) shall exercise such powers as may be conferred, and perform such duties as may be required, by or under this Act.

10. Subject to such restrictions and conditions as may be prescribed, the Commissioner may, by order in writing, delegate any of his powers under this Act except those under sub-section (3) of section 9 and sub-section (1) of section 52 to any person appointed under sub-section (2) of section 9:

Provided that the powers of the Commissioner under clauses (i) to (vi) (both inclusive) of sub-section (3) of section 41 shall not be delegated to any person lower in rank than that of a Sales Tax Officer, and those under sub-section (1) of section 49 shall not be delegated to any person other than an Additional Commissioner of Sales Tax appointed under sub-section (2) of section 9.

11. (1) The Commissioner may, by order in writing, transfer any proceedings or class of proceedings under any provision of this Act from any person appointed under sub-section (2) of section 9 to any other person so appointed whether or not such other person has jurisdiction in respect of the area to which such proceedings or class of proceedings relate, and the Commissioner may likewise transfer any such proceedings (including a proceeding already transferred under this section) from any such person to himself.

(2) The person to whom any proceeding is transferred under sub-section (1) shall proceed to dispose it of as if it had been initiated by himself.

(3) The transfer of a proceeding shall not render necessary the re-issue of any notice already issued before such transfer and the person to whom the proceeding is transferred may, in his discretion, continue it from the stage at which it was left by the person from whom it was transferred.

Explanation.—For the purposes of this section, “proceedings” in relation to any person whose name is specified in any order issued thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order or which may have been completed on or before such date, and includes also such proceedings

Sales tax authorities.

Delegation of Commissioner's powers.

Power to transfer proceedings.

which may be commenced after the date of such order in respect of any year.

Disputes
regarding
territorial
jurisdiction.

12. (1) No person shall be entitled to call in question the jurisdiction of any sales tax authority appointed under section 9, not being an appellate authority, after the expiry of ninety days from the date of receipt by that person of any notice under this Act issued by such sales tax authority.

(2) Any objection as to the jurisdiction of any such sales tax authority may be raised within the period aforesaid by submitting a memorandum to the authority concerned who shall refer the question to the Commissioner and the Commissioner shall after giving the person raising the objection a reasonable opportunity of being heard, make an order determining the question and his decision in this behalf shall be final.

Appellate
Tribunal.

13. (1) The Central Government shall, as soon as may be after the commencement of this Act, constitute an Appellate Tribunal consisting of one or more members, as it thinks fit, to exercise the powers and discharge the functions conferred on the Appellate Tribunal by or under this Act:

Provided that where the Appellate Tribunal consists of one member, that member shall be a person who has held a civil judicial post for at least ten years or who has been a member of the Central Legal Service (not below Grade III) for at least three years or who has been in practice as an advocate for at least ten years, and where the Appellate Tribunal consists of more than one member, one such member shall be a person qualified as aforesaid.

(2) Where the number of members of the Appellate Tribunal is more than one, the Central Government shall appoint one of those members to be the Chairman of the Appellate Tribunal.

(3) Subject to the provisions of sub-section (1), the qualifications and other conditions of service of the member or members constituting the Appellate Tribunal and the period for which such member or members shall hold office, shall be such as may be determined by the Central Government.

(4) Any vacancy in the membership of the Appellate Tribunal shall be filled up by the Central Government as soon as practicable.

(5) Where the number of members of the Appellate Tribunal is more than one and if the members differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, the decision of the Chairman of the Appellate Tribunal thereon shall be final.

(6) Subject to the previous sanction of the Central Government, the Appellate Tribunal shall, for the purpose of regulating its procedure and disposal of its business, make regulations consistent with the provisions of this Act and the rules made thereunder.

(7) The regulations made under sub-section (6) shall be published in the Official Gazette.

(8) The Appellate Tribunal shall, for the purpose of discharging its functions, have all the powers which are vested in the Commissioner under section 42 and any proceeding before the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal Code and the Appellate Tribunal shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.

45 of 1860.

2 of 1974.

CHAPTER IV

REGISTRATION, AMENDMENT AND CANCELLATION

14. (1) No dealer shall, while being liable to pay tax under section 3, carry on business as a dealer unless he has been registered and possesses a certificate of registration.

Regis-
tration.

(2) Every dealer required by sub-section (1) to be registered shall make an application for registration within such time, in such manner and to such authority, as may be prescribed.

(3) If the said authority is satisfied that the application is in order, it shall, in accordance with such rules as may be prescribed, register the applicant within the prescribed period and grant him a certificate of registration in the prescribed form which shall specify the goods or class of goods for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4:

Provided that if the said authority is of opinion that the application is not in order, it shall, by an order passed within the said period and for reasons to be recorded in writing, reject the application:

(Point of sale) Provided further that no goods or class of goods in respect of which the ~~points of sale~~ has been specified by the Administrator under section 5 shall be specified in a certificate of registration, and where a notification is issued under that section subsequent to the grant of any certificate of registration in respect of any goods or class of goods specified in a certificate, the said certificate shall be deemed to have been amended to omit the references to such goods or class of goods.

(4) For the removal of doubts, it is hereby declared that the goods or class of goods to be specified in a certificate of registration granted under sub-section (3) of this section or sub-section (2) of section 16 shall not include goods referred to in sub-clause (i) or sub-clause (ii) of clause (a) of sub-section (2) of section 4.

15. (1) Any dealer, other than a dealer who deals exclusively in one or more classes of goods specified in the Third Schedule, whose turnover during a year exceeds twenty-five thousand rupees may, notwithstanding that he may not be liable to pay tax under section 3, apply for registration under this section.

Voluntary
registra-
tion.

(2) The provisions of sub-sections (2), (3) and (4) of section 14 shall, as far as may be, apply in relation to registration of dealers under this section.

(3) Every dealer who has been registered under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act.

(4) The registration of a dealer under this section shall be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled under the provisions of this Act.

Provisional registration.

16. (1) Any person who intends to establish a business in Delhi for the purpose of manufacturing goods of a value exceeding thirty thousand rupees per year, may, notwithstanding that he is not required to be registered under section 14, apply for provisional registration in such manner and to such authority as may be prescribed.

(2) If the said authority, after making such inquiry as it may consider necessary, is satisfied as to the *bona fide* intention of the person making the application, it may, subject to such restrictions and conditions as it may impose, grant a provisional certificate of registration on such person furnishing such security as it may consider necessary and shall specify in such certificate the goods or class of goods for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4.

(3) Every person who has been granted a provisional certificate of registration under this section shall, for so long as such certificate is in force, be liable to pay tax under this Act.

(4) A provisional certificate of registration granted under this section shall be in force for such period as may be specified therein.

(5) The authority prescribed under sub-section (1) may, on application made in this behalf in the prescribed manner and subject to such restrictions and conditions as it may impose, extend from time to time, the period specified in the provisional certificate of registration.

(6) The provisions of section 18 shall, so far as may be, apply in relation to security required to be furnished under sub-section (2) of this section.

(7) If a person, who has been granted a provisional certificate of registration under this section, fails without sufficient cause to establish a business within the period specified in such certificate or fails to comply with any of the restrictions or conditions subject to which such certificate was granted, he shall be liable to pay a penalty equal to one and a half times the amount of tax which would have been payable had he not been so registered under this section.

Special registration.

17. (1) No dealer shall, while being liable to pay tax under sub-section (5) of section 3, carry on business as a dealer unless he has obtained a special certificate of registration.

(2) Every dealer required to be registered under sub-section (1) shall make an application for registration within such time, in such manner and to such authority, as may be prescribed.

(3) If the said authority is satisfied that the application is in order, it shall, in accordance with such rules as may be prescribed, grant a special certificate of registration to the applicant in the prescribed form:

Provided that the said authority shall not specify in any such certificate the goods or class of goods for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4.

18. (1) The Commissioner may, if it appears to him to be necessary so to do for the proper realisation of the tax, composition money or other dues payable under this Act or for the proper custody and use of the forms referred to in the second proviso to clause (a) of sub-section (2) of section 4, or the first proviso to section 5, as the case may be, impose, for reasons to be recorded in writing as a condition of the grant of the certificate of registration under section 14, section 15 or section 17 to a dealer or of the continuance in effect of such certificate granted to any dealer, a requirement that the dealer shall furnish in the prescribed manner and within such time as may be specified in the order such security or, as the case may be, such additional security as may be so specified, for all or any of the aforesaid purposes.

Security
from
certain
class of
dealers.

(2) No dealer shall be required to furnish any security or additional security under sub-section (1) unless he has been given an opportunity of being heard and the amount of security or additional security that may be required to be furnished, shall,—

(a) in the case of a dealer liable to pay tax under sub-section (2) of section 3 who has applied for the grant of a certificate of registration under section 14, be such amount as the Commissioner may, having regard to the nature and size of the business of such dealer, determine for the payment of the tax for which the dealer may be or become liable under this Act;

(b) in a case where security is to be given for the proper custody and use of the forms referred to in sub-section (1), be the amount of tax determined by the Commissioner which is likely to be saved by a dealer by the issue of such forms;

(c) in any other case, not exceed the tax payable, in accordance with the estimate of the Commissioner on the taxable turnover of the dealer,

for the year in which such security or additional security is required to be furnished.

(3) Where the security or additional security furnished by a dealer is in the form of a surety bond and the surety dies or becomes insolvent, the dealer shall, within thirty days of the occurrence of such event, inform the authority granting the certificate of registration and shall, within ninety days of such occurrence, execute a fresh surety bond.

(4) The Commissioner may by order, for good and sufficient cause, and after giving the dealer an opportunity of being heard, forfeit the whole or any part of the security furnished by a dealer.

(5) Where, by reason of an order under sub-section (4), the security furnished by any dealer is forfeited in whole or is rendered insufficient, he shall furnish a fresh security of the requisite amount or, as the case may be, shall make up the deficiency in such manner and within such period as may be specified in the order.

Amend-
ment of
certificate
of regis-
tration.

19. (1) The Commissioner may, after considering any information furnished under this Act or otherwise received, and after making such inquiry as he may deem fit, amend from time to time any certificate of registration.

(2) An amendment of the certificate of registration made under subsection (1) shall take effect:—

(a) in the case of a change in the name, ownership or place of business, or opening of a new place of business, from the date of the contingency which necessitates the amendment whether or not information in that behalf is furnished within the time prescribed under section 40;

(b) in the case of any addition or modification in the description of any goods or class of goods in the certificate of registration, from the date of the contingency if information in that behalf is furnished within the time prescribed under section 40 and from the date of receipt of request for such addition or modification by the Commissioner, in any other case;

(c) in the case of deletion of any goods or class of goods, from the date of order of deletion:

Provided that the Commissioner shall, before amending on his own motion a certificate of registration, give the dealer affected by such amendment a reasonable opportunity of being heard:

Provided further that where in consequence of a change in the ownership of a business the liability to pay tax of a dealer ceases, the amendment of the certificate of registration shall take effect from the date on which information in respect of such change is furnished under section 40.

(3) Any amendment of a certificate of registration under this section shall be without prejudice to any liability for tax or penalty imposable, or for any prosecution for an offence under this Act.

(4) For the removal of doubts, it is hereby declared that where a registered dealer—

(a) effects a change in the name of his business; or

(b) is a firm and there is a change in the constitution of the firm without dissolution thereof; or

(c) is a trustee of a trust and there is a change in the trustees thereof; or

(d) is a guardian of a ward and there is a change in the guardian; or

(e) is a Hindu undivided family and the business of such family is converted into a partnership business with all or any of the coparceners as partners thereof,

then, merely by reason of any of the circumstances aforesaid, it shall not be necessary for the dealer, or the firm who changed constitution or the new trustees, or the new guardian, or as the case may be, the partners of such partnership business, to apply for a fresh certificate of registration

1/ (the firm which changed the constitution)

4 subs. by Act 38 of 1978, § 3 & Sch. II

and on information being furnished in the manner required by section 40 the certificate of registration shall be amended.

20. (1) Where—

(a) any business in respect of which a certificate of registration has been granted to a dealer under this Act, is discontinued; or

(b) in the case of transfer of business by a dealer, the transferee already holds a certificate of registration under this Act; or

(c) a dealer has ceased to be liable to pay tax under this Act, the Commissioner may cancel the certificate of registration of such dealer or the transferor, as the case may be, from such date as may be specified by him:

Provided that in a case referred to in clause (a) or clause (b), the certificate of registration shall be deemed to be inoperative with effect from the date of discontinuance or transfer of the business, as the case may be, and in a case referred to in clause (c), from the date on which the dealer's liability to pay tax has ceased, notwithstanding the fact that the order of cancellation is passed or that the particulars of the dealer regarding cancellation are published, as required by section 65, in the Official Gazette, after the aforesaid date:

Provided further that where a dealer has failed to furnish information regarding discontinuance of his business as required by section 40, the Commissioner shall before cancelling the certificate from any specified date, publish in the Official Gazette, a notice of his intention so to do for the information of the dealer and shall hear objections, if any, of the dealer before passing the order.

(2) A dealer registered under section 15 may, subject to the provisions of sub-section (4) of that section, apply in the prescribed manner not later than six months before the end of a year to the Commissioner for cancellation of his certificate of registration and the Commissioner shall, unless the dealer is liable to pay tax under section 3, cancel the certificate of registration accordingly, and such cancellation shall take effect from the end of the year.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Commissioner may at any time for reasons to be recorded in writing and after giving the dealer an opportunity of being heard, cancel the certificate of registration held by such dealer from such date as the Commissioner may specify in this behalf—

(a) if the dealer has failed to pay any tax (including any penalty) due from him under any provisions of this Act; or

(b) if the dealer holds or accepts or furnishes or causes to be furnished a declaration for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4 or section 5 which he knows or has reason to believe to be false; or

(c) if the dealer who has been required to furnish the security under the provisions of section 18 has failed to furnish such security; or

Cancellation of certificate of registration.

(d) if the dealer contravenes or has contravened any of the provisions of this Act; or

(e) if the dealer has been convicted of an offence under this Act or under the Bengal Finance (Sales Tax) Act, 1941, as then in force in Delhi; or

(f) if there is any other reason which in the opinion of the Commissioner warrants such cancellation.

(4) (a) If an order of cancellation passed under sub-section (3) is set aside as a result of an appeal or other proceeding under this Act, the certificate of registration of the dealer shall be restored and he shall be liable to pay tax as if his certificate had not been cancelled.

(b) If any dealer whose certificate of registration has been restored under clause (a) satisfies the Commissioner that tax has been paid by such dealer on sale of goods made to him during the period his certificate of registration was inoperative which, but for the cancellation of such certificate he would not have paid, then the amount of such tax shall be adjusted or refunded in such manner as may be prescribed.

(5) Every dealer who applies for cancellation of his registration shall surrender with his application the certificate of registration granted to him and every dealer whose registration is cancelled otherwise than on the basis of his application shall surrender the certificate of registration within seven days of the date of communication to him of the order of cancellation.

(6) If a dealer fails to surrender his certificate of registration as provided in sub-section (5), the Commissioner may, by an order in writing and after giving the dealer an opportunity of being heard, direct that the dealer shall pay, by way of penalty, a sum not exceeding twenty-five rupees for every day of default.

(7) The cancellation of a certificate of registration shall not affect the liability of any person to pay tax due for any period prior to the date of such cancellation, whether such tax is assessed before the date of cancellation but remains unpaid or is assessed thereafter notwithstanding that he is not liable to pay tax under this Act.

(8) Where by any order passed under this Act it is found that any person registered as a dealer ought not to have been so registered, then, notwithstanding anything contained in this Act, such person shall be liable to pay tax for the period commencing with the date of his registration and ending with the date of such order, as if he were a dealer.

CHAPTER V

RETURNS, ASSESSMENT, RECOVERY AND REFUND OF TAX

Periodical
payment
of tax
and filing
of returns.

21. (1) Tax payable under this Act shall be paid in the manner hereinafter provided at such intervals as may be prescribed.

(2) Every registered dealer and every other dealer who may be required so to do by the Commissioner by notice served in the prescribed

manner shall furnish such returns of turnover by such dates and to such authority as may be prescribed.

(3) Every registered dealer required to furnish returns under sub-section (2) shall pay into a Government Treasury or the Reserve Bank of India or in such other manner as may be prescribed, the full amount of tax due from him under this Act according to such return, and shall where such payment is made into a Government Treasury or the Reserve Bank of India furnish along with the return a receipt from such Treasury or Bank showing the payment of such amount.

(4) If any registered dealer discovers any mistake or error in any return furnished by him, he may at any time, before the expiry of three months next following the last date prescribed for furnishing of the return, furnish a revised return, and if the revised return shows a higher amount of tax to be due than was shown in the original return, it shall be accompanied by a receipt showing payment in the manner provided in sub-section (3) of the excess amount.

(5) Every return under this section shall be signed and verified—

(a) in the case of an individual, by the individual himself, and 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 by any other person competent to act on his behalf;

(b) in the case of a Hindu undivided family, by a *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) in the case of a company or local authority, by the principal officer thereof;

(d) in the case of a firm, by any partner thereof, not being a minor;

(e) in the case of any other association, by any member of the association or the principal officer thereof; and

(f) in the case of any other person, by that person or by some person competent to act on his behalf.

(6) For the purposes of sub-section (5) of this section and section 59 the expression "principal officer" shall have the meaning assigned to it under clause (35) of section 2 of the Income-tax Act, 1961.

43 of 1961

22: (1) No person who is not a registered dealer shall collect in respect of any sale of goods by him in Delhi any amount by way of tax under this Act, and no registered dealer shall make any such collection except in accordance with this Act and the rules made thereunder.

Collection of tax only by registered dealers.

(2) Notwithstanding anything contained in sub-section (1), a dealer who has been permitted by the Commissioner to make a lump sum payment under section 29 shall not collect any sum by way of tax on the sale of goods if made during the period to which such lump sum payment relates.

Assessment.

23. (1) The amount of tax due from a registered dealer shall be assessed separately for each year during which he is liable to pay the tax:

Provided that when such dealer fails to furnish a return relating to any period of a year by the prescribed date, the Commissioner may, if he thinks fit, assess the tax due from such dealer separately for that period or any other period of such year:

Provided further that the Commissioner may, subject to such conditions as may be prescribed and for reasons to be recorded in writing, assess the tax due from any dealer for a part of a year.

(2) If the Commissioner is satisfied that the returns furnished in respect of any period are correct and complete, he shall assess the amount of tax due from the dealer on the basis of such returns.

(3) (a) If the Commissioner is not satisfied that the returns furnished in respect of any period are correct and complete and he thinks it necessary to require the presence of the dealer or the production of further evidence, he shall serve on such dealer in the prescribed manner a notice requiring him on a date and at a place specified therein either to attend and produce or cause to be produced all evidence on which such dealer relies in support of his returns, or to produce such evidence as is specified in the notice.

(b) On the date specified in the notice, or as soon as may be thereafter, the Commissioner shall, after considering all the evidence which may be produced, assess the amount of tax due from the dealer.

(4) If a dealer fails to comply with the terms of any notice issued under sub-section (3), the Commissioner shall assess to the best of his judgment the amount of tax due from him.

(5) If a dealer fails to furnish returns in respect of any period by the prescribed date, the Commissioner shall, after giving the dealer a reasonable opportunity of being heard, assess to the best of his judgment the amount of tax, if any, due from him.

(6) If, upon information which has come into his possession, the Commissioner is satisfied that any dealer who has been liable to pay tax under this Act in respect of any period, has failed to get himself registered under section 14 or section 17, as the case may be, the Commissioner shall proceed in such manner as may be prescribed to assess to the best of his judgment the amount of tax due from the dealer in respect of such period and all subsequent periods and in making such assessment shall give the dealer a reasonable opportunity of being heard, and the Commissioner may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay, by way of penalty, in addition to the amount of the tax so assessed, a sum not exceeding twice that amount.

(7) No assessment under the provisions of sub-sections (1) to (5) shall be made after the expiry of four years, and no assessment under the provisions of sub-section (6) shall be made after the expiry of six

years from the end of the year in respect of which or part of which the tax is assessable:

Provided that where such assessment is made in consequence of or to give effect to, any order of an appellate or revisional authority or of a court, the period of four years or six years, as the case may be, shall be reckoned from the date of such order and further that the provisions of sub-section (1) of section 24 regarding time limit for service of notice shall not apply for assessment made under this proviso.

(8) Any assessment made under this section shall be without prejudice to any prosecution for an offence under this Act.

24. (1) Where after a dealer has been assessed under section 23 for any year or part thereof, the Commissioner has reason to believe that the whole or any part of the turnover of a dealer in respect of any period has escaped assessment to tax or has been under-assessed or has been assessed at a rate lower than the rate at which it is assessable, or any deduction has been wrongly made therefrom, the Commissioner may—

Turnover
escaping
assessment.

(a) within six years from the date of final order of assessment, in a case where the dealer has concealed, omitted or failed to disclose fully the particulars of such turnover; and

(b) within four years from the date of final order of assessment, in any other case,

serve a notice on the dealer and after giving the dealer an opportunity of being heard and making such inquiry as he considers necessary, proceed to determine to the best of his judgment, the amount of tax due from the dealer in respect of such turnover, and the provisions of this Act shall, so far as may be, apply accordingly.

Explanation.—For the purposes of this section, production before the Commissioner of account books or other evidence from which material evidence could with due diligence have been discovered by the Commissioner will not necessarily be deemed to be a failure to disclose.

(2) No order of assessment, reassessment or re-computation shall be made under sub-section (1), after—

(a) the expiry of four years or, as the case may be, six years as specified in sub-section (7) of section 23; or

(b) the expiry of one year from the date of service of notice under sub-section (1),

whichever is later.

25. (1) The amount of tax—

(a) due where returns have been furnished without the receipt showing full payment thereof; and

(b) assessed, reassessed or re-computed for any period under section 23 or section 24, less the amount if any, already paid by the dealer in respect of the said period,

Payment
and re-
covery
of tax.

shall together with any penalty that may be directed to be paid under any of the provisions of this section, sub-section (6) of section 23, section 55,

section 56 or section 57 be paid by the dealer or the person liable therefor into a Government Treasury or the Reserve Bank of India or in such other manner as may be prescribed within thirty days from the date of service of notice of demand issued by the Commissioner for this purpose:

Provided that where the Commissioner has reason to believe that it will be detrimental to revenue if the full period of thirty days aforesaid is allowed, he may direct that the sum specified in the notice of demand shall be paid within such period being a period less than the period of thirty days aforesaid, as may be specified by him in that notice.

(2) On an application made before the expiry of the due date under sub-section (1), the Commissioner may, in respect of any particular dealer or person and for reasons to be recorded in writing, extend the time for payment or allow payment by instalments or grant stay, subject to such conditions as he may think fit to impose in the circumstances of the case.

(3) If the amount of tax and penalty, if any, is not paid within the time specified in sub-section (1) or extended under sub-section (2), as the case may be, the dealer or the person liable therefor shall be deemed to be in default in respect of that amount.

(4) In a case where payment by instalments is allowed under sub-section (2) and the dealer or the person liable for such payment commits default in paying any one of the instalments within the time fixed under that sub-section, the dealer or the person aforesaid shall be deemed to be in default in respect of the whole of the amount then outstanding and the other instalment or instalments shall be deemed to have been due on the same date as the instalment actually in default.

(5) When a dealer or a person is in default or is deemed to be in default in making payment of tax and penalty, if any, he shall, in addition to the amount of arrears payable under the foregoing sub-sections, be liable to pay, by way of penalty, an amount which in the case of a continuous default shall be assessed from time to time, so however, that the

Provided that before levying any such penalty, the arrears: person aforesaid shall be given a reasonable opportunity of being heard.

(6) Where as a result of any final order the amount of tax and penalty, if any, with respect to the default, in the payment of which the penalty was levied, has been wholly reduced, the penalty levied shall be cancelled and the amount of penalty paid shall be refunded.

(7) Any amount of tax or penalty in respect of which a dealer or person is in default, or any composition money due under section 29 or section 54 which remains unpaid, shall be recoverable as an arrear of land revenue:

Provided that where security, other than in the form of surety bond, has been furnished by a dealer under sub-section (2) of section 16 or section 18, the Commissioner may, for good and sufficient reasons in writing, realise any amount of tax or penalty or composition money remaining unpaid as aforesaid or part thereof by ordering forfeiture of the whole or any part of the security.

26. Where any notice of demand in respect of any tax or penalty or any other amount payable under this Act (hereafter in this section referred to as "government dues") is served upon any dealer, and any appeal, revision application or other proceeding is filed or taken in respect of such government dues, then,—

Continuation of certain recovery proceedings.

(a) where such government dues are enhanced in such appeal, revision or other proceeding, the Commissioner shall serve upon the dealer another notice of demand only in respect of the amount by which such government dues are enhanced and any recovery proceedings in relation to such government dues as are covered by the notice of demand served upon him before the disposal of such appeal, revision application or proceeding may, without the service of any fresh notice of demand, be continued from the stage at which such proceedings stood immediately before such disposal;

(b) where such government dues are reduced in such appeal, revision or proceeding,—

(i) it shall not be necessary for the Commissioner to serve upon the dealer a fresh notice of demand;

(ii) the Commissioner shall give intimation of such reduction to him and to the appropriate authority with whom recovery proceedings are pending;

(iii) any recovery proceedings initiated on the basis of the notice of demand served upon him before the disposal of such appeal, revision application or proceeding may be continued in relation to the amount so reduced from the stage at which such proceedings stood immediately before such disposal.

27. (1) If any dealer fails to pay the tax due as required by sub-section (3) of section 21, he shall, in addition to the tax (including any penalty) due, be liable to pay simple interest on the amount so due at one per cent. per month from the date immediately following the last date for the submission of the return under sub-section (2) of the said section for a period of one month, and at one and a half per cent. per month thereafter for so long as he continues to make default in such payment or till the date of completion of assessment under section 23, whichever is earlier.

Interest.

(2) When a dealer or a person is in default or is deemed to be in default in making the payment of tax, he shall, in addition to the amounts payable under section 23 or section 24, be liable to pay simple interest on such amount at one per cent. per month from the date of such default for a period of one month, and at one and a half per cent. per month thereafter for so long as he continues to make default in the payment of the said amount.

(3) Where as a result of any final order the amount of tax (including any penalty) due or in default is wholly reduced, the amount of interest, if any, paid shall be refunded, or if such amount is varied, the interest due shall be calculated accordingly:

Provided that where any amount of tax payable is enhanced by any such order, interest shall be payable on the amount by which the tax is

enhanced after the expiry of a period of three months from the date of the order:

Provided further that where the realisation of any amount remains stayed by the order of any court or authority and such order is subsequently vacated, interest shall be payable also for any period during which such order remained in operation.

(4) The interest payable under this section shall be deemed to be tax due under this Act.

Special
model of
recovery.

28. (1) Notwithstanding anything contained in any law or contract to the contrary, the Commissioner may, at any time or from time to time, by notice in writing, a copy of which shall be forwarded to the dealer at his last known address, require—

(a) any person from whom any amount of money is due, or may become due, to a dealer on whom notice has been served under sub-section (1) of section 25, or

(b) any person who holds or may subsequently hold money for or on account of such dealer,

to pay to the Commissioner, either forthwith upon the money becoming due or being held or within the time specified in the first mentioned notice (but not before the money becomes due or is held as aforesaid) so much of the money as is sufficient to pay the amount due by the dealer in respect of the arrears of tax and penalty under this Act, or the whole of the money when it is equal to or less than that amount.

Explanation.—For the purposes of this sub-section, the amount of money due to a dealer from, or money held for or on account of a dealer by, any person, shall be calculated by the Commissioner after deducting therefrom such claims (if any) lawfully subsisting, as may have fallen due for payment by such dealer to such person.

(2) The Commissioner may amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the dealer, and the receipt thereof by the Commissioner shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount specified in the receipt.

(4) Any person discharging any liability to the dealer after receipt of the notice referred to in this section, shall be personally liable to the Commissioner to the extent of the liability discharged or to the extent of the liability of the dealer for tax and penalty, whichever is less.

(5) Where a person to whom a notice under this section is sent, proves to the satisfaction of the Commissioner that the sum demanded or any part thereof is not due to the dealer or that he does not hold any money for or on account of the dealer, then, nothing contained in this

section shall be deemed to require such person to pay any such sum or part thereof, as the case may be, to the Commissioner.

(6) Any amount of money which the aforesaid person is required to pay to the Commissioner, or for which he is personally liable to the Commissioner under this section shall, if it remains unpaid, be recoverable as an arrear of land revenue.

(7) The Commissioner may apply to the court in whose custody there is money belonging to the dealer for payment to him of the entire amount of such money or if it is more than the tax and penalty, if any, due, an amount sufficient to discharge such tax and the penalty.

29. The Commissioner may, in such circumstances and subject to such conditions as may be prescribed, permit any dealer to pay in lieu of the amount of tax payable by him under the provisions of this Act, a lump sum determined in the prescribed manner, by way of composition. **Lump sum payment of tax.**

30. (1) If any person satisfies the Commissioner that the amount of tax paid by him or on his behalf for any year exceeds the amount payable by him under this Act for that year, he shall, on making a claim in the prescribed form and verified in the prescribed manner, be entitled to refund of the excess either by cash payment or at his option by deduction of such excess from the amount of tax and penalty (if any) due in respect of any other period. **Refund.**

Provided that the Commissioner shall first apply such excess towards the recovery of any amount in respect of which a notice under section 25 has been issued and shall then refund the balance, if any.

Explanation.—When no assessment is made, the due tax paid under section 21 by the dealer shall be deemed to be the tax payable under this Act.

(2) Where on account of death, incapacity, insolvency, liquidation or other cause a person is unable to claim or receive any refund due to him, his legal representative or the trustee or guardian or receiver, as the case may be, shall be entitled to claim or receive such refund for the benefit of such person or his estate.

(3) No claim for refund under sub-section (1) shall be allowed unless it is made within a period of twelve months from the date of the order giving rise to a claim for such refund, and the Commissioner shall, except as otherwise provided in this Act, refund any amount which becomes due to a dealer in the prescribed manner:

Provided that the Commissioner may allow a claim for refund to be made after the expiry of the said period but not later than twelve months from such expiry, if he is satisfied that there was sufficient cause for not making such claim within that period.

(4) Where an amount required to be refunded by the Commissioner to any person as a result of any order passed in appeal or other proceedings under this Act is not so refunded to him within ninety days from the date of his claim under sub-section (3), such person shall be entitled to be paid simple interest on such amount at one per cent. per month from the date immediately following the expiry of the period of ninety days for a period

of one month and at one and a half per cent. per month, thereafter for so long as the refund is not made.

Explanation.—If the delay in making the refund during any of the periods referred to in this sub-section is attributable to the person making the claim, whether wholly or in part, the period of the delay attributable to him shall be excluded from the period for which interest is payable.

(5) Where any question arises as to the period to be excluded for the purposes of calculation of interest under sub-section (4), such question shall be determined by the Commissioner whose decision thereon shall be final.

(6) Where an order giving rise to a refund is the subject matter of an appeal or further proceeding or where any other proceeding under this Act is pending and the Commissioner is of opinion that the grant of the refund is likely to adversely affect the revenue, the Commissioner may withhold the refund till such time as the Commissioner may determine.

(7) In any claim for refund, it shall not be open to the dealer to question the correctness of any assessment or other matter decided which has become final and conclusive or ask for a review of the same and the dealer shall not be entitled to any relief on such claim except refund of tax wrongly paid or paid in excess.

(8) Any tax levied and collected under this Act in respect of sale in Delhi of any declared goods which are subsequently sold in the course of inter-State trade or commerce, shall be reimbursed to the person making the sale in the course of inter-State trade or commerce, in such manner and subject to such conditions as may be prescribed.

Explanation.—For the purpose of sub-section (8), "declared goods" means goods declared by section 14 of the Central Sales Tax Act, 1956 to be of special importance in inter-State trade or commerce.

74 of 1956.

Set-off.

31. (1) Where the Commissioner is satisfied that delay beyond the prescribed period has occurred in the grant of a certificate of registration to a dealer and that such delay was not wholly due to any fault, omission or negligence on the part of the dealer, the amount of tax, if any, paid on sales of goods made to such dealer which would not have been payable but for the delay in the grant of a certificate of registration as aforesaid, shall be adjusted against any amount payable by the dealer under this Act:

Provided that—

(a) in case the amount of tax so paid by the dealer exceeds his liability to pay any amount under this Act, the adjustment shall be made to the extent of such liability and the balance shall be refunded to the dealer; and

(b) in case there is no liability to pay any amount under this Act, the entire amount of tax paid shall be refunded to the dealer:

Provided further that the dealer shall not be entitled to any such adjustment or refund in respect of the goods which are not specified in the certificate of registration granted to him.

(2) No application for adjustment or refund of tax under this section shall be entertained unless it is made within three months from the date on which a certificate of registration is granted to the dealer.

CHAPTER VI

LIABILITY IN SPECIAL CASES

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

Liability
in case of
transfer
of busi-
ness.

(2) Where the transferee or the lessee of a business referred to in sub-section (1) carries on such business either in his own name or in some other name, he shall be liable to pay tax on the sale of goods effected by him with effect from the date of such transfer and shall, if he is an existing dealer, apply within the prescribed time for amendment of his certificate of registration.

33. (1) Every person—

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

(b) who has been appointed the receiver of any assets of a company (hereinafter referred to as the "liquidator"),

Liability
in case of
company
in liqui-
dation.

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

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

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

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

(4) If the liquidator fails to give notice in accordance with sub-section (1) or fails to set aside the amount as required by sub-section (3) or parts with any assets of the company or the properties in his hand in contravention of the provisions of that sub-section, he shall be personally liable for

the payment of the tax and penalty, if any, which the company would be liable to pay under this Act:

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

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

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

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

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

1 of 1956.

Liability
of part-
ners of
firm to
pay tax.

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

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

Provided further that if no such intimation is given within fifteen days from the date of retirement, the liability of the partner under the first proviso shall continue until the date on which such intimation is received by the Commissioner. Business in respect of which tax is payable under this Act is carried on by, or is in charge of any guardian, trustee, or agent of a minor or other incapacitated person on his behalf and for the benefit of such minor or other incapacitated person, the tax (including any penalty) shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same extent as it would be assessed upon and recoverable from any such minor or other incapacitated person, if he were of full age and of sound mind and if he were conducting the business himself, and all the provisions of this Act shall, so far as may be, apply accordingly.

trans,
trustees,
etc.

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

Liability
of Court
of Wards,
etc.

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

Liability
in other
cases.

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

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

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

(2) Where a change has occurred in the constitution of a firm or association, the partners or members of the firm or association as it existed before and as it exists after its re-constitution, shall, without prejudice to the provisions of section 34, jointly and severally be liable to pay any tax (including any penalty) due from such firm or association for any period before its re-constitution.

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

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

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

(b) if the business carried on by the dealer is discontinued after his death, his legal representative shall be liable to pay out of the

estate of the deceased, to the extent the estate is capable of meeting the charge, the tax (including any penalty) due from the dealer under this Act, whether such tax (including any penalty) has been assessed before his death but has remained unpaid, or is assessed after his death,

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

Explanation.—For the purposes of this sub-section and section 40, “legal representative” has the meaning assigned to it in clause (11) of section 2 of the Code of Civil Procedure, 1908.

5 of 1908.

CHAPTER VII

LIABILITY TO PRODUCE ACCOUNTS AND SUPPLY OF INFORMATION

Accounts.

38. (1) Every dealer liable to pay tax under this Act, and every other dealer on whom a notice has been served to furnish returns under sub-section (2) of section 21 shall keep at his place of business a true account of the value of goods bought and sold by him, and if the Commissioner considers that such account is not sufficiently clear and intelligible to enable him to make a proper check of the returns referred to in that sub-section, he may require such dealer by notice in writing to keep such accounts (including records of purchases and sales) as may be specified therein.

(2) The Commissioner may, by notification in the Official Gazette, direct any class of registered dealers generally to keep such accounts (including records of purchases and sales) as may be specified in the notification subject to such conditions and restrictions as may be prescribed.

**Memo-
randa of
sales.**

39. If a registered dealer—

- (a) sells goods to another registered dealer, or
- (b) makes sales in the course of inter-State trade or commerce, or
- (c) sells any goods exceeding ten rupees in value in any one transaction to any other person,

he shall issue to the purchaser a bill or cash memorandum serially numbered, signed and dated by him or his servant, manager or agent and showing therein his name and address and such other particulars as may be prescribed and he shall keep a duplicate or copy of such bill or cash memorandum duly signed and dated and preserve it for a period of not less than five years from the end of the year unless any proceedings in respect of that year are pending in which case they shall be preserved till the final decision in those proceedings:

Provided that if in respect of any goods or class of goods or any dealers or class of dealers, the Administrator is of opinion that it is not practicable to issue any bills or cash memoranda for sale of goods exceeding ten rupees in value in any one transaction to any other person, he may, by notification in the Official Gazette,—

- (i) specify such amount exceeding ten rupees in value as the amount for the issue of such bills or cash memoranda;
- (ii) exempt such goods or class of goods or dealers or class of dealers from the operation of this section.

40. If any dealer to whom the provisions of sub-section (2) of section 21 apply—

(a) sells or otherwise disposes of his business or any part of his business or any place of business, or effects or comes to know of any other change in the ownership of the business; or

(b) discontinues his business or changes his place of business or warehouse, or opens a new place of business; or

(c) changes the name or nature of his business, or effects any change in the goods or class of goods in which he carries on his business and which is or are specified in his certificate of registration; or

(d) enters into partnership or other association in regard to his business,

he shall, within the prescribed time, inform the prescribed authority accordingly, and if any such dealer dies, his legal representative shall in like manner inform the said authority.

41. (1) The Commissioner may, subject to such conditions as may be prescribed, require any dealer—

(a) to produce before him such books of accounts, registers or documents,

(b) to furnish such information relating to the stock of goods of, or purchases, sales or deliveries of goods by, the dealer or any other information relating to his business,

as may be deemed necessary, for the purposes of this Act.

(2) (a) All books of accounts, registers and documents relating to the stock of goods of, or purchases, sales and deliveries of goods by, any dealer, and

(b) All goods kept in any place of business or warehouse of any dealer,

shall at all reasonable times be open to inspection by the Commissioner and the Commissioner may take or cause to be taken such copies or extracts of the said books of accounts, registers or documents and such inventory of the goods found as appear to him necessary for the purposes of this Act.

(3) Where the Commissioner, upon information in his possession or otherwise, has reasonable grounds to believe that—

(a) any person to whom a notice under this Act was issued to produce, or cause to be produced, any books of accounts or other documents has omitted or failed to produce or caused to be produced such books of accounts or other documents, as required by such notice, or

(b) any person to whom a notice as aforesaid has been or might be issued, will not, or would not produce or cause to be produced any books of accounts or other documents which will be useful for, or relevant to, any proceedings under the Bengal Finance (Sales Tax) Act, 1941, as it was in force in Delhi, or under this Act, or

(c) books of accounts, registers or documents of any dealer may be destroyed, mutilated, altered, falsified or secreted or any sales by that dealer have been or may be suppressed, with a view to evade or

Information to be furnished regarding change of business.

Production and inspection of accounts and documents and search of premises.

attempt to evade payment of tax due under the Bengal Finance (Sales Tax) Act, 1941, as it was in force in Delhi, or under this Act, Bengal Act VI of 1941.

the Commissioner or any other person appointed under sub-section (2) of section 9, if so authorised by the Commissioner may,—

(i) enter and search any building or place where he has reason to suspect that books of accounts and other documents or the sale proceeds are kept;

(ii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;

(iii) seize any such books of accounts or other documents or any inventory of goods as appear to him necessary for the purposes of this Act;

(iv) place marks of identification on any books of accounts or other documents or make or cause to be made extracts or copies therefrom;

(v) make a note or any inventory of any such money or goods found as a result of such search;

(vi) seal the premises including the office, shop, godown, box, locker, safe, almirah or other receptacle if the owner or the person in occupation or in charge of such office, shop, godown, box, locker, safe, almirah or other receptacle leaves the place or is not available or fails or refuses to open it when called upon to do so.

(4) The Commissioner may requisition the services of any police officer or any public servant, or of both to assist him for all or any of the purposes specified in sub-section (3).

(5) Where the Commissioner seizes any books of accounts or other documents, he shall give the dealer or the person present on his behalf, as the case may be, a receipt for the same and obtain acknowledgment of the receipt so given to him:

Provided that if the dealer or person from whose custody the books of accounts or other documents are seized refuses to give an acknowledgment, the Commissioner may leave the receipt at the premises and record this fact:

Provided further that the dealer or person aforesaid may file objections before the Commissioner against such search, seizure or inventory within seven days of such search or seizure or inventory.

(6) The Commissioner shall keep in his custody the books of accounts, registers or documents seized under sub-section (3) for such period not later than the completion of all the proceedings under this Act in respect of years for which those books of accounts, registers or documents are relevant, as he considers necessary, and thereafter shall return the same to the dealer or any other person from whose custody or power they were seized:

Provided that the Commissioner may, before returning such books of accounts or other documents as aforesaid, place or cause to be placed such marks of identification thereon as appear to him to be necessary:

Provided further that the Commissioner may, before returning the books of accounts and other documents, require that the dealer or the person, as the case may be, shall give written undertaking that the books of accounts and other documents shall be presented whenever required by any competent authority for any proceedings under this Act.

2 of 1974.

(7) Save as otherwise provided in this section, every search or seizure made under this section shall be carried on in accordance with the provisions of the Code of Criminal Procedure, 1973, relating to searches or seizures made under that Code.

(8) The Commissioner may, for the purposes of this Act,—

(a) require any person, including a banking company, post office or any officer thereof, to furnish information in relation to such points or matters or to furnish statements of accounts and affairs verified in the manner specified by him, giving information in relation to such points or matters as in his opinion will be useful for, or relevant to, any proceeding under this Act;

(b) require any person—

(i) who transports or holds in custody, for delivery to or on behalf of any dealer any goods to give any information likely to be in his possession in respect of such goods or to permit inspection thereof, as the case may be;

(ii) who maintains or has in his possession any books of accounts, registers or documents relating to the business of a dealer to produce such books of accounts, registers or documents for inspection.

5 of 1908.

42. (1) The Commissioner or any person appointed under sub-section (2) of section 9 to assist him shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath or affirmation;

(b) compelling the production of accounts and documents; and

(c) issuing commissions for the examination of witnesses,

Power of
Commissioner
and other
authori-
ties to
take evi-
dence on
oath, etc.

45 of 1860.

and any proceeding under this Act before the Commissioner or any person appointed under sub-section (2) of section 9 to assist him shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code.

(2) Subject to any rules made in this behalf, any authority referred to in sub-section (1) may impound and retain in its custody for such period as it thinks fit, any books of accounts or other documents produced before it in any proceedings under this Act:

Provided that a person appointed under sub-section (2) of section 9 to assist the Commissioner shall not—

(a) impound any books of accounts or other documents without recording his reasons for so doing; or

(b) retain in his custody any such books or documents for a period exceeding thirty days,
without obtaining the approval of the Commissioner therefor.

CHAPTER VIII

APPEALS, REFERENCE AND REVISION

Appeals.

43. (1) Any person aggrieved by any order, not being an order mentioned in section 44 passed under this Act or the rules made thereunder, may appeal to the prescribed authority:

Provided that where an order, not being an order mentioned in section 44 or made under section 47 is passed by the Commissioner, the person aggrieved may appeal therefrom to the Appellate Tribunal.

(2) The Commissioner or any person aggrieved by an order passed in appeal by the prescribed authority may appeal to the Appellate Tribunal against such order.

(3) Subject to the provisions of section 62, no appeal shall be entertained unless it is filed within sixty days from the date of service of the order appealed against.

(4) Every appeal filed under this section shall be in the prescribed form and shall be verified in the prescribed manner and in the case of an appeal to the Appellate Tribunal filed by any person other than the Commissioner, shall be accompanied by a fee of fifty rupees.

(5) No appeal against an order of assessment with or without penalty or against an order imposing the penalty shall be entertained by an appellate authority unless such appeal is accompanied by a satisfactory proof of the payment of tax with or without penalty or, as the case may be, of the payment of the penalty in respect of which the appeal has been preferred:

Provided that the appellate authority may, if it thinks fit, for reasons to be recorded in writing, entertain an appeal against such order—

(a) without payment of the tax and penalty, if any, or as the case may be, of the penalty, on the appellant furnishing in the prescribed manner security for such amount as it may direct, or

(b) on proof of payment of such smaller sum, with or without security for such amount of tax or penalty which remains unpaid, as it may direct:

Provided further that no appeal shall be entertained by the appellate authority unless it is satisfied that such amount of tax as the appellant may admit to be due from him has been paid.

(6) The appellate authority may, after giving the appellant an opportunity of being heard,—

(a) confirm, reduce, enhance or annul the assessment (including any penalty imposed), or

(b) set aside the assessment (including any penalty imposed) and direct the assessing authority to make a fresh assessment after such further inquiry as may be directed, or

(c) pass such order as it may think fit.

(7) Save as provided in section 45, an order passed by the Appellate Tribunal on appeal shall be final.

44. No appeal and no application for revision shall lie against—

(a) a notice issued under this Act calling upon a dealer for assessment or asking a dealer to show cause as to why he should not be prosecuted for an offence under this Act; or

(b) an order pertaining to the seizure or retention of books of accounts, registers and other documents; or

(c) an order sanctioning prosecution under this Act; or

(d) an interim order passed in the course of any proceedings under this Act.

Non-appealable orders.

45. (1) Within sixty days from the date of an order passed by the Appellate Tribunal under sub-section (6) of section 43, the dealer or the Commissioner may, by application in writing, and accompanied, where the application is made by a dealer, by a fee of fifty rupees, require the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and, subject to the other provisions contained in this section, the Appellate Tribunal shall, within one hundred and twenty days of the receipt of such application, draw up a statement of the case and refer it to the High Court:

Statement of case to the High Court.

Provided that the Appellate Tribunal may, if it is satisfied that the dealer or the Commissioner was prevented by sufficient cause from presenting the application within the period hereinbefore specified, allow it to be presented within a further period not exceeding thirty days.

(2) If the Appellate Tribunal refuses to state the case which it has been required to do, on the ground that no question of law arises, the dealer or the Commissioner, as the case may be, may, within thirty days of the communication of such refusal either withdraw his application (and if he does so, any fee paid shall be refunded), or apply to the High Court against such refusal.

(3) If upon receipt of an application under sub-section (2), the High Court is not satisfied as to the correctness of the decision of the Appellate Tribunal, it may require the Appellate Tribunal to state the case and refer it, and on receipt of such requisition, the Appellate Tribunal shall state the case and refer it accordingly.

(4) If the High Court is not satisfied that the statement in a case referred to it are sufficient to enable it to determine the questions raised thereby, the Court may refer the case back to the Appellate Tribunal for the purpose of making such additions thereto or alterations therein as it may direct in that behalf.

(5) The High Court upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the Appellate Tribunal a copy of such judgment under the seal of the Court and the signature of the Registrar, and the Appellate Tribunal shall dispose of the case accordingly.

(6) Where a reference is made to the High Court under this section, the costs [which shall not include the fee referred to in sub-section (1)] shall be in the discretion of the Court.

(7) The payment of the amount of tax and penalty (if any) due in accordance with the order of the Appellate Tribunal in respect of which an application has been made under sub-section (1) shall not be stayed pending the disposal of such application or any reference made in consequence thereof but if such amount is reduced as a result of such reference, the excess tax paid shall be refunded in accordance with the provisions of section 30.

Revision of orders prejudicial to revenue.

46. The Commissioner may call for and examine the record of any proceeding under this Act and if he considers that any order passed therein by any person appointed under sub-section (2) of section 9 to assist him, is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the dealer an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment and penalty (if any) imposed or cancelling the assessment and penalty (if any) imposed and directing a fresh assessment:

Provided that a final order under this section shall be made before the expiry of five years from the date of the order sought to be revised.

Revision of other orders.

47. (1) In the case of any order, other than an order referred to in section 44 or to which section 46 applies, passed by a person appointed under sub-section (2) of section 9 to assist him, the Commissioner may, either on his own motion or on an application filed in accordance with such rules as may be prescribed, call for the record of any proceeding under this Act in which any such order has been passed and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may pass such orders thereon, not being an order prejudicial to the dealer, as he thinks fit:

Provided that the Commissioner shall not revise any order under this sub-section,—

(a) where an appeal against the order is pending before the appellate authority under section 43; or

(b) where, if such appeal lies, the time within which it may be filed has not expired; or

(c) where in the case of the second appeal, the dealer has not waived his right of appeal.

(2) The Commissioner shall not on his own motion revise any order under this section after the expiry of two years from the date of the order sought to be revised.

(3) In the case of an application for revision under this section by the dealer, the application shall be made within two years from the date on which the order in question was communicated to him or the date on which he otherwise comes to know of it, whichever is earlier.

Rectification of mistakes.

48. (1) The Commissioner or any person appointed under sub-section (2) of section 9 to assist him, may at any time within two years from the date of any order passed by the Commissioner or by that person, as the case may be, on his own motion, rectify any mistake apparent from the record, and shall within a like period, rectify any such mistake which has been brought to his notice by any person affected by such order:

Provided that no such rectification shall be made, if it has the effect of enhancing the tax or reducing the amount of refund, unless the Commissioner or the person appointed under sub-section (2) of section 9 to assist him, as the case may be, has given notice in writing to the person likely to be affected by the order of his intention to do so and has allowed such person a reasonable opportunity of being heard.

(2) The provisions of sub-section (1) shall apply to the rectification of a mistake by an appellate authority under section 43 as they apply to the rectification of a mistake by the Commissioner.

(3) Where any matter has been considered and decided in any proceeding by way of appeal or revision relating to an order referred to in sub-section (1) or sub-section (2), the authority passing such order may, notwithstanding anything contained in any law for the time being in force, amend the order under sub-section (1) or sub-section (2), as the case may be, in relation to any matter other than the matter which has been so considered and decided.

(4) Where any such rectification has the effect of reducing the amount of the tax or penalty, the Commissioner shall, in the prescribed manner, refund any amount due to such person.

(5) Where any such rectification has the effect of enhancing the amount of the tax or penalty or reducing the amount of the refund, the Commissioner shall recover the amount due from such person in the manner provided for in Chapter V.

(6) Save as provided in the foregoing sub-sections, and subject to such rules as may be prescribed, any assessment made or order passed under this Act or the rules made thereunder by any person appointed under section 9 or by the Appellate Tribunal may be reviewed by such person or by the Appellate Tribunal, as the case may be, *suo motu* or upon an application made in that behalf.

(7) Before any order is passed under sub-section (6) which is likely to affect any person adversely, such person shall be given a reasonable opportunity of being heard.

49. (1) If any question arises, otherwise than in proceedings before a court, or before the Commissioner has commenced assessment or re-assessment of a dealer under section 23 or section 24, whether for the purposes of this Act,—

(a) any person, society, club or association or any firm or any branch or department of any firm is a dealer; or

(b) any particular thing done to any goods amounts to or results in the manufacture of goods within the meaning of that term as given in clause (h) of section 2; or

(c) any transaction is a sale, and if so, the sale price therefor; or

(d) any particular dealer is required to be registered; or

(e) any tax is payable in respect of any particular sale, or if the tax is payable, the rate thereof,

the Commissioner shall, within such period as may be prescribed, make an order determining such question.

Determi-
nation of
disputed
questions.

Explanation.—For the purposes of this sub-section, the Commissioner shall be deemed to have commenced assessment or reassessment of a dealer under section 23 or section 24, when the dealer is served with any notice by the Commissioner under section 23 or section 24 as the case may be.

(2) The Commissioner may direct that the determination shall not affect the liability of any person under this Act as respects any sale effected prior to the determination.

(3) If any such question arises from any order already passed under this Act or under the Bengal Finance (Sales Tax) Act, 1941, as then in force in Delhi, no such question shall be entertained for determination under this section; but such question may be raised in appeal against, or by way of revision of, such order.

Bengal
Act VI
of 1941.

CHAPTER IX

OFFENCES AND PENALTIES

Offences. 50. (1) Whoever—

(a) holds, gives, produces or accepts a declaration under the second proviso to clause (a) of sub-section (2) of section 4, or under the first proviso to section 5, which he knows or has reason to believe to be false; or

(b) carries on business as a dealer without obtaining a certificate of registration as required under sub-section (1) of section 14 or sub-section (1) of section 17; or

(c) not being a registered dealer, represents when purchasing goods that he is a registered dealer; or

(d) being a registered dealer, represents when purchasing any goods or class of goods not covered by his certificate of registration, that such goods or class of goods are covered by such certificate; or

(e) fails to comply with the provisions of sub-section (5) of section 20; or

(f) fails to submit any return as required by sub-section (2) of section 21 by the prescribed date or submits a false return; or

(g) not being a registered dealer, collects any amount by way of tax under this Act or makes any collection of such tax otherwise than in accordance with this Act or the rules made thereunder; or

(h) fails to keep a true account of the value of goods bought or sold by him as required by section 38, or fails when required so to do under that section, to keep any account or record of purchases or sales specified in any notice or notification referred to in that section; or

(i) fails or neglects to issue cash memorandum or bills as required under section 39; or

(j) knowingly maintains or produces incorrect accounts, registers or documents or knowingly furnishes incorrect information; or

(k) neglects to furnish any information required by section 40;

or

(l) refuses to comply with any requirements made of him under section 41; or

(m) closes his place of business with a view to preventing inspection under section 41; or

(n) obstructs or prevents any officer making inspection, search or seizure under section 41, or performing any functions under section 64, as the case may be; or

(o) being the owner or person in charge of a goods vehicle fails, neglects or refuses to comply with any of the requirements contained in section 64; or

(p) aids or abets any person in the commission of any offence specified in clauses (a) to (o);

shall be punishable with rigorous imprisonment for a term which may extend to six months or with fine, or with both, and where the offence is a continuing one, with a daily fine not exceeding two hundred rupees during the period of the continuance of the offence:

Provided that no prosecution for an offence under this Act shall be instituted in respect of the same facts in respect of which a penalty has been imposed under sub-section (6) of section 20, sub-section (6) of section 23, section 55, section 56 or section 57:

Provided further that a person shall not be deemed to have committed an offence under clause (b) if he had applied for registration under this Act in accordance with the provisions of sub-section (2) of section 14, or sub-section (2) of section 17, as the case may be.

(2) Notwithstanding anything contained in sub-section (1), if any person commits an offence under clause (a) or clause (f) or clause (j) or clause (l) or clause (m) or clause (o) of that sub-section and the court is satisfied that the offence has been committed wilfully, he shall be punishable with rigorous imprisonment for a term which may extend to six months and with fine, and where the offence is a continuing one, with a daily fine not exceeding three hundred rupees during the period of the continuance of the offence.

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

Offences
by com-
panies.

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

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of,

or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means a body corporate, and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Cogni-
zance of
offences.

52. (1) No court shall take cognizance of any offence under this Act or rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Metropolitan Magistrate shall try any such offence.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences punishable under this Act or rules made thereunder shall be cognizable and bailable.

2 of 1974.

Investiga-
tion of
offences.

53. (1) Subject to such conditions as may be prescribed, the Commissioner may authorise either generally or in respect of a particular case or class of cases any person appointed under sub-section (2) of section 9 to assist him to investigate all or any of the offences punishable under this Act.

(2) Every person so authorised shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1973, upon an officer in charge of a police station for the investigation of a cognizable offence.

2 of 1974.

Composi-
tion of
offences.

54. (1) Subject to such conditions as may be prescribed, the Commissioner may accept, from any person alleged to have committed an offence under section 50 or under any rules made under this Act, either before or after the commencement of any proceedings against such person in respect of such offence, by way of composition for such offence, a sum not exceeding five thousand rupees or where the offence alleged to have been committed is under any of the clauses (a), (b), (c), (d) and (f) of that section, not exceeding three times the amount of the tax which would thereby have been avoided, whichever is higher.

(2) On payment in full of such sum as may be determined by the Commissioner under sub-section (1),—

(a) no proceedings shall be commenced against such person as aforesaid; and

(b) if any proceedings have already been commenced against such person as aforesaid, such proceedings shall not be further proceeded with.

Imposi-
tion of
Penalty

55. (1) If a dealer fails without reasonable cause to furnish any return by the prescribed date as required under sub-section (2) of section 21, or to pay the tax due according to the return as required by

sub-section (3) of that section, the Commissioner may after giving the dealer an opportunity of being heard, direct that the dealer shall pay, by way of penalty, in addition to the amount of tax payable, a sum not exceeding twice that amount or where no tax is payable a sum not exceeding two thousand rupees.

(2) The penalties specified under sub-section (1) may be imposed by the Commissioner notwithstanding the fact that assessment proceedings have not been initiated against the dealer under section 23.

56. (1) If the Commissioner or any person appointed under sub-section (2) of section 9 to assist him, in the course of any proceedings under this Act, is satisfied that a dealer has concealed the particulars of his sales or has furnished inaccurate particulars of his sales, he may, after giving the dealer a reasonable opportunity of being heard, direct that the dealer shall pay, by way of penalty, in addition to the amount of tax payable, a sum not exceeding two and a half times the amount of tax which would thereby have been avoided.

(2) If a person commits an offence under clause (a) of section 50, the Commissioner or any person appointed under sub-section (2) of section 9 to assist him may, after giving that person a reasonable opportunity of being heard, by order in writing, impose upon such person by way of penalty, a sum not exceeding two and a half times the amount of tax which would thereby have been avoided.

(3) If a person purchasing goods commits an offence under clause (c) or clause (d) of section 50, the authority which granted him, or, as the case may be, is competent to grant him a certificate of registration under this Act, may, after giving him a reasonable opportunity of being heard by order in writing, impose upon him by way of penalty, a sum not exceeding two and a half times the tax which would have been levied under this Act in respect of the sale to him of the goods, if the offence had not been committed.

57. If any person acts in contravention of the provisions of section 22, he shall be liable to a penalty not exceeding two and a half times the tax wrongly collected:

Provided that the Commissioner shall not impose such penalty unless the person concerned has been given an opportunity of being heard.

CHAPTER X

MISCELLANEOUS

58. (1) Where a Hindu undivided family has been partitioned, notices under this Act may be served on the person who was the last manager of the Hindu family, or if such person cannot be found, then on all adults who were members of the Hindu family, immediately before the partition.

(2) Where a firm or an association of persons is dissolved, notices under this Act may be served on any person who was a partner (not being a minor) of the firm, or member of the association, as the case may be, immediately before its dissolution.

Penalty for concealment of sales or furnishing inaccurate particulars or making false representations.

Penalty for contravening provisions regarding collection of tax by dealers.

Service of notice when family is disrupted or firm is dissolved.

Service of notice in the case of discontinued business.

59. Where an assessment is to be made in respect of business which has been discontinued, a notice under this Act shall be served in the case of a firm or an association of persons on any person who was a member of such firm or association at the time of its discontinuance or in the case of a company on the principal officer thereof.

Appearance before any authority in proceedings.

60. (1) Any person, who is entitled or required to attend before any authority in connection with any proceedings under this Act, may attend,—

(a) by a person authorised by him in writing in this behalf, being a relative or a person regularly employed by him; or

(b) by a legal practitioner or chartered accountant who is not disqualified by or under sub-section (2); or

(c) by a sales tax practitioner who possesses the prescribed qualifications and is entered in the list which the Commissioner shall maintain in that behalf, and who is not disqualified by or under sub-section (2).

(2) The Commissioner may, by order in writing and for reasons to be recorded therein, disqualify for such period as is stated in the order from attending before any such authority any legal practitioner, chartered accountant or sales tax practitioner—

(i) who has been removed or dismissed from Government service; or

(ii) who being a legal practitioner or chartered accountant is found guilty of misconduct in connection with any proceedings under this Act by an authority empowered to take disciplinary action against the members of the profession to which he belongs; or

(iii) who being a sales tax practitioner is found guilty of such misconduct by the Commissioner.

(3) No order of disqualification shall be made in respect of any particular person unless he has been given a reasonable opportunity of being heard.

(4) Any person against whom any order of disqualification is made under this section may, within one month of the date of communication of such order, appeal to the Administrator to have the order cancelled.

(5) The order of the Commissioner shall not take effect until one month of the making thereof or when an appeal is preferred, until the appeal is decided.

(6) The Commissioner may at any time *suo motu* or on an application made to him in this behalf, revoke any order made against any person under sub-section (2) and thereupon such person shall cease to be disqualified.

61. Whenever in respect of any proceeding under this Act the Commissioner or any person appointed under sub-section (2) of section 9 to assist him, ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the person so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Change of an incumbent of an office.

Provided that the dealer concerned may demand that before the proceeding is so continued, the previous proceeding or any part thereof be reopened or that before any order of assessment is passed against him, he be re-heard.

62. (1) An appellate authority may admit an appeal under section 43 after the period of limitation laid down in that section, if the appellant satisfies the appellate authority that he had sufficient cause for not preferring the appeal within such period.

Extension of period of limitation in certain cases.

36 of 1963.

(2) In computing the period laid down under sections 43, 45, 46 and 47, the provisions of sections 4 and 12 of the Limitation Act, 1963, shall, so far as may be, apply.

(3) In computing the period of limitation prescribed by or under any provision of this Act, or the rules made thereunder, other than section 43, 45, 46 or 47, any period during which any proceeding is stayed by an order or injunction of any court shall be excluded.

63. (1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act, other than proceedings before a criminal court, shall, save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, no court shall, save as aforesaid, be entitled to require any servant of the Government to produce before it any such statement, return, account, document or record or any part thereof, or to give evidence before it in respect thereof.

Returns, etc., to be confidential.

1 of 1872.

(2) If, save as provided in sub-section (3), any servant of the Government discloses any of the particulars referred to in sub-section (1), he shall be punishable with imprisonment which may extend to six months, and shall also be liable to fine.

(3) Nothing in this section shall apply to the disclosure—

(a) of any of the particulars referred to in sub-section (1) for the purposes of investigation or prosecution under this Act or the Indian Penal Code or any other enactment for the time being in force; or

45 of 1860.

(b) of such facts to an officer of the Central Government or any State Government as may be necessary for verification of such facts or for the purposes of enabling that Government to levy or realise any tax imposed by it; or

(c) of any such particulars where such disclosure is occasioned by the lawful employment under this Act of any process for the service of any notice or the recovery of any demand; or

(d) of any such particulars to a civil court in any suit or proceeding to which the Government or any sales tax authority is a party and which relates to any matter arising out of any proceeding under this Act or under any other law for the time being in force authorizing any sales tax authority to exercise any powers thereunder; or

(e) of any such particulars by any public servant where the disclosure is occasioned by the lawful exercise by him of his powers under the Indian Stamp Act, 1899, to impound an insufficiently stamped document; or

2 of 1899.

(f) of any such particulars to the Reserve Bank of India as are required by that Bank to enable it to compile financial statistics of international investment and balance of payment; or

(g) of any such particulars to any officer appointed by the Comptroller and Auditor-General of India for purpose of audit of tax receipts or refunds; or

(h) of any such particulars relevant to any inquiry into a charge of misconduct in connection with income-tax proceedings against a legal practitioner or chartered accountant, to the authority empowered to take disciplinary action against members of the profession to which he belongs; or

(i) of such particulars to the officers of the Central Government or any State Government for such other purposes, as the Administrator may by general or special order direct.

Setting up
of check-
posts and
barriers.

64. (1) The Administrator may, by notification in the Official Gazette, set up check-posts or barriers, or both, at any place in Delhi with a view to preventing evasion of tax and other dues payable under this Act.

(2) The owner or person in charge of a goods vehicle shall carry with him a goods vehicle record, a trip sheet or a log book, as the case may be, and a bill of sale or a delivery note containing such particulars as may be prescribed in respect of the goods carried in the goods vehicle and produce the same before any officer in charge of a check-post or barrier or any other officer as may be empowered by the Administrator in this behalf.

(3) The owner or person in charge of a goods vehicle entering or leaving Delhi shall also file a declaration containing such particulars in the prescribed form obtainable from the prescribed authority and in such manner as may be prescribed, before the officer in charge of a check-post or barrier or before the other officer empowered as aforesaid:

Provided that where the owner or person in charge of a goods vehicle after filing a declaration at the time of entering Delhi that the goods are meant to be carried to a place outside Delhi, fails, without reasonable cause, to carry such goods outside Delhi within the prescribed period, he shall, in addition to the payment of tax, if any, be liable to a penalty not exceeding two and a half times the tax that would have been payable had the goods been sold inside Delhi or one thousand rupees, whichever is more.

(4) At every check-post or barrier, or at any other place when so required by an officer empowered by the Administrator in this behalf, the driver or any other person in charge of a goods vehicle shall stop the vehicle and keep it stationary so long as may be required by the officer in charge of the check-post or barrier or the officer empowered as aforesaid to search the goods vehicle or part thereof, examine the contents therein and inspect all records relating to the goods carried, which are in the possession of such driver or other person in charge, who shall, if also required, give his name and address and the name and address of the owner of the vehicle as well as those of the consignor and consignee of the goods.

(5) If on an examination of the contents in a goods vehicle or the inspection of records relating to the goods carried, any officer empowered by the Administrator in this behalf has reason to believe that the owner or person in charge of such goods vehicle is attempting to evade payment of the tax due under this Act, he may, for reasons to be recorded in writing and after hearing the owner or person in charge of the goods vehicle, detain the goods and the goods so detained shall not be allowed to be transported unless the owner, or his agent or the person in charge of the goods vehicle furnishes to the satisfaction of such officer security in such form and in such manner as may be prescribed for an amount not exceeding one thousand rupees or the amount of tax payable if such goods were sold in Delhi, whichever is more.

(6) Where the security required to be furnished under sub-section (5) is not furnished within the prescribed period such goods shall be disposed of in such manner and subject to such conditions as may be prescribed.

Explanation.—For the purposes of this section, “goods vehicle” shall include a motor vehicle, vessel, boat, animal and any other form of conveyance.

65. The Commissioner shall, at intervals not exceeding three months, publish in the Official Gazette such particulars as may be prescribed of dealers whose certificates of registration are cancelled under the provisions of this Act.

Publica-
tion of
names, etc.,
of dealers
whose
certifi-
cates of
registra-
tion are
cancelled.

66. (1) If the Administrator is of opinion that it is necessary or expedient in the public interest so to do, he may, with the previous approval of the Central Government, exempt, by notification in the Official Gazette, and subject to such conditions, if any, as he may impose, any specified class of sales by any specified class of dealers from payment of the whole or any part of the tax payable under this Act.

Exemp-
tions.

(2) If in respect of any sales which are exempt from payment of tax under sub-section (1), a breach of any of the conditions subject to which such exemption was granted, is committed, the dealer responsible for

such breach shall be liable to pay tax in respect of all such sales as if no such exemption had been granted.

Bar of suits in civil courts.

67. No suit shall be brought in any civil court to set aside or modify any assessment made or any order passed under this Act or the rules made thereunder and no prosecution, suit or other proceeding shall lie against the Government or any officer of the Government for anything in good faith done or intended to be done under this Act or the rules made thereunder.

Transfers during pendency of proceedings void.

68. Where, during the pendency of any proceeding under this Act, any person creates a charge on or parts with the possession by way of sale, mortgage, gift or exchange or any other mode of transfer whatsoever, of any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by such person as a result of the completion of the said proceedings.

Chapter XXXVI of the Code of Criminal Procedure, 1973, not to apply to certain offences.

69. Nothing in Chapter XXXVI of the Code of Criminal Procedure, 1973, shall apply to—

(i) any offence punishable under this Act; or

(ii) any other offence which under the provisions of that Code, may be tried along with such offence,

and every offence referred to in clause (i) or clause (ii) may be taken cognizance of by the court having jurisdiction under this Act as if the provisions of that Chapter were not enacted.

Application of the provisions of the Delhi Land Reforms Act, 1954 for purposes of recovery of sales tax recoverable as arrears of land revenue.

70. For the purposes of recovery of any amount recoverable as arrear of land revenue under this Act, the provisions of the Delhi Land Reforms Act, 1954, as to recovery of arrears of land revenue shall, notwithstanding anything contained in that Act or in any other enactment, be deemed to be in force throughout Delhi and the provisions of the Revenue Recovery Act, 1890, shall have effect accordingly.

Power to make rules.

71. (1) The Administrator may make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the further period after the date of expiry of three consecutive years referred to in sub-section (3) of section 3 for which liability to pay tax of a dealer shall continue;

(b) the particulars to be contained in a declaration under sub-clause (v) of clause (a) of sub-section (2) of section 4, or under

section 5, as the case may be, the form of such declaration, the authority from whom such forms shall be obtainable and the manner in which and the time within which such declaration is to be furnished;

(c) the period of turnover, the manner in which the turnover in relation to sale of any goods under this Act shall be determined and the sales turnover which may be deducted under sub-clause (vi) of clause (a) of sub-section (2) of section 4;

(d) the restrictions and conditions subject to which the Commissioner may delegate his powers under section 10;

(e) the authority to whom applications for registration under sections 14, 15, 16 and 17 may be made and the form of such applications and the fees payable in respect thereof;

(f) the procedure for and other matters incidental to registration of dealers, the granting of certificates of registration, the period within which such certificates shall be granted and the forms of such certificates;

(g) the intervals at which, and the manner in which, the tax under this Act shall be payable under section 21;

(h) the returns to be furnished under sub-section (2) of section 21 and dates by which, and the authority to whom, such returns shall be furnished;

(i) the procedure to be followed for assessment under section 23;

(j) the circumstances in which, and the conditions subject to which, a dealer may be permitted to pay a lump sum by way of composition under section 29 and the manner of determining such sum;

(k) the form in which claims for refund or set-off may be preferred, the manner in which such claims for refund shall be verified and the refunds or set-off under this Act shall be allowed;

(l) the authority to whom information shall be furnished under section 40;

(m) the conditions under which the production of accounts or documents or the furnishing of information may be required under sub-section (1) of section 41;

(n) the form and manner in which, and the authority to whom, appeals against assessment may be filed under section 43, the manner in which such appeals shall be verified and the fees payable in respect thereof and the procedure, to be followed by such authority;

(o) the form and manner in which applications for revision under section 47 or for review under sub-section (5) of section 48 may be filed and the fee payable in respect thereof;

(p) the conditions subject to which the Commissioner may authorise the persons appointed under sub-section (2) of section 9 to assist him to investigate offences under sub-section (1) of section 53;

(q) the conditions under which offences may be compounded under section 54;

(r) the manner in which, and the time within which, applications shall be made (including fees payable in respect thereof), information furnished, securities given and notices served under this Act;

(s) any other matter which is required to be, or may be, prescribed.

(3) Any rules made under this Act may provide that a contravention thereof shall be punishable with fine which may extend to five hundred rupees, and in the case of a continuing contravention, with an additional fine which may extend to twenty-five rupees for every day during which such contravention continues after conviction for the first such contravention.

Rules to be laid before Parliament.

72. Every rule made under this Act shall 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.

Repeal and savings.

73. (1) The Bengal Finance (Sales Tax) Act, 1941, as in force in Delhi (hereinafter referred to as the said Act), is hereby repealed:

Bengal Act VI of 1941.

Provided that such repeal shall not affect the previous operation of the said Act or any right, title, obligation or liability already acquired, accrued or incurred thereunder and subject thereto, anything done or any action taken including any appointment, notification, notice, order, rule, form or certificate in the exercise of any power conferred by or under the said Act shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the date on which such thing was done or action was taken, and all arrears of tax and other amounts due at the commencement of this Act may be recovered as if they had accrued under this Act.

(2) Any application for revision pending immediately before the date on which the Appellate Tribunal is constituted under section 13 (hereafter in this section referred to as the notified date), before the Commissioner under the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union territory of Delhi shall on such date stand transferred to, and be disposed of by the Tribunal:

Bengal Act VI of 1941.

Provided that no application for revision shall be transferred to the Appellate Tribunal if the petitioner making the application for revision waives his right of appeal to the Tribunal within fifteen days after the notified date, in which case the application for revision shall be disposed of by the Commissioner as if it were an application for revision made under section 47.

(3) Any application for revision, pending immediately before the notified date, before the Commissioner and transferred to the Appellate Tribunal under sub-section (2) shall be disposed of by the Appellate Tribunal as if it were an appeal made to the Tribunal under and in accordance with the provisions of section 43 of this Act.

(4) Where an appeal against an order passed by an officer under this Act lies to the Appellate Tribunal after the notified date, and the period of limitation specified for filing such appeal under this Act has not expired, then, such appeal shall lie to the Tribunal within thirty days of the notified date or within the expiry of the period of limitation specified for filing such appeal, whichever is later.

74. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by general or special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for the removal of the difficulty:

Removal
of difficul-
ties.

Provided that no such order shall be made after the expiration of one year from the commencement of this Act.

(2) Every order made under sub-section (1) shall 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 order or both Houses agree that the order should not be made, the order 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 order.

Bengal
Act VI of
1941.

75. Where a dealer liable to pay tax under the Bengal Finance (Sales Tax) Act, 1941, as in force in Delhi immediately before the commencement of this Act is not liable to pay tax under the provisions of this Act, he shall, notwithstanding the repeal of the first mentioned Act, continue to be liable to pay tax on the sales made by him after such commencement of all goods—

Transi-
tional
provisions.

(i) purchased by him before such commencement,

(ii) manufactured by him before or after such commencement out of raw materials purchased before such commencement.

THE FIRST SCHEDULE

[See section 4(1) (a)]

1. Motor vehicles, including chassis of motor vehicles, motor tyres and tubes, accessories, component parts and spare parts of motor vehicles and motor bodies.

2. Motor cycle and motor and cycle combinations, motor scooters, motorettes and tyres and tubes, and accessories, component parts and spare parts of motor cycles, motor scooters and motorettes.

3. Refrigerators, air-conditioning and other cooling appliances and apparatus including room coolers and water coolers and component parts, spare parts and accessories thereof.

4. Wireless reception instruments and apparatus, radios and radio-gramophones, television sets, accumulators, amplifiers and loudspeakers and spare parts, component parts and accessories thereof, and electrical valves.

5. Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, and spare parts, component parts and accessories required for use therewith, and lenses, films and cinema carbons.

6. Photographic and other cameras and enlargers, lenses, films and plates, paper and other component parts, spare parts and accessories required for use therewith including photographic chemicals and photographs but excluding X-ray apparatus and films, plates, photographic chemicals and other equipment required for use with the X-ray apparatus and component parts, spare parts and accessories thereof.

7. All clocks, time pieces, watches, electrical time switches and mechanical timers and component parts, spare parts and accessories thereof.

8. All arms including rifles, revolvers, pistols and ammunition for the same, and component parts, spare parts and accessories thereof.

9. Cigarette cases and lighters.

10. Dictaphone, tape-recorders and other similar apparatus for recording sound and component parts, spare parts and accessories thereof.

11. Sound transmitting equipment including telephones and loudspeakers and component parts, spare parts and accessories thereof but excluding sound amplifying apparatus carried on the person and adapted for use as a hearing aid.

12. Typewriters, tabulating, calculating, cash registering, indexing, card punching, franking and addressing machines, teleprinters and duplicating machines and component parts, spare parts and accessories thereof.

13. Binoculars, telescopes and opera glasses and component parts, spare parts and accessories thereof.

14. Gramophones, record players, record changers and component parts, spare parts and accessories thereof and records and needles.

15. All electronic and electrical goods other than torches, torch cells and filament lighting bulbs.

16. Table cutlery including knives and forks, but not including spoons.

17. All types of sanitary goods and fittings.

18. (i) All goods made of glass but not including plain glass panes, optical lenses, hurricane lantern chimneys, phials, clinical syringes, thermometers, bangles and scientific apparatus and instruments made of glass.

(ii) Glazed earthenware.

(iii) Chinaware, including crockery.

19. Vacuum flasks of all kinds (including thermoses, thermic jugs, ice buckets or boxes, urns and other domestic receptacles to keep food or beverages hot or cold) and refills thereof.
20. Liquor (foreign liquor and Indian-made foreign liquor).
21. Picnic set sold as a single unit.
22. Iron and steel safes and almirahs.
23. Motor spirit, high speed diesel oil, aviation gasoline, aviation turbine fuel and all other varieties of fuel for motor vehicles and aircrafts.
24. Cosmetics, perfumery and toilet goods including shampoos but not including soap, tooth brush, tooth paste, tooth powder and kumkum.
25. Leather goods excepting footwear, belts and sports articles made of leather.
26. Furniture including iron and steel furniture.
27. Sheets, cushions, pillows, mattresses and other articles made from foam rubber or plastic foam or other synthetic foam.
28. Furs and articles of personal or domestic use made therefrom.
29. Articles and wares made of stainless steel but excluding safety razor blades and surgical instruments or parts of industrial machinery and plant.
30. Perambulators.
31. Plastic, celluloid bakelite goods and goods made of similar other substances but not including such goods of value not exceeding thirty rupees per piece.
32. Fireworks including coloured matches.
33. Lifts whether operated by electricity or hydraulic power.
34. All types of glazed and vitrum tiles, mosaic tiles, laminated sheets like Sun mica, Formica, etc.

THE SECOND SCHEDULE

[See section 4(1) (b)]

1. Coal including coke in all its forms.
2. Cotton as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
3. Iron and steel as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
4. Jute as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
5. Oil seeds as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
6. Hides and skins, whether in a raw or dressed state.

7. Cotton yarn as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956), and cotton thread.

THE THIRD SCHEDULE

(See section 7)

1. All cereals and pulses including all forms of rice and their brans and cooked dal.

2. Flour including atta, maida, besan and suji.

3. Chapaties, paranthas, stuffed paranthas, puries, stuffed puries, kulchas, nans and bhatúras and bread (double roti).

4. Meat and fish other than canned, preserved, processed, dried, dehydrated or cooked.

5. Fresh eggs.

6. Vegetables, green or dried (except when sold in sealed containers) and vegetables seeds.

7. Fruits other than dry fruits or canned, preserved, dried or dehydrated fruits.

8. Sugar as defined in the Central Excises and Salt Act, 1944 (1 of 1944).

9. Salt.

10. Fresh milk (whole or separated) including boiled and sugared milk.

11. Edible oils produced in indigenous *kohlu* or *ghani* (without employing electricity or any other power at any stage) when sold by the person owning such indigenous *kohlu* or *ghani* and dealing exclusively in the production of edible oils by such indigenous *kohlu* and *ghani*.

12. Dahi and lassi.

13. All varieties of cotton fabrics, rayon or artificial silk fabrics and woollen fabrics.

Explanation.—The expression “cotton fabrics”, “rayon or artificial silk fabrics” and “woollen fabrics” shall have the same meanings as are, respectively assigned to them in the Central Excises and Salt Act, 1944 (1 of 1944).

14. Books and periodicals, maps, educational charts, instruments boxes used by students and educational globes and instruments, such as instruments used in mechanical drawing and biology, used by students.

15. Fuel wood and charcoal.

16. School exercise and drawing books.

17. Agricultural implements including chaff cutters and persian wheels or parts thereof and electric motors including monoblock pump sets of 3 to 7½ horse power.

18. Cattle feeds, including fodder and poultry feeds.

19. Electric energy.

20. Fertilizers.

21. Water but not aerated water or mineral water or water sold in bottles or sealed containers.

22. Tobacco as defined under the Central Excises and Salt Act, 1944 (1 of 1944).

23. (i) Country made shoes (Juties).

(ii) Cane and bamboo handicrafts.

(iii) Earthen wares made by Kumhars.

When manufactured—

(a) without the use of power, and

(b) at a place other than a factory as defined in the Factories Act, 1948 (63 of 1948) and sold either by the maker himself or by any member of his family or by a cooperative society consisting wholly of the makers of such articles.

24. Charkha, takli and charkha accessories.

25. Slate, slate pencils, takhties, black ink used for takhties, writing chalks, crayons (excluding colour pencils), foot-rules of the types used in schools and *kalams* (pens used for takhties).

26. Betel leaves including prepared pans.

27. Pesticides for plant protection.

28. Plant protection machines.

29. Ready-made garments of khadi made out of cloth certified as such under the Khaddar (Protection of Name) Act, 1950 (78 of 1950).

30. Condoms.

31. Blood for transfusion that is to say fresh human blood or plasma, liquid or dried.

32. Handspun yarn.

33. *Achar* and *muraba* except when sold in sealed containers.

34. Scientific goods including scientific glass goods, geometrical and drawing goods used in Schools and Colleges for teaching and for use by students.

35. Livestock including poultry.

36. Cotton paddings.

Rep. by Act... 38... of 1978, S. 2 & Sch. I.

THE TELEGRAPH WIRES (UNLAWFUL POSSESSION)
AMENDMENT ACT, 1975

No. 44 of 1975

[7th August, 1975.]

An Act further to amend the Telegraph Wires (Unlawful Possession) Act, 1950.

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

Short
title.

1. This Act may be called the Telegraph Wires (Unlawful Possession) Amendment Act, 1975.

Amend-
ment of
section 2

2. In section 2 of the Telegraph Wires (Unlawful Possession) Act, 1950 (hereinafter referred to as the principal Act), for clause (b), the following clause shall be substituted, namely:— 74 of 1950

‘(b) “telegraph wire” means any copper wire the diameter of which, in millimetres, is—

- (i) not less than 2.43 and not more than 2.53; or
- (ii) not less than 2.77 and not more than 2.87; or
- (iii) not less than 3.42 and not more than 3.52.’

3. In section 5 of the principal Act,—

Amendment of section 5.

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

“(a) for the first offence, with imprisonment for a term which may extend to five years, or with fine, or with both, and, in the absence of special and adequate reasons to be recorded in the judgment of the Court, the term of such imprisonment shall not be less than one year and such fine shall not be less than one thousand rupees;”;

(ii) in clause (b), for the words “to be mentioned in the judgment of the court, such imprisonment”, the words “to be recorded in the judgment of the Court, the term of such imprisonment” shall be substituted.

4. After section 6 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 6A and 6B.

“6A. (1) A police officer not below the rank of a sub-inspector may seize, or search any place and seize,—

Powers of search and seizure.

(i) any telegraph wire;

(ii) any conveyance or animal used for the transport of such telegraph wire,

if a reasonable suspicion exists that any provision of this Act has been, or is being, or is about to be, contravened in respect of such telegraph wire.

2 of 1974.

(2) The provisions of the Code of Criminal Procedure, 1973, relating to searches and seizures shall, so far as may be, apply to searches and seizures made under this section.

6B. Where any person has been convicted for the contravention of any of the provisions of this Act, the telegraph wires in relation to which the contravention has been made, and any conveyance or animal used for the transport of such telegraph wires, shall be liable to confiscation by the Court unless the owner of the conveyance or animal proves that it was so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance or animal and that each of them had taken all reasonable precautions against such use:

Confiscation of telegraph wires, conveyances, etc.

Provided that where any such conveyance or animal is used for the transport of goods or passengers for hire, the owner of the conveyance or animal shall be given an option to pay in lieu of the confiscation of the conveyance or animal, a fine, not exceeding the market price of the conveyance or animal on the date of seizure thereof or the value of the telegraph wires in relation to which the contravention has been made, whichever is less:

Provided further that any telegraph wires, so seized and confiscated shall be handed over by the Court to such authority as may be specified by the Central Government.”

Amend-
ment of
section 7.

5. In section 7 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) No Court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by a person who is a public servant within the meaning of section 21 of the Indian Penal Code.”.

45 of 1860.

Amend-
ment of
section 8.

6. In sub-section (3) of section 8 of the principal Act, for the words “or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following”, the words “or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid” shall be substituted.

THE AGRICULTURAL REFINANCE CORPORATION
(AMENDMENT) ACT, 1975

No. 45 of 1975

[7th August, 1975.]

An Act further to amend the Agricultural Refinance Corporation Act, 1963.

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

1. (1) This Act may be called the Agricultural Refinance Corporation (Amendment) Act, 1975.

Short title and commencement.

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

10 of 1963.

~~2. (1) In section 1 of the Agricultural Refinance Corporation Act, 1963 (hereinafter referred to as the principal Act), in sub-section (1), after the word "Refinance", the words "and Development" shall be inserted.~~

Amendment of section 1.

10 of 1963.

(2) Any reference to the Agricultural Refinance Corporation Act, 1963, in any other law for the time being in force, or in any instrument or other document, shall be construed as a reference to the Agricultural Refinance and Development Corporation Act, 1963.

~~3. In section 2 of the principal Act,—~~

Amendment of section 2.

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

'(c) "central land development bank" means the principal land development bank in a State (by whatever name called),

4 15-11-1975: - Vide Motions No. S.O. 5129, dt. 15-11-1975.
2 Repealed by Act 38 of 1978, s. 2 + sch. I

which is registered, or deemed to be registered, under the Co-operative Societies Act, 1912, or any other law for the time being in force in any State relating to co-operative societies and the primary object of which is the providing of long-term finance for agricultural development:

Provided that, in addition to such principal land development bank in a State, or where there is no such bank in a State, the State Government may, with the previous approval of the Reserve Bank, declare any co-operative society carrying on business in that State and authorised by the bye-laws of such co-operative society, to provide long-term finance for agricultural development, to be a central land development bank within the meaning of this Act;'

(ii) in clause (e), after the word "Refinance", the words "and Development" shall be inserted;

(iii) in clause (f),—

(a) in sub-clause (i),—

(1) for the words "central land mortgage bank", the words "central land development bank" shall be substituted,

(2) the word "and", occurring at the end, shall be omitted;

(b) in sub-clause (ii), for the words "central land mortgage bank", the words "central land development bank" shall be substituted;

(c) after sub-clause (iii), the following sub-clause shall be inserted, namely:—

"(iv) such other institution as may, on the recommendation of the Reserve Bank, be approved by the Central Government in this behalf;".

Amendment of heading to Chapter II.

4. In Chapter II of the principal Act, in the heading, after the word "REFINANCE", the words "AND DEVELOPMENT" shall be inserted.

Insertion of new section 3A.

5. After section 3 of the principal Act, the following section shall be inserted, namely:—

Change of name of "Agricultural Refinance Corporation".

"3A. (1) On the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975, the Corporation established under section 3 and known as the Agricultural Refinance Corporation shall be renamed as the Agricultural Refinance and Development Corporation.

(2) The change of name of Agricultural Refinance Corporation by sub-section (1) shall not—

(a) affect any right or obligation of that Corporation subsisting immediately before the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975;

(b) render defective any suit or other legal proceeding pending, immediately before such commencement, by or against that Corporation in its former name; and

(c) affect the institution, continuation or commencement of any suit or other legal proceeding which could have been instituted, continued or commenced, by or against that Corporation in its former name before such commencement.”.

6. In section 4 of the principal Act, for the words “in other places in India”, the words “anywhere in India” shall be substituted.

Amendment of section 4.

7. In section 5 of the principal Act,—

Amendment of section 5.

(i) in sub-section (2), in clause (b), for the words “central land mortgage banks”, the words “central land development banks” shall be substituted;

(ii) in sub-section (5), after the words “the remaining shares”, the words, brackets and figure “referred to in sub-section (1)” shall be inserted;

(iii) after sub-section (5), the following sub-sections shall be inserted, namely:—

“(5A) Notwithstanding anything contained in sub-section (1), on the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975, the Reserve Bank may, with the previous approval of the Central Government, increase the authorised capital of the Corporation up to one hundred crores of rupees, such further capital also being divided into fully paid-up shares of ten thousand rupees each.

(5AA) Notwithstanding anything contained in sub-section (5), out of the further capital issued pursuant to the increase of the authorised capital under sub-section (5A), the Reserve Bank shall, and the institutions mentioned in clauses (b) and (c) of sub-section (2) may, subscribe for such shares in such manner and in such proportion, as may be prescribed.

(5AB) The Reserve Bank shall not, at any time, hold less than fifty per cent. of the further capital of the Corporation which is issued pursuant to the increase of the authorised capital under sub-section (5A).

(5AC) The allotment of shares, issued pursuant to the increase of the authorised capital under sub-section (5A), shall be made by the Board in accordance with the regulations made in this behalf and if any such shares remain unallotted, they shall be subscribed for by the Reserve Bank:

Provided that the Reserve Bank may dispose of such shares to any institution mentioned in clause (b) or clause (c) of sub-section (2):

Provided further that no such disposal shall be made, if, as a result of such disposal, the shares held by the Reserve Bank in the further capital of the Corporation, issued pursuant to the increase of the authorised capital under sub-section (5A), will fall below fifty per cent. of such further capital.”.

Amend-
ment of
section 7.

8. In section 7 of the principal Act, for the words "Banking Companies Act," the words "Banking Regulation Act" shall be substituted.

Amend-
ment of
section 10.

9. In section 10 of the principal Act, in clause (d), for the words "central land mortgage banks", the words "central land development banks" shall be substituted.

Amend-
ment of
section 17.

10. In section 17 of the principal Act, in sub-section (3), after the words "as it may decide", the words "and every committee so constituted shall discharge such functions as may be prescribed or may be delegated to it by the Board" shall be inserted.

Amend-
ment of
section 20.

11. In section 20 of the principal Act, in sub-section (1),—

(a) in clause (c), the word "and", occurring at the end, shall be omitted;

(b) in clause (d), for the words "a central land mortgage bank", the words "a central land development bank" shall be substituted; and the word "and" shall be inserted at the end;

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

"(e) receive gifts, grants, donations or benefactions from Government or any other source and such gifts, grants, donations or benefactions shall not be treated as the income, profits and gains of the Corporation."

Amend-
ment of
section 22.

12. In section 22 of the principal Act,—

(a) in sub-section (3),—

(i) in clause (b), after the words, brackets and figures "in sub-clause (ii)", the words, brackets and figures ", or sub-clause (iv)," shall be inserted;

(ii) for clause (c) and the proviso thereto, the following clause shall be substituted, namely:—

"(c) the purchasing of, or subscribing to, the bonds or debentures of any eligible institution, repayable within a period not exceeding twenty-five years from the dates on which they are issued and the selling of such bonds or debentures;"

(iii) in clause (d),—

(1) the words "from outside India" shall be omitted;

(2) in sub-clause (i), after the words, brackets and figures "in sub-clause (ii)", the words, brackets and figures ", or sub-clause (iv)," shall be inserted;

(iv) in clause (e), for the words "or debentures subscribed for or to be subscribed for, by such Government; and", the words "or bonds or debentures purchased or subscribed for, or to be purchased or subscribed for, by such Government," shall be substituted;

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

“(ea) undertaking researches, surveys and techno-economic studies on its own, or through an agency approved by the Corporation in this behalf, where, in the opinion of the Corporation, doing so may facilitate the exercise by the Corporation of its powers and functions or the discharge of its duties; and”;

(b) in sub-section (4), in the first proviso, in clause (ii), after the words “guarantee is necessary” the words “in respect of an eligible institution, or any class of eligible institutions or having regard to the nature and scope of the scheme or schemes for which such accommodation is granted by the Corporation” shall be inserted;

(c) in sub-section (5), the words “or for the purpose of providing working capital” shall be omitted.

13. Section 23 of the principal Act shall be omitted.

Omission
of section
23.

14. In section 30 of the principal Act,—

Amend-
ment of
section 30.

(i) in sub-section (1), for the words “by an auditor duly qualified to act as auditor”, the words “by one or more auditors duly qualified to act as auditor or auditors of companies” shall be substituted;

(ii) in sub-section (2), in sub-section (3) and in sub-section (4), for the words “The auditor”, the words “Every auditor” shall be substituted;

(iii) in sub-section (5),—

(a) for the words “The auditor”, the words “The auditor or auditors” shall be substituted;

(b) for the words “accounts examined by him and in every such report he shall state whether in his opinion”, the words “accounts examined by him or them, as the case may be, and in every such report he or they shall state whether in his or their opinion” shall be substituted;

(c) for the words “in case he had called for any explanation”, the words “in case he or they had called for any explanation” shall be substituted.

15. In section 46 of the principal Act,—

Amend-
ment of
section 46.

(i) in sub-section (2), after clause (a), the following clause shall be inserted, namely:—

“(aa) the manner in which and the proportion in which the shares of the Corporation shall, or may, be subscribed for after the authorised capital of the Corporation has been increased beyond twenty-five crores of rupees;”;

(ii) for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) Every regulation made under this section shall 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 regulation or both Houses agree that the regulation should not be made, the regulation 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 regulation.”

THE PROVIDENT FUNDS (AMENDMENT) ACT, 1975

No. 46 OF 1975

[7th August, 1975.]

An Act further to amend the Provident Funds Act, 1925.

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

1. (1) This Act may be called the Provident Funds (Amendment) Act, 1975.

Short title and commencement.

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

19 of 1925.

2. After section 6 of the Provident Funds Act, 1925 (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

Insertion of new section 6A.

6A. (1) In this section, unless the context otherwise requires,—

Withholding or recovery of Government contributions in case of

(a) "Central Government officer" means a subscriber to, or depositor in, a contributory provident fund constituted by the Central Government, who, immediately before his retirement, is a member of a Central Service Class I, but does not include an officer appointed under a contract of service for a specified term;

Central Government officers taking up, without prior permission, commercial employment within two years of their retirement.

(b) "commercial employment" means employment in any capacity (including that of an agent) under any company, co-operative society, firm or individual engaged in trading, commercial, industrial, financial or professional business and includes also—

(i) a directorship of a company;

(ii) the holding of any office, whether elective or otherwise, such as that of president, chairman, manager, secretary, treasurer, by whatever name called in a co-operative society; and

(iii) the setting up of practice, either independently or as partner of a firm, as adviser or consultant in matters in respect of which the Central Government officer,—

(A) has no professional qualifications and the matters in respect of which the practice is to be set up or is carried on are relatable to his official knowledge or experience, or

(B) has professional qualification, but the matters in respect of which such practice is to be set up are such as are likely to give his clients an unfair advantage by reason of the posts held by him under the Central Government, or

(C) has to undertake work involving liaison or contact with the offices or officers of Central Government,

but does not include employment in or under a corporation or company wholly or substantially owned or controlled by Government or employment in or under a body controlled or financed wholly or substantially by Government;

(c) "Government contributions" means contributions made after the commencement of the Provident Funds (Amendment) Act, 1975, in respect of any period after such commencement, by the Central Government or by a State Government or by a local authority within the meaning of the Local Authorities Loans Act, 1914;

9 of 1914.

(d) "prescribed" means prescribed by rules made by the Central Government by notification in the Official Gazette.

(2) No Central Government officer shall have any right to the Government contributions made to his credit in a contributory provident fund in any case where he takes up commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of the Central Government.

Explanation 1.—For the purposes of this sub-section and sub-section (7), "date of retirement" in relation to a Central Government officer re-employed after retirement without any break either in the same or any other Class I post under the Central Government or any other equivalent post under a State Government, shall mean

the date on which such Central Government officer finally ceases to be re-employed in Government service.

Explanation 2.—A Central Government officer permitted by the Central Government to take up a particular commercial employment during his leave preparatory to retirement shall be deemed, for the purposes of this sub-section, to have obtained prior permission of the Central Government for his continuance in such employment after retirement.

(3) Subject to the provisions of sub-section (4), the Central Government may, by order in writing, on an application made in the prescribed form by a Central Government officer, grant, subject to such conditions, if any, as it may deem necessary, permission, or refuse, for reasons to be recorded in the order, permission, to such officer to take up the commercial employment specified in the application.

(4) In granting or refusing permission under this section to a Central Government officer for taking up any commercial employment, the Central Government shall have regard to the following factors, namely:—

(a) the nature of the employment proposed to be taken up and the antecedents of the employer;

(b) whether his duties in the employment which he proposes to take up might be such as to bring him into conflict with Government;

(c) whether the officer while in service had any such dealing with the employer under whom he proposes to seek employment as might afford a reasonable basis for the suspicion that such officer had shown favours to such employer;

(d) any other relevant factors which may be prescribed.

(5) Where within a period of sixty days of the date of receipt of an application under sub-section (3), the Central Government does not refuse to grant the permission applied for or does not communicate the refusal to the applicant, the Central Government shall be deemed to have granted the permission applied for.

(6) Where the Central Government grants the permission applied for subject to any conditions or refuses such permission, the applicant may, within thirty days of the receipt of the order of the Central Government to that effect, make a representation against any such condition or refusal and the Central Government may make such orders thereon as it deems fit:

Provided that no order other than an order cancelling such condition or granting such permission without any conditions shall be made under this sub-section without giving the person making the representation an opportunity to show cause against the order proposed to be made.

(7) If any Central Government officer takes up any commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of the Central Government or commits a breach of any condition subject to which

permission to take up any commercial employment has been granted to him under this section, it shall be competent for the Central Government to declare by order in writing and for reasons to be recorded therein that he shall not be entitled to such part of the Government contributions made in relation to such officer as may be specified in the order and if he has received payment thereof, to direct that he shall refund to the Central Government an amount equivalent to such part of the Government contributions:

Provided that no such order shall be made without giving the officer concerned an opportunity of showing cause against such declaration or direction:

Provided further that in making any order under this subsection, the Central Government shall have regard to the following factors, namely:—

- (i) the financial circumstances of the officer concerned;
- (ii) the nature of, and the emoluments from, the commercial employment taken up by the officer concerned;
- (iii) such other relevant factors as may be prescribed.

(8) Any amount required to be refunded by an order under subsection (7) may, if it is not refunded within the prescribed period, be recovered as arrears of land revenue.

(9) Every order passed by the Central Government under this section shall be communicated to the officer concerned.

(10) The provisions of this section shall have effect notwithstanding anything to the contrary contained in any other provision of this Act or the rules applicable to any contributory provident fund.

(11) Every rule made by the Central Government under this section shall 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.

Amend-
ment of
section 8.

3. In sub-sections (1) and (2) of section 8 of the principal Act, after the words "provisions of this Act", the brackets, words, figure and letter "(except section 6A)" shall be inserted.

THE INDIAN COINAGE (AMENDMENT) ACT, 1975

No. 47 OF 1975

[12th August, 1975.]

An Act further to amend the Indian Coinage Act, 1906.

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

1. This Act may be called the Indian Coinage (Amendment) Act, 1975. Short title.
- 3 of 1906. 2. In section 1 of the Indian Coinage Act, 1906 (hereinafter referred to as the principal Act), in sub-section (1), the word "Indian" shall be omitted. Amendment of section 1.
3. In section 6 of the principal Act, for the words "of such denominations not higher than one hundred rupees", the words "of such denominations not higher than one thousand rupees" shall be substituted. Amendment of section 6.
4. In section 21 of the principal Act,—
 - (i) in sub-section (1), for the words "The Central Government may make rules", the words "The Central Government may, by notification in the Official Gazette, make rules" shall be substituted;
 - (ii) for sub-section (3), the following sub-section shall be substituted, namely:—Amendment of section 21.

"(3) Every rule made under this section shall 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."

Rep. by Act. 38... of 1978, s. 2 & Sch. I

THE SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMENT (AMENDMENT) ACT, 1975

No. 48 OF 1975

[16th August, 1975.]

An Act further to amend the Salaries and Allowances of Members of Parliament Act, 1954.

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

Short title.

1. This Act may be called the Salaries and Allowances of Members of Parliament (Amendment) Act, 1975.

Amendment of section 8.

2. In section 8 of the Salaries and Allowances of Members of Parliament Act, 1954 (hereinafter referred to as the principal Act), for the words "and postal facilities", the words "postal, water, electricity, constituency and secretarial facilities, or such amount in cash in lieu of all or any of such facilities" shall be substituted.

Amendment of section 9.

3. In section 9 of the principal Act, in sub-section (3), for clause (f), the following clause shall be substituted, namely:—

"(f) medical, housing, telephone, postal, water, electricity, constituency and secretarial facilities mentioned in section 8 and the amount to be paid in cash in lieu of all or any of such facilities; and"

THE CIGARETTES (REGULATION OF PRODUCTION,
SUPPLY AND DISTRIBUTION) ACT, 1975

No. 49 OF 1975

[16th August, 1975.]

An Act to provide for certain restrictions in relation to trade and commerce in, and production, supply and distribution of, cigarettes and for matters connected therewith or incidental thereto.

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

1. (1) This Act may be called the Cigarettes (Regulation of Production, Supply and Distribution) Act, 1975.

(2) It extends to the whole of India.

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

2. In this Act, unless the context otherwise requires,—

(a) "advertisement" includes any notice, circular and other document and also includes any visible representation made by means of any light, sound, smoke or gas;

(b) "cigarette" includes,—

(i) any roll of tobacco wrapped in paper or in any other substance not containing tobacco,

(ii) any roll of tobacco wrapped in any substance containing tobacco, which, by reason of its appearance, the type of

Short
title,
extent
and
com-
mence-
ment.

Defini-
tions.

tobacco used in the filler, or its packaging and labelling is likely to be offered to, or purchased by, consumers as cigarette,

but does not include beedi, cheroot and cigar;

(c) "distribution" includes distribution by way of samples, whether free or otherwise;

(d) "export", with its grammatical variations and cognate expressions, means taking out of India to a place outside India;

(e) "foreign language" means a language which is neither an Indian language nor the English language;

(f) "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

(g) "Indian language" means a language specified in the Eighth Schedule to the Constitution, and includes any dialect of such language;

(h) "label" means any written, marked, stamped, printed or graphic matter, affixed to, or appearing upon, any package;

(i) "package" includes a box, carton, tin or other container;

(j) "prescribed" means prescribed by rules made under this Act;

(k) "production", with its grammatical variations and cognate expressions, includes—

(i) packing, labelling, re-labelling, of containers,

(ii) re-packing from bulk packages to retail packages, and

(iii) the adoption of any other method to render the product marketable;

(l) "sale", with its grammatical variations and cognate expressions, means any transfer of property in goods by one person to another, whether for cash or on credit or by way of exchange, and whether wholesale or retail, and includes an agreement for sale, an offer for sale and exposure for sale;

(m) "specified warning" means the following warning, namely, "Cigarette smoking is injurious to health".

Restrictions on trade and commerce in, and production, supply and distribution of, cigarettes.

3. (1) No person shall, directly or indirectly, produce, supply or distribute cigarettes unless every package of cigarettes produced, supplied or distributed by him bears thereon, or on its label, the specified warning.

(2) No person shall carry on trade or commerce in cigarettes unless every package of cigarettes distributed, sold or supplied by him bears thereon, or on its label, the specified warning.

(3) No person shall import cigarettes for distribution or supply for a valuable consideration or for sale unless every package of cigarettes so imported by him bears thereon, or on its label, the specified warning.

(4) The specified warning shall appear on not less than one of the largest panels of the package in which cigarettes have been packed for distribution, sale or supply for a valuable consideration.

4. (1) The specified warning on a package of cigarette shall be—

- (a) legible and prominent;
- (b) conspicuous as to size and colour;

(c) in such style or type of lettering as to be boldly and clearly presented in distinct contrast to the other type, lettering or graphic material used on the package or its label and shall be printed, painted or inscribed on the package in a colour which contrasts conspicuously with the background of the package or its label.

(2) Every package containing cigarettes shall be so packed as to ensure that the specified warning appearing thereon, or on its label, is, before the package is opened, visible to the consumer.

5. (1) No person shall advertise for the distribution, sale or supply of cigarettes, and no person shall take part in the publication of any such advertisement, unless the specified warning is included in such advertisement.

(2) Every specified warning included in an advertisement shall be conspicuous, legible and prominent.

(3) No person shall, whether directly or indirectly, import, for the purpose of carrying on any trade or commerce in cigarettes, any document, article or thing, containing any advertisement which violates the provisions contained in sub-section (1) or sub-section (2).

6. (1) Where the language used on a package containing cigarettes or on its label or in any advertisement relating to such package is—

(a) English, the specified warning shall be expressed in the English language;

(b) any Indian language or languages, the specified warning shall be expressed in such Indian language or languages;

(c) both English and one or more Indian languages, the specified warning shall be expressed in English as well as in such Indian language or languages;

(d) partly English and partly any Indian language or languages, the specified warning shall be expressed in the English language as well as in such Indian language or languages;

(e) any foreign language, the specified warning shall be expressed in the English language;

(f) partly any foreign language and partly English or any Indian language or languages, the specified warning shall be expressed in the English language as well as in such Indian language or languages.

(2) No package of cigarettes or its label or any advertisement relating thereto shall contain any matter or statement which is inconsistent with, or detracts from, the specified warning.

7. No warning shall be deemed to be in accordance with the provisions of this Act if the height of each letter used in such warning is less than three millimetres.

Manner in which specified warning shall be made.

Restrictions on advertisements of cigarettes.

Language in which the specified warning shall be expressed.

Size of letters.

Power
of entry
and
search.

8. (1) Any police officer, not below the rank of a sub-inspector, may, if he has any reason to suspect that any provision of this Act has been, or is being, contravened, enter and search, at any reasonable time, any factory, building, business premises or any other place where any trade or commerce in cigarettes is carried on or cigarettes are produced, supplied or distributed.

(2) The provisions of the Code of Criminal Procedure, 1973, shall apply to every search and seizure made under this Act.

2 of 1974

Power
to seize.

9. (1) If any police officer, not below the rank of a sub-inspector, has any reason to believe that, in respect of any package of cigarettes, the provisions of this Act have been, or are being, contravened, he may seize such package.

(2) No package of cigarettes seized under sub-section (1) shall be retained by any police officer for a period exceeding ninety days from the date of the seizure unless the approval of the District Judge, within the local limits of whose jurisdiction such seizure has been made, has been obtained for such retention.

Confis-
cation of
packages

10. Any package of cigarettes, in respect of which any provision of this Act has been or is being contravened, shall be liable to confiscation:

Provided that, where it is established to the satisfaction of the court adjudging the confiscation that the person in whose possession, power or control any such package of cigarettes is found is not responsible for the contravention of the provisions of this Act, the court may, instead of making an order for the confiscation of such package, make such other order authorised by this Act against the person guilty of the breach of the provisions of this Act as it may think fit.

Power
to give
option
to pay
costs in
lieu of
confis-
cation.

11. (1) Whenever any confiscation is authorised by this Act, the court adjudging it may, subject to such conditions as may be specified in the order adjudging the confiscation, give to the owner thereof an option to pay, in lieu of confiscation, such costs, not exceeding the value of the package in respect of which confiscation is authorised, as the court thinks fit.

(2) On payment of the costs ordered by the court, the seized packages shall be returned to the person from whom they were seized on condition that such person shall, before making any distribution, sale or supply of such packages, get the specified warning incorporated on each such package or on its label.

Liability
to
penalty.

12. Any person who carries on any trade or commerce in, or who produces, supplies or distributes, cigarettes, shall, if any package of such cigarettes does not contain the specified warning, be liable to pay a penalty not exceeding five times the value of the package of cigarettes or one thousand rupees, whichever is more, whether or not such package of cigarettes has been confiscated or is available for confiscation.

13. No confiscation made, costs ordered to be paid or penalty imposed under this Act shall prevent the infliction of any punishment to which the person affected thereby is liable under the provisions of this Act or

Confiscation or penalty not to interfere with other punishments. Adjudication.

14. Any confiscation may be adjudged, costs may be ordered to be paid or penalty may be imposed,—

(a) without any limit, by the principal civil court of original jurisdiction within the local limits of whose jurisdiction such confiscation has been made, costs have been ordered to be paid, or penalty has been imposed, as the case may be;

(b) subject to such limits as may be specified by the Central Government in this behalf, by such other court, not below a civil court having pecuniary jurisdiction exceeding rupees five thousand, as the Central Government may, by notification in the Official Gazette, authorise in this behalf.

15. (1) No order adjudging confiscation or directing payment of costs or imposing penalty shall be made unless the owner of the package of cigarettes has been given a notice in writing informing him of the grounds on which it is proposed to confiscate such package, and giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the confiscation or imposition of penalty mentioned therein, and, if he so desires, of being heard in the matter:

Giving of opportunity to the owner of seized packages.

Provided that, where no such notice is given within a period of ninety days from the date of the seizure of the package of cigarettes, such package shall be returned, after the expiry of that period, to the person from whose possession it was seized.

(2) Save as otherwise provided in sub-section (1), the provisions of the Code of Civil Procedure, 1908, shall, as far as may be, apply to every proceeding referred to in sub-section (1).

5 of 1908.

16. (1) Any person, aggrieved by any decision of the court adjudging a confiscation, ordering the payment of costs or imposing a penalty, may prefer an appeal to the court to which an appeal lies from the decision of such court.

Appeal.

(2) The appellate court may, after giving to the appellant an opportunity of being heard, pass such order as it thinks fit confirming, modifying or reversing the decision or order appealed against or may send back the case with such directions as it may think fit for a fresh decision or adjudication, as the case may be, after taking additional evidence, if necessary:

Provided that an order enhancing any penalty or fine in lieu of confiscation or confiscating goods of greater value shall not be made under this section unless the appellant has had an opportunity of making a representation and, if he so desires, of being heard in his defence.

(3) No further appeal shall lie against the order of the court of appeal.

Penalty. 17. Any person who,—

(a) sells, or distributes or supplies in the course of any trade or commerce, any package of cigarettes which does not contain, either on the package or on its label, the specified warning,

(b) produces, or supplies or distributes in the course of any trade or commerce, any package of cigarettes which does not contain, either on the package or on its label, the specified warning,

(c) advertises, or takes part in the advertisement of, cigarettes if such advertisement does not include the specified warning,

shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to five thousand rupees, or with both.

Offences
by com-
panies.

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

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

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

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Offences
to be
cogni-
zable and
bailable.

19. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under this Act shall be bailable.

(2) For the avoidance of doubts, it is hereby declared that every offence punishable under this Act shall be cognizable.

Protec-
tion of
action
taken
in good
faith.

20. No suit, prosecution or other legal proceeding shall lie against the Central Government or any State Government or any officer of the Central Government or any State Government for anything which is in good faith done or intended to be done under this Act.

Power
to make
rules.

21. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the manner in which the seizure of any package of cigarettes shall be made and the manner in which seizure list shall be prepared and delivered to the person from whose custody any package of cigarettes has been seized;

(b) procedure for the refund of any penalty imposed under this Act;

(c) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this Act shall 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.

22. Nothing contained in this Act shall apply to any cigarette or package of cigarettes which is exported:

Provided that nothing in this section shall be deemed to authorise the export of any package of cigarettes, not containing the specified warning to any country if the law in force in that country requires that the same or similar warning shall be specified on each package of cigarettes.

Act not
to apply
to ciga-
rettes
which
are ex-
ported.

Explanation.—For the purposes of this section, any cigarette or package of cigarettes shall be deemed to be exported, if the necessary steps for export have already been taken notwithstanding that the actual export has not taken place.

Rep. by Act... 38... of 1978, S. 24 Sch. I

THE NATIONAL CADET CORPS (AMENDMENT) ACT, 1975

No. 50 OF 1975

[16th August, 1975.]

An Act further to amend the National Cadet Corps Act, 1948.

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

Short title.

1. This Act may be called the National Cadet Corps (Amendment) Act, 1975.

Amendment of section 12.

2. In section 12 of the National Cadet Corps Act, 1948 (hereinafter referred to as the principal Act),— 31 of 1948.

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

“(i) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States.”;

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

“(1A) A member elected under clause (i) of sub-section (1) shall hold office for a period of one year from the date of his election or until he ceases to be a Member of the House which elected him, whichever is earlier.”.

Amendment of section 13.

3. In section 13 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:— 31 of 1948.

“(3) Every rule made under this Act shall 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.”

THE CUSTOMS_TARIFF ACT, 1975

No. 51 OF 1975

[18th August, 1975.]

An Act to consolidate and amend the law relating to customs duties.

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

1. (1) This Act may be called the Customs Tariff Act, 1975.

(2) It extends to the whole of India.

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

2. The rates at which duties of customs shall be levied under the Customs Act, 1962, are specified in the First and Second Schedules.

3. (1) Any article which is imported into India shall, in addition, be liable to a duty (hereafter in this section referred to as the additional duty) equal to the excise duty for the time being leviable on a like article if produced or manufactured in India and if such excise duty on a like article is leviable at any percentage of its value, the additional duty to which the imported article shall be so liable shall be calculated at that percentage of the value of the imported article.

Explanation.—In this section, the expression “the excise duty for the time being leviable on a like article if produced or manufactured in India” means the excise duty for the time being in force which would be leviable on a like article if produced or manufactured in India or, if a like article is not so produced or manufactured, which would be leviable on the class or description of articles to which the imported article belongs, and where such duty is leviable at different rates, the highest duty.

Short title, extent and commencement.

Duties specified in the Schedules to be levied.

Levy of additional duty equal to excise duty.

52 of 1962

(2) For the purpose of calculating under this section the additional duty on any imported article, where such duty is leviable at any percentage of its value, the value of the imported article shall, notwithstanding anything contained in section 14 of the Customs Act, 1962, be the aggregate of—

52 of 1962.

(i) the value of the imported article determined under sub-section (1) of the said section 14 or the tariff value of such article fixed under sub-section (2) of that section; as the case may be; and

(ii) any duty of customs chargeable on that article under section 12 of the Customs Act, 1962, and any sum chargeable on that article under any law for the time being in force as an addition to, and in the same manner as, a duty of customs, but not including the duty referred to in sub-section (1).

52 of 1962.

(3) If the Central Government is satisfied that it is necessary in the public interest to levy on any imported article [whether on such article duty is leviable under sub-section (1) or not] such additional duty as would counter-balance the excise duty leviable on any raw materials, components and ingredients of the same nature as, or similar to those, used in the production or manufacture of such article, it may, by notification in the Official Gazette, direct that such imported article shall, in addition, be liable to an additional duty representing such portion of the excise duty leviable on such raw materials, components and ingredients as, in either case, may be determined by rules made by the Central Government in this behalf.

(4) In making any rules for the purposes of sub-section (3), the Central Government shall have regard to the average quantum of the excise duty payable on the raw materials, components or ingredients used in the production or manufacture of such like article.

(5) 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.

(6) The provisions of the Customs Act, 1962, and the rules and regulations made thereunder, including those relating to drawbacks, refunds and exemption from duties, shall, so far as may be, apply to the duty chargeable under this section as they apply in relation to the duties leviable under that Act.

52 of 1962.

Levy of duty where standard rate and preferential rate are specified.

4. (1) Where in respect of any article a preferential rate of revenue duty is specified in the First Schedule, or is admissible by virtue of a notification under section 25 of the Customs Act, 1962, the duty to be levied and collected shall be at the standard rate, unless the owner of the article claims at the time of importation that it is chargeable with a preferential rate of duty, being the produce or manufacture of the United Kingdom or of such other preferential area as is notified under sub-section (3) and the article is determined, in accordance with the rules made under sub-section (2), to be such produce or manufacture,

52 of 1962.

(2) The Central Government may, by notification in the Official Gazette, make rules for determining if any article is the produce or manufacture of the United Kingdom or of any other preferential area.

(3) For the purposes of this section and the First Schedule, "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland and "other preferential area" means any country or territory which the Central Government may, by notification in the Official Gazette, declare to be such area.

(4) Notwithstanding anything contained in sub-section (1), where the Central Government is satisfied that, in the interests of trade including promotion of exports, it is necessary to take immediate action for discontinuing the preferential rate, or increasing the preferential rate to a rate not exceeding the standard rate, or decreasing the preferential rate, in respect of an article specified in the First Schedule, the Central Government may, by notification in the Official Gazette, direct an amendment of the said Schedule to be made so as to provide for such discontinuance of, or increase or decrease, as the case may be, in, the preferential rate.

(5) Every notification issued under sub-section (3) or sub-section (4) shall, as soon as may be after it is issued, be laid before each House of Parliament.

5. (1) Where under a trade agreement between the Government of India and the Government of a foreign country or territory, duty at a rate lower than that specified in the First Schedule is to be charged on articles which are the produce or manufacture of such foreign country or territory, the Central Government may, by notification in the Official Gazette, make rules for determining if any article is the produce or manufacture of such foreign country or territory and for requiring the owner to make a claim at the time of importation, supported by such evidence as may be prescribed in the said rules, for assessment at the appropriate lower rate under such agreement.

Levy of a lower rate of duty under a trade agreement.

(2) If any question arises whether any trade agreement applies to any country or territory, or whether it has ceased to apply to India or any foreign country or territory, it shall be referred to the Central Government for decision and the decision of the Central Government shall be final and shall not be liable to be questioned in any court of law.

6. (1) Where the Central Government, upon a recommendation made to it in this behalf by the Tariff Commission established under the Tariff Commission Act, 1951, is satisfied that circumstances exist which render it necessary to take immediate action to provide for the protection of the interests of any industry established in India, the Central Government may, by notification in the Official Gazette, impose on any goods imported into India in respect of which the said recommendation is made, a duty of customs of such amount, not exceeding the amount proposed in the said recommendation, as it thinks fit.

Power of Central Government to levy protective duties in certain cases.

(2) Every duty imposed on any goods under sub-section (1) shall, for the purposes of this Act, be deemed to have been specified in the First Schedule as the duty leviable in respect of such goods.

(3) Where a notification has been issued under sub-section (1), the Central Government shall, unless the notification is in the meantime rescinded, have a Bill introduced in Parliament, as soon as may be, but in any case during the next session of Parliament following the date of

the issue of the notification to give effect to the proposals in regard to the continuance of a protective duty of customs on the goods to which the notification relates, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that if the notification under sub-section (1) is issued when Parliament is in session, such a Bill shall be introduced in Parliament during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in Parliament, the notification shall cease to have effect on the expiration of the said period of six months, but without prejudice to the validity of anything previously done thereunder.

Duration of protective duties and power of Central Government to alter them.

7. (1) When the duty specified in respect of any article in the First Schedule is characterised as protective in column (6) of that Schedule, that duty shall have effect only up to and inclusive of the date, if any, specified in that Schedule.

(2) Where in respect of any such article the Central Government is satisfied after such inquiry as it thinks necessary that such duty has become ineffective or excessive for the purpose of securing the protection intended to be afforded by it to a similar article manufactured in India and that circumstances exist which render it necessary to take immediate action, it may, by notification in the Official Gazette, increase or reduce such duty to such extent as it thinks necessary.

(3) Every notification under sub-section (2), in so far as it relates to increase of such duty, shall be laid before each House of Parliament if it is sitting as soon as may be after the issue of the notification, and if it is not sitting within seven days of its re-assembly, and the Central Government shall seek the approval of Parliament to the notification by a resolution moved within a period of fifteen days beginning with the day on which the notification is so laid before the House of the People and if Parliament makes any modification in the notification or directs that the notification should cease to have effect, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, but without prejudice to the validity of anything previously done thereunder.

(4) For the removal of doubts, it is hereby declared that any notification issued under sub-section (2), including any such notification approved or modified under sub-section (3), may be rescinded by the Central Government at any time by notification in the Official Gazette.

Emergency power of Central Government to increase or levy export duties.

8. (1) Where, in respect of any article, whether included in the Second Schedule or not, the Central Government is satisfied that the export duty leviable thereon should be increased or that an export duty should be levied, and that circumstances exist which render it necessary to take immediate action, the Central Government may, by notification in the Official Gazette, direct an amendment of the Second Schedule to be made so as to provide for an increase in the export duty leviable or, as the case may be, for the levy of an export duty, on that article.

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

9. (1) Where any country or territory pays, or bestows, directly or indirectly, any bounty or grant upon the production therein or the exportation therefrom of any article and the article is chargeable with duty under the provisions of this Act, then, upon the importation of any such article into India, whether the same is imported directly from the country of production or otherwise, and whether it is imported in the same condition as when exported from the country of production or has been changed in condition by manufacture or otherwise, the Central Government may, by notification in the Official Gazette, impose an additional duty equal to the net amount of such bounty or grant.

Additional import duty on bountied articles.

(2) The net amount of any such bounty or grant as aforesaid shall, from time to time, be ascertained, determined, and declared by the Central Government, after such inquiry as it may consider necessary and the Central Government may, by notification in the Official Gazette, make rules for the identification of such articles and for the assessment and collection of any additional duty imposed upon the importation thereof under sub-section (1).

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

10. Every rule made under this Act shall 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.

Rules to be laid before Parliament.

11. (1) Where the Central Government is satisfied that it is necessary so to do for the purpose of giving effect to any agreement entered into before the commencement of this Act with a foreign Government, it may, by notification in the Official Gazette, increase or reduce the duties referred to in section 2 to such extent as each case may require:

Power of Central Government to alter duties under certain circumstances.

Provided that no notification under this sub-section increasing or reducing the duties as aforesaid shall be issued by the Central Government after the expiration of a period of one year from the commencement of this Act.

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

32 of 1934.
1 of 1949.

12. (1) The Indian Tariff Act, 1934, and the Indian Tariff (Amendment) Act, 1949, are hereby repealed.

Repeal and saving.

(2) Notwithstanding the repeal of any of the Acts mentioned in sub-section (1), anything done or any action taken (including any notification published and any rules and orders made or deemed to have been made under the provisions of those Acts and in force immediately before the commencement of this Act) shall, in so far as such thing or action is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the provisions of this Act and shall continue in

force accordingly until superseded by anything done or any action taken under this Act.

Conse-
quential
amend-
ment of
Act 52 of
1962.

13. In the Customs Act, 1962, in sub-section (1) of section 12 and in sub-section (1) of section 14, for the words and figures "Indian Tariff Act, 1934", the words and figures "Customs Tariff Act, 1975" shall be substituted.

THE FIRST SCHEDULE—IMPORT TARIFF

(See section 2)

Rules for the interpretation of this Schedule

1. The titles of Sections and Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the Headings and any relative Section or Chapter Notes and, provided such Headings or Notes do not otherwise require, according to the provisions hereinafter contained. The classification of goods within a Heading shall be determined by applying as between sub-headings the like rules as are applicable between Headings.

2. (a) Any reference in a Heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as imported, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), imported un-assembled or disassembled.

(b) Any reference in a Heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles contained in rule 3.

3. When for any reason, goods are, *prima facie*, classifiable under two or more Headings, classification shall be effected as follows:

(a) The Heading which provides the most specific description shall be preferred to Headings providing a more general description.

(b) Mixtures and composite goods which consist of different materials or are made up of different components and which cannot be classified by reference to (a) shall be classified as if they consisted of the material or component which gives the goods their essential character, in so far as this criterion is applicable.

(c) When goods cannot be classified by reference to (a) or (b), they shall be classified under the Heading which involves the highest rate of duty.

4. Goods not falling within any Heading of the Schedule shall be classified under the Heading appropriate to the goods to which they are most akin.

General Explanatory Note

The abbreviation "%" in any column of this Schedule in relation to the rate of duty indicates that duty on the goods to which the

entry relates shall be charged on the basis of the value of the goods as defined in section 14 of the Customs Act, 1962 (52 of 1962), the duty being equal to such percentage of the value as is indicated in that column.

In any entry, if no rate of duty is shown in column (4) or column (5), the rate shown in column (3) shall be applicable.

SECTION I

LIVE ANIMALS; ANIMAL PRODUCTS

CHAPTER 1

Live animals

NOTE

This Chapter covers all live animals except:

- (a) fish, crustaceans and molluscs falling within Chapter 3;
- (b) microbial cultures and other products of Heading No. 30·02;
- and
- (c) animals falling within Chapter 97.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
01·01/06	Live animals including live birds	100%	..	..	..

CHAPTER 2

Meat and edible meat offals

NOTE

This Chapter does not cover:

- (a) meat (including poultry liver) unfit or unsuitable for human consumption;
- (b) guts, bladders or stomachs of animals and animal blood (Chapter 5); or
- (c) animal fat, other than pig and poultry fat (not rendered or solvent-extracted), fresh, chilled, frozen, salted, in brine, dried or smoked (Chapter 15).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
2·01/06	Meat including edible meat offals and pig and poultry fat (not rendered or solvent-extracted), fresh, chilled, frozen, salted, in brine, dried or smoked	100%	..	..	..

CHAPTER 3

Fish, crustaceans and molluscs

NOTE

This Chapter does not cover:

- (a) marine mammals (Chapter 1) or meat thereof (Chapter 2);
- (b) fish (including livers and roes thereof), crustaceans and molluscs, dead, unfit or unsuitable for human consumption by reason of either their species or their condition (Chapter 5); or
- (c) caviar or caviar substitutes (Chapter 16).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
03.01/03	Fish, fresh (live or dead), chilled, frozen, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water	60%	..	..	..

CHAPTER 4

Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included

NOTES

1. "Milk" means full cream or skimmed milk, buttermilk, whey, kephir, yoghurt and similar fermented milk.
2. Milk and cream put up in hermetically sealed cans are regarded as preserved within the meaning of Heading No. 04.01/04.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
04.01/04	Milk and cream, fresh or preserved, butter (including ghee), cheese and curd:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Milk powder	60%	..	..	..
04.05/06	Birds' eggs and egg yolks; fresh, dried or otherwise preserved, sweetened or not; natural honey	100%	..	..	..
04.07	Edible products of animal origin, not elsewhere specified or included	100%	..	..	..

CHAPTER 5

Products of animal origin, not elsewhere specified or included

NOTES

1. This Chapter does not cover:

(a) edible products (other than guts, bladders and stomachs of animals, whole and pieces thereof, and animal blood, liquid or dried);

(b) animal textile materials (other than horsehair and horsehair waste) and other products of Section XI; or

(c) prepared knots or tufts for broom or brush making (Chapter 96).

2. This Chapter does not cover hides or skins (including furskins) falling within Chapters 41 and 43; it covers skins and other parts of birds with their feathers or down, provided they are either unworked, or merely cleaned, disinfected or treated for preservation, but not otherwise mounted or worked.

3. This Chapter covers human hair, unworked, but the sorting of hair by length (provided the root ends and tip ends respectively are not arranged together) shall be deemed not to constitute working.

4. Throughout this Schedule, elephant, mammoth, mastodon, walrus, narwhal and wild boar tusks, rhinoceros horns and the teeth of all animals are regarded as ivory.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
05·01/15	Products of animal origin, not elsewhere specified or included (for example, fish waste; birds' feathers and down not further worked than cleaned, disinfected or treated for preservation; ivory, tortoise-shell and other shells, unworked or simply prepared but not cut to shape; coral and similar substances, unworked or simply prepared; natural sponges) :				
	(1) Not elsewhere specified . . .	60%	..	..	..
	(2) Ivory, unmanufactured . . .	100%	..	90%	..

SECTION II

VEGETABLE PRODUCTS

CHAPTER 6

Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage

NOTES

1. This Chapter covers only live trees and goods (including seedling vegetables of a kind commonly supplied by nursery gardeners or florists for planting or for ornamental use, nevertheless it does not include potatoes, onions, shallots or garlic and other products of Chapter 7.

2. In this Chapter, "florists' wares" is to be taken to include bouquets, floral baskets, wreaths and similar articles made wholly or partly of goods of that kind, account not being taken of accessories of other materials.

Heading No.	Sub-heading No.	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
06.01/04		Living plants and parts thereof, suitable for planting or for ornamental purposes; florists' wares	60%	..	..	..

CHAPTER 7

Edible vegetables and certain roots and tubers

NOTE

In this Chapter, "vegetables" is to be taken to include edible mushrooms, olives, tomatoes, potatoes, cucumbers, marrows, pumpkins, sweet peppers, fennel, parsley and garlic. This Chapter does not, however, cover:

(a) ground sweet peppers falling within Heading No. 09.04/10; or

(b) flours of peas or other dried leguminous vegetables and flour, meal and flakes of potato falling within Heading No. 11.03/09.

Heading No.	Sub-heading No.	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
07.01/06		Vegetables, fresh, dried, dehydrated or evaporated, provisionally preserved but not specially prepared for immediate consumption, dried leguminous vegetables, including pulses, shelled or unshelled; roots and tubers with high starch content; sago pith	100%	..	90%	..

CHAPTER 8

Edible fruit and nuts; peel of melons or citrus fruit

NOTES

1. This Chapter does not cover inedible fruits or nuts.

2. "Fresh" is to be taken to extend to goods which have been chilled.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
08.01/13	Fruits, melon peel, citrus fruit peel and nuts (shelled or not) fresh or dried, preserved by freezing (whether or not cooked, but not containing added sugar), provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption :				
	(1) Not elsewhere specified	100%	..	90%	..
	(2) Raw cashew-nuts	100%	..	90%	..
	(3) Dates	100%	..	90%	..
	(4) Almonds	100%	..	90%	..
	(5) Pistachio nuts	100%	..	90%	..

CHAPTER 9

Coffee, tea, mate and spices

NOTES

1. Heading No. 09.04/10 shall be taken to include spices mixed with other substances provided that the resulting mixtures retain the essential character of spices. Otherwise such mixtures are not classified in this Chapter; those constituting mixed condiments or mixed seasonings are classified in Chapter 21.

2. This Chapter does not cover:

(a) sweet peppers, unground (Chapter 7); or

(b) cubeb pepper (Piper cubeba) and other products of Heading No. 12.07.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
09.01	Coffee, whether or not roasted or freed of caffeine; coffee husks and skins, coffee substitutes containing coffee in any proportion :				
	(1) Not elsewhere specified	100%	..	100% less 13 paise per kilogram	..

Heading No.	Sub-heading No. and description of article	Rate of duty		Duration when rates of duty are protective	
		Standard	U.K.	Other Preferential Areas	Areas
(1)	(2)	(3)	(4)	(5)	(6)
09.01— <i>contd.</i>					
	(2) Coffee canned or bottled	100%	..	90%	..
09.02/03	Tea and mate	100%	..	100% less 26 paise per kilogram	..
09.04/10 Spices (including mixed spices) :					
	(1) Not elsewhere specified	100%	..	..	..
	(2) Cardamoms, nutmegs and pepper; chillies, ginger and mace, unground	100%	..	92½%	..
	(3) Cloves	Rs. 60 per kilogram	..	Rs. 60 per kilogram less 7½%	..
	(4) Cassia and cinnamon	Rs. 20 per kilogram	..	Rs. 20 per kilogram less 7½%	..

CHAPTER 10

Cereals

NOTE

Except for rice, this Chapter does not cover grains which have been ground to remove the husk or pericarp or otherwise worked. However, the Chapter covers unworked rice and also rice, husked, glazed, polished or broken, but not otherwise worked.

Heading No.	Sub-heading No. and description of article	Rate of duty		Duration when rates of duty are protective	
		Standard	U.K.	Other Preferential Areas	Areas
(1)	(2)	(3)	(4)	(5)	(6)
10.01/07	Wheat, rice, maize and other cereals	Free	..	..	..

CHAPTER 11

Products of the milling industry; malt and starches; gluten; inulin

NOTES

1. This Chapter does not cover:

(a) roasted malt put up as coffee substitutes and other coffee substitutes whether or not containing coffee (Heading No. 09.01 or Chapter 21);

(b) flours and meal prepared for use as infant food or for dietetic or culinary purposes falling within Chapter 19;

(c) corn flakes and similar products obtained by the swelling or roasting of cereals or cereal products falling within Chapter 19;

(d) pharmaceutical products (Chapter 30); or

(e) starches falling within Chapter 33, that is, those having the character of perfumery, cosmetics or toilet preparations.

2. (A) Products from the milling of the cereals listed in the table below fall within this Chapter if they have, by weight on the dry product:

- (a) a starch content (determined by the modified Ewers polarimetric method) exceeding that indicated in Column (2); and
- (b) an ash content (after deduction of any added minerals) not exceeding that indicated in Column (3).

Otherwise, they fall to be classified in Chapter 23.

(B) Products falling within this Chapter under the above provisions shall be classified in Heading No. 11.01 (cereal flours) if the percentage passing through a silk gauze or man-made textile sieve with the aperture indicated in Column (4) or (5) is not less, by weight, than that shown against the cereal concerned.

Otherwise, they fall to be classified in Heading No. 11.02.

TABLE

Cereal	Starch content	Ash content	Rate of passage through a sieve with aperture of	
			315 microns	500 microns
(1)	(2)	(3)	(4)	(5)
Wheat and rye	45%	2.5%	80%	..
Barley	45%	3%	80%	..
Oats	45%	5%	80%	..
Maize and sorghum	45%	2%	..	90%
Rice	45%	1.6%	80%	..
Buckwheat	45%	4%	80%	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
11.01	Cereal flours:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Wheat flour	Free	..	..	..
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Cereal groats and cereal meal	Free	..	..	..
11.03/09	Flours, meal and flakes of potatoes, of the leguminous vegetables and of the roots and tubers falling within Chapter 7 or of the fruits falling within Chapter 8; malt, roasted or not; starches; wheat gluten, whether or not dried:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Malt, roasted or not	100%	..	..	..

CHAPTER 12

Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder

NOTES

1. Heading No. 12.01 is to be taken to apply, *inter alia*, to groundnuts, soya beans, mustard seeds, oil poppy seeds, poppy seeds and copra. It is to be taken not to apply to coconuts or other products falling within Chapter 8 or to olives (Chapter 7 or Chapter 20).

2. For the purposes of Heading No. 12.03, beet seeds, grass and other herbage seeds, seeds of ornamental flowers, vegetable seeds, seeds of forest trees, seeds of fruit trees, seeds of vetches and of lupines are to be regarded as seeds of a kind used for sowing. Heading No. 12.03 is, however, to be taken not to apply to the following even if for sowing:

- (a) leguminous vegetables (Chapter 7);
- (b) spices and other products of Chapter 9;
- (c) cereals (Chapter 10); or
- (d) products falling within Heading No. 12.01 or 12.07.

3. Heading No. 12.07 is to be taken to apply, *inter alia*, to the following plants or parts thereof: basil, borage, hyssop, all species of mint, rosemary, rue, sage and wormwood. Heading No. 12.07 is, however, to be taken not to apply to:

- (a) oil seeds and oleaginous fruit (Heading No. 12.01);
- (b) medicaments and other products falling within Chapter 30;
- (c) perfumery and other products falling within Chapter 33; or
- (d) disinfectants, insecticides, fungicides, weed-killers or similar products falling within Chapter 38.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
12.01	Oil seeds and oleaginous fruit, whole or broken:				
	(1) Not elsewhere specified	60%	..	50%	..
	(2) Copra	60%	..	50%	..
12.02	Flours or meals of oil seeds or oleaginous fruit, non-defatted (excluding mustard flour)	60%	..	..	..
12.03	Seeds, fruit and spores, of a kind used for sowing	60%	..	..	..
12.04/06	Sugar beet, whole or sliced, fresh, dried or powdered; sugar cane; chicory roots, fresh or dried, whole or cut, unroasted; hops	100%	..	..	..
12.07	Plants and parts (including seeds and fruit) of trees, bushes, shrubs or other plants, being goods of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes, fresh, dried, whole, cut, crushed, ground or powdered, betel-nuts:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Goods used primarily in pharmacy, or for insecticidal, fungicidal or similar purposes	60%	50%	50%	..
	(3) Betel-nuts	Rs. 3.07 per kilogram	..	Rs. 3.00 per kilogram	..

Heading No.	Sub-heading	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)		(2)	(3)	(4)	(5)	(6)
12.08		Locust beans, fresh or dried, whether or not kibbled or ground, but not further prepared; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other Heading.	100%	..	..	..
12.09/10		Cereal straw and husks unprepared or chopped but not otherwise prepared; hay and similar forage products	60%	..	..	..

CHAPTER 13

Raw vegetable materials of a kind suitable for use in dyeing or in tanning; lacs; gums, resins and other vegetable saps and extracts

NOTE

Heading No. 13.03 is to be taken to apply, *inter alia*, to liquorice extract and extract of pyrethrum, extract of hops, extract of aloes and opium. The Heading is to be taken not to apply to:

(a) liquorice extract containing more than 10 per cent. by weight of sucrose or when put up as confectionery (Heading No. 17.04/05);

(b) malt extract (Chapter 19);

(c) extracts of coffee, tea or mate (Chapter 21);

(d) alcoholic saps and extracts constituting beverages, and other products falling within Chapter 22;

(e) camphor, glycyrrhizin and other products falling within Chapter 29;

(f) medicaments falling within Heading No. 30.03 or blood-grouping reagents (Heading No. 30.04/05);

(g) tanning or dyeing extracts and other products falling within Heading No. 32.02/03;

(h) essential oils, concretes, absolutes and resinoids or aqueous distillates and aqueous solutions of essential oils falling within Chapter 33; or

(ij) rubber, balata, gutta-percha or similar natural gums and other products (Heading No. 40.01/04).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
13.01	Raw vegetable materials of a kind used primarily in dyeing or in tanning:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Wattle bark	40%	..	..	..
13.02	Shellac, seed lac, stick lac and other lacs; natural gums, resins, gum-resins and balsams:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Gums, Arabic, Benjamin (ras and cowrie) and dammar (including unrefined battu)	60%	..	50%	..
	(3) Asafoetida	60%	..		..
13.03	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other natural mucilages and thickeners, derived from vegetable products	60%	..	..	..

CHAPTER 14

Vegetable plaiting and carving materials; vegetable products not elsewhere specified or included

NOTES

1. This Chapter does not cover the following products which are to be classified in Section XI: vegetable materials or fibres of vegetable materials of a kind used primarily in the manufacture of textiles, however prepared, or other vegetable materials which have undergone treatment so as to render them suitable for use only as textile materials.

2. This Chapter covers, *inter alia*, split osier, reeds, bamboos and the like, rattan cores and drawn or split rattans. It does not, however, cover chipwood, wood wool or other products falling within Chapter 44, or prepared knots or tufts for broom or brush making (Chapter 96).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
14.01/05	Vegetable materials of a kind used primarily for plaiting, stuffing or in brushes or in brooms; hard seeds, pips, hulls and nuts, of a kind used for carving (for example, corozo and dom); vegetable products not elsewhere specified or included	60%	..	..	..

SECTION III

ANIMAL AND VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL AND VEGETABLE WAXES

CHAPTER 15

Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes

NOTES

1. This Chapter does not cover:

- (a) pig fat or poultry fat falling within Chapter 2;
- (b) cocoa butter (Chapter 18);
- (c) greaves and residues of Chapter 23;
- (d) fatty acids in an isolated state, prepared waxes, medicaments, paints, varnishes, soap, perfumery, cosmetics or toilet preparations, sulphonated oils or other goods falling within any Heading in Section VI; or
- (e) factice derived from oils (Heading No. 40.01/04).

2. Soapstocks, oil foots and drugs, stearin, wool-grease and glycerol residues are to be taken to fall in Heading No. 15.14/17.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty or protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
15.02/06	Animal (including fish) fats and oils, crude, refined or purified:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Tallow	40%	..	..	..
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified:				
	(1) Not elsewhere specified	60%	..	50%	..
	(2) Soya bean oil	60%	..	50%	..
	(3) Palm oil	60%	..	50%	..
15.08/13	Animal and vegetable oils, boiled, oxidised, dehydrated or otherwise modified; fatty acids, acid oils from refining; fatty alcohols; glycerol and glycerol lyes; animal or vegetable oils hydrogenated or solidified by any other process; de gras, margarine, imitation lard and other prepared animal fats	60%	..	..	..
15.14/17	Spermaceti and insect or vegetable waxes, whether or not coloured; residues resulting from the treatment of fatty substances or animal or vegetable waxes	60%	..	..	..

SECTION IV

PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR;
TOBACCO

CHAPTER 16

Preparations of meat, of fish, of crustaceans or molluscs

NOTE

This Chapter does not cover meat, meat offal, fish, crustaceans or molluscs, prepared or preserved by the processes specified in Chapters 2 and 3.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
16.01/05	Prepared or preserved meat, fish including caviar and caviar substitutes, crustaceans and molluscs; meat extracts and meat juices; fish extracts	100%	..	..	..

CHAPTER 17

Sugar and sugar confectionery

NOTES

1. This Chapter does not cover:

- (a) sugar confectionery containing cocoa (Chapter 18);
- (b) chemically pure sugars other than sucrose, glucose and lactose (Chapter 29); or
- (c) medicaments and other products of Chapter 30.

2. Chemically pure sucrose, whatever its origin, is to be classified in Heading No. 17.01.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
17.01	Beet sugar and cane sugar, solid	60%	..	..	..
17.02	Other sugars including glucose and lactose; sugar syrups; artificial honey (whether or not mixed with natural honey), caramel	100%	..	..	..
17.03	Molasses, whether or not decolourised	60%	..	..	..
17.04/05	Sugar confectionery not containing cocoa; flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion	100%	..	..	..

CHAPTER 18

Cocoa and cocoa preparations

NOTES

1. This Chapter does not cover the preparations described in Chapter 19, Heading No. 22.01/02, 22.09 or 30.03 containing cocoa or chocolate.
2. This Chapter includes sugar confectionery containing cocoa and, subject to Note 1 of this Chapter, other food preparations containing cocoa.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
18.01/06	Cocoa and cocoa preparations (for example, cocoa beans, shells, husks, skins and waste, cocoa paste, cocoa butter, cocoa powder, chocolate and other food preparations containing cocoa)	100%	..	..	..

CHAPTER 19

Preparations of cereals, flour or starch; pastrycooks' products

NOTES

1. This Chapter does not cover:
 - (a) preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing 50 per cent. or more by weight of cocoa (Chapter 18);
 - (b) biscuits or other articles made from flour or from starch, specially prepared for use as animal feeding stuffs (Chapter 23); or
 - (c) medicaments and other products of Chapter 30.
2. In this Chapter, "flour" includes the flour of fruits or of vegetables, and products of such flour are to be classified with similar products of cereal flour.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
19.01/08	Malt extract; preparations of flour, meal, starch or malt extract of a kind used for infant food or for dietetic or culinary purposes, containing less than 50 per cent. by weight of cocoa; macaroni and similar products; tapioca and sago and their substitutes; prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); ordinary and fine bakers' wares (for example, bread, rusks, biscuits, pastry and cakes)	100%	..	..	..

CHAPTER 20

Preparations of vegetables, fruit or other parts of plants

NOTES

1. This Chapter does not cover:

(a) vegetables or fruit, prepared or preserved by the processes specified in Chapters 7 and 8; or

(b) products falling within Heading No. 17.04/05 (for example, fruit jellies, fruit pastes or the like in the form of sugar confectionery) or within Chapter 18 (for example, chocolate confectionery).

2. The vegetables of this Chapter are those which fall within Chapter 7 when imported in the states provided for in that Chapter.

3. This Chapter covers:

(a) edible plants, parts of plants and roots of plants conserved in syrup (for example, ginger); and

(b) roasted groundnuts.

Heading No.	Sub-heading No. and description of article	Rate of Duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
20.01/07	Fruits preserved by freezing, containing added sugar; fruits, fruit-peel and parts of plants, preserved by sugar; jams, fruit jellies, marmalades, fruit puree and fruit pastes, being cooked preparations; vegetable and fruit juices, neither fermented nor containing alcohol; fruit or vegetables prepared or preserved by vinegar, acetic acid or otherwise	100%	..	..	..

CHAPTER 21

Miscellaneous edible preparations

NOTES

1. This Chapter does not cover:

(a) mixed vegetables of Chapter 7;

(b) roasted coffee substitutes containing coffee in any proportion and other products falling within Heading No. 09.01;

(c) spices and other products falling within Heading No. 09.04/10;

(d) yeast put up as a medicament and other products of Heading No. 30.03.

2. Extracts of the substitutes referred to in Note 1 (b) above are to be classified in this Chapter.

3. For the purposes of Heading No. 21.01/07, the expression "homogenised composite food preparations" means, preparations of a kind used as infant food or for dietetic purposes, consisting of a finely homogenised mixture of two or more basic ingredients such as meat (including meat offal), fish, vegetables and fruit. For the application of this definition, no account is to be taken of small quantities of any ingredients which may be added to the mixture for seasoning, preservation or other purposes. Such preparations may contain a small quantity of visible pieces of ingredients other than meat, meat offal or fish.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
21.01/07	Roasted chicory and roasted coffee substitutes, and extracts, essences and concentrates thereof; extracts, essences or concentrates of coffee or tea or mate, and preparations with a basis of these extracts, essences or concentrates; mustard flour and prepared mustard; sauces: mixed condiments and mixed seasonings; soups and broths: homogenised composite food preparations; natural yeasts and prepared baking powders; food preparations not elsewhere specified or included	100%	..	..	..

CHAPTER 22

Beverages, spirits and vinegar

NOTES

1. This Chapter does not cover:

- (a) sea water (Chapter 25);
- (b) distilled and conductivity water and water of similar purity (Chapter 28);
- (c) acetic acid of a concentration exceeding 10 per cent. by weight of acetic acid (Chapter 29);
- (d) medicaments of Heading No. 30.03; or
- (e) products falling within Chapter 33 (for example, perfumery or toilet preparations).

2. For the purposes of Headings Nos. 22.08 and 22.09, the alcoholic strength is to be taken to be that shown on test by Gay Lussac's hydrometer at a temperature of 15° Centigrade.

Heading No.	Sub-heading	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
22·01/02		Waters, including spa waters and aerated waters (whether or not flavoured); lemonade, and other non-alcoholic beverages, not including fruit and vegetable juices falling within Chapter 20; ice and snow	100%	..	..
22·03/07		Beer made from malt; wine of fresh grapes, including grape must, in fermentation or with fermentation arrested; vermouths and other wines of fresh grapes, flavoured with aromatic extracts; other fermented beverages (for example, cider, perry and mead):				
	(1)	Not elsewhere specified	100%	..	..	..
	(2)	Champagne and other sparkling wines, not containing more than 42 per cent. of proof spirit	Rs. 45 per litre	..	..	..
	(3)	Other wines, not containing more than 42 per cent. of proof spirit	Rs. 30 per litre	..	..	..
	(4)	Wines containing more than 42 per cent. of proof spirit	Rs. 80 per litre or 270%, whichever is higher.	..	..	..
22·08		Ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength:				
	(1)	Not elsewhere specified	Rs. 80 per litre or 270%, whichever is higher.	..	..	..
	(2)	Denatured spirits (including ethyl alcohol and neutral spirits) of any strength	60%	..	..	..
22·09		Spirits (other than those of Heading No. 22·08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages:				
	(1)	Not elsewhere specified	Rs. 80 per litre or 270%, whichever is higher.	..	..	..
	(2)	Whisky, brandy and gin	Rs. 80 per litre or 270%, whichever is higher.	..	..	..

Heading No.	Sub-heading	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
22.09-- contd.	(3)	Liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages	Rs. 60 per litre or 170%, whichever is higher plus Rs. 5 per litre.	..	..	..
22.10		Vinegar and substitutes for vinegar	60%	..	..	..

CHAPTER 23

Residues and waste from the food industries; prepared animal fodder

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
23.01/07	Residues and waste of food industries (for example, inedible meat or fish flour or meal); milling residues, waste from sugar, brewing and distilling and starch industries; oil-cake and other residues from oil-extraction (except dregs); products of vegetable origin of a kind used for animal food, not elsewhere specified or included; sweetened forage and other prepared animal fodder	60%	..	..	..

CHAPTER 24

Tobacco

Heading No.	Sub-heading	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
24.01	Unmanufactured tobacco ; tobacco refuse		Rs. 50 per kilogram	..	..	..
24.02	Manufactured tobacco; tobacco extracts and essences		100%	..	..	..

SECTION V

MINERAL PRODUCTS

CHAPTER 25

Salt; sulphur; earths and stone; plastering materials, lime and cement

NOTES

1. Except where the context otherwise requires, this Chapter is to be taken to apply only to goods which are in the crude state, or which have been washed (even with chemical substances eliminating the impurities without changing the structure of the product), crushed, ground, powdered, levigated, sifted, screened; concentrated by flotation, magnetic separation or other mechanical or physical processes (not including crystallisation) but not calcined or subjected to any further process other than a process specially mentioned in respect of the goods described in Note 3.

2. This Chapter does not cover:

(a) sublimed sulphur, precipitated sulphur or colloidal sulphur (Chapter 28);

(b) ferrous earth colours containing 70 per cent. or more by weight of combined iron evaluated as Fe_2O_3 (Chapter 28);

(c) medicaments and other products of Chapter 30;

(d) perfumery, cosmetics or toilet preparations falling within Chapter 33;

(e) road and paving setts, flagstones, curbs, mosaic cubes, and roofing, facing and damp course slates, falling within Chapter 68;

(f) precious or semi-precious stones (Heading No. 71.02);

(g) cultured sodium chloride crystals (other than optical elements) weighing not less than two and a half grams each, of Chapter 38; optical elements of sodium chloride (Heading No. 90.01); or

(h) writing or drawing chalks, tailors' or billiards chalks (Heading No. 98.03/09).

3. The following goods are to be classified in this Chapter:

(a) quartzite, slate, monumental and building stones, dolomite and natural steatite, not further worked than roughly split, roughly squared or squared by sawing;

(b) mica splittings and waste;

(c) the following, whether or not calcined, namely, clay (for example kaolin and bentonite); andalusite; kyanite; sillimanite; siliceous fossil meals and similar siliceous earths (for example, kieselghur, tripolite or diatomite) of an apparent specific gravity of 1 or less; dolomite; gypsum; crude natural borates and concentrates thereof;

(d) natural barium carbonate (witherite), whether or not calcined, other than barium oxide;

(e) natural magnesium carbonate (magnesite), whether or not calcined, other than magnesium oxide;

(f) strontianite, whether or not calcined, other than strontium oxide;

(g) earth colours, whether or not calcined or mixed together;

(h) natural abrasives, whether or not heat-treated;

(ij) agglomerated dolomite (including tarred dolomite);

(k) meerschaum (whether or not in polished pieces) and ambers; agglomerated meerschaum and agglomerated amber, in plates, rods, sticks or similar forms, not worked after moulding; and

(l) macadam and tarred macadam, of a kind commonly used for concrete aggregates, for road metalling, or for railway or other ballast.

4. This Chapter also covers:

(a) pure sodium chloride;

(b) unroasted iron pyrites;

(c) limestone flux;

(d) quicklime, slaked lime and hydraulic lime, other than calcium oxide and hydroxide;

(e) crude natural boric acid containing not more than 85 per cent. of H_3BO_3 calculated on the dry weight; and

(f) broken pottery.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)

25·01/32 Mineral substances, not elsewhere specified (including clay, earths, earth colours, natural abrasives, salt, sulphur, slate and stone); cements, all sorts, not elsewhere specified (including Portland cement and clinker); lime; plasters, with a basis of calcium sulphate, whether or not coloured, but not including plasters specially prepared for use in dentistry:

(1) Not elsewhere specified	60%	..	..	..
(2) Asbestos raw including fibre	40%	..	..	..
(3) Battery grade manganese dioxide	60%	50%	50%	..
(4) Cements, all sorts, not elsewhere specified (including Portland cement and clinker)	60%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
25.01/32 —contd.	(5) Cryolite, natural	40%	30%	30%	..
	(6) Fluor-spar	60%	..	..	..
	(7) Graphite, natural	60%	..	50%	..
	(8) Mineral phosphates, natural, imported in a form indicative of their use as fertilisers . . .	Free	..	..	..
	(9) Rutile in granular or powder form for use otherwise than for extraction of metal	60%	..	..	..
	(10) Insoluble sulphur	60%	..	..	..
	(11) Sulphur of all kinds, other than insoluble sulphur, sublimed sulphur, precipitated sulphur and colloidal sulphur	10%	..	..	..

CHAPTER 26

Metallic ores, slag and ash

NOTES

1. This Chapter does not cover:

(a) slag and similar industrial waste prepared as macadam (Chapter 25);

(b) natural magnesium carbonate (magnesite), whether or not calcined (Chapter 25);

(c) basic slag of Chapter 31;

(d) slag wool, rock wool or similar mineral wools (Chapter 68);

(e) goldsmiths', silversmiths' and jewellers' sweepings, residues, lemls and other waste and scrap, of precious metal (Heading No. 71.05/11); or

(f) copper, nickel or cobalt mattes produced by any process of smelting (Section XV).

2. For the purposes of Heading No. 26.01, "metallic ores" means minerals of mineralogical species actually used in the metallurgical industry for the extraction of mercury, of the fissile or radio-active metals of Chapter 28, or of the metals of Section XIV or XV, even if they are intended for non-metallurgical purposes. The Heading does not, however, include minerals which have been submitted to processes not normal to the metallurgical industry.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
26.01	Metallic ores and concentrates; roasted iron pyrites:				
	(1) Not elsewhere specified .	60%	..	..	..
	(2) Antimony ore and concentrates .	40%	..	..	..
	(3) Tungsten ore and concentrates .	40%	..	..	..
	(4) Zinc ore and concentrates .	40%	..	..	..
26.02/04	Slag, ash and residues containing metals or metallic compounds .	40%	..	..	..

CHAPTER 27

Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes

NOTES

1. This Chapter does not cover:

(a) separate chemically defined organic compounds, other than chemically pure methane and propane which are to be classified in Heading No. 27.11;

(b) medicaments falling within Heading No. 30.03; or

(c) mixed unsaturated hydrocarbons falling within Chapter 33 or Chapter 38.

2. Heading No. 27.07 is to be taken to include products similar to those obtained by the distillation of high temperature coal tar but which are obtained by the distillation of low temperature coal tar or other mineral tar by processing petroleum, or by any other process, provided that the weight of the aromatic constituents exceeds that of the non-aromatic constituents.

3. References in Heading No. 27.10 to petroleum oils and oils obtained from bituminous minerals are to be taken to include also similar oils, as well as those consisting of mixed unsaturated hydrocarbons, obtained by any process, provided that the weight of the non-aromatic constituents exceeds that of the aromatic constituents.

4. Heading No. 27.12/13 is to be taken to include not only paraffin wax and other waxes specified therein, but also similar products obtained by synthesis or by other processes.

5. "Flash point" shall be determined in accordance with the tests specified in respect of "Flash point" or "Flashing point" in the rules

under the Petroleum Act, 1934 (30 of 1934); and where such rules require the determination of temperature in terms of the Fahrenheit scale, the temperature as determined shall for the purposes of this Chapter be deemed to be the corresponding temperature in terms of the Centigrade scale.

6. "Smoke point" shall be determined in the apparatus known as the smoke point lamp in the manner prescribed in this behalf by the Central Government by notification in the Official Gazette.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
27*01/06	Coal (including solid fuels manufactured therefrom); lignite; peat; coke and semi-coke of coal, of lignite or of peat; retort carbon; mineral tars (including partially distilled tars and blends of pitch with creosote oils or with other coal tar distillation products)	40%	..	..	..
27*07	Oils and other products of the distillation of high temperature coal tar; similar products as defined in Note 2 to this Chapter	40%	..	..	..
27*08	Pitch and pitch coke, obtained from coal tar or from other mineral tars	40%	..	..	..
27*09	Petroleum oils and oils obtained from bituminous minerals, crude	Free	..	..	..
27*10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70 per cent. by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Motor spirit, that is to say, any inflammable hydrocarbon (including any mixture of hydrocarbons) which has its flashing point below 24.4° Centigrade and which, either by itself or in admixture with other substances, is suitable for use as fuel in spark-ignition engines	The rate at which excise duty is for the time being leviable on motor spirit.	..	..	..
	(3) Kerosene, that is to say, any hydrocarbon oil (excluding mineral colza oil and white spirit) which has a smoke point of twenty millimetres or more and is ordinarily used as an illuminant in oil burning lamps	The rate at which excise duty is for the time being leviable on kerosene.	..	..	..
	(4) Aviation turbine fuel	The rate at which excise duty is for the time being leviable on kerosene.	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
27.10— contd.	<p>(5) High speed diesel oil and vaporising oil, that is to say, any hydrocarbon oil (excluding mineral colza oil and white spirit) which has its flashing point at or above 24.4° Centigrade, is ordinarily used as fuel in automotive engines and satisfies either of the following requirements :</p> <p>(i) the oil has a smoke point of 11 millimetres or more but less than 20 millimetres, or</p> <p>(ii) the oil has a smoke point of less than 11 millimetres but has a viscosity of less than 50 seconds by Redwood I Viscometer at 37.8° Centigrade and contains less than 1/4 per cent. by weight of any bituminous substance.</p>	Rs. 44.50 per kilolitre at 15% Centigrade or 16% whichever is higher.	..	..	..
	<p>(6) Diesel oil not elsewhere specified, that is to say, any hydrocarbon oil which is ordinarily used as fuel in stationary diesel engines and which satisfies the following requirements :</p> <p>(i) has its flashing point at or above 65.6° Centigrade,</p> <p>(ii) has a smoke point of less than 11 millimetres,</p> <p>(iii) contains 1/4 per cent. or more by weight of any bituminous substance, and</p> <p>(iv) possesses a viscosity of less than 100 seconds by Redwood I Viscometer at 37.8° Centigrade.</p>	16%	..	..	..
	<p>(7) Furnace oil, that is to say, any hydrocarbon oil which is ordinarily used as furnace fuel and not suitable for use in spark-ignition engines and which satisfies the following requirements :</p> <p>(i) has its flashing point at or above 65.6° Centigrade,</p> <p>(ii) has a smoke point of less than 11 millimetres,</p>	16%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
27·10— <i>contd.</i>	(iii) contains 1/4 per cent. or more by weight of any bituminous substance, and (iv) possesses a viscosity of 100 seconds or more by Redwood I Viscometer at 37·8° Centigrade.				
	(8) Lubricating oil, that is to say, any oil as is ordinarily used for lubrication, excluding any hydrocarbon oil which has its flashing point below 93·3° Centigrade	40%	..	..	..
	(9) Hydrocarbon oil which has its flashing point at or above 93·3° Centigrade and is ordinarily used for the batching of jute or other fibre	40%	..	..	..
	(10) Lubricating greases	40%	..	..	..
27·11	Petroleum gases and other gaseous hydrocarbons	60%	..	..	..
27·12/13	Petroleum jelly; paraffin wax, microcrystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured	60%	..	..	..
27·14/16	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals; bitumen and asphalt, natural; bituminous shale, asphaltic rock and tar sands; bituminous mixtures based on natural asphalt, on natural or petroleum bitumen, on mineral tar or mineral tar pitch (for example, bituminous mastics, cutbacks)	60%	..	..	..

SECTION VI

PRODUCTS OF THE CHEMICAL AND ALLIED INDUSTRIES

NOTES

1. (a) Goods (other than radio-active ores) answering to a description in Note 2(a)(ix) or 2(a)(x) to Chapter 28 are to be classified in that Chapter and in no other Chapter of this Schedule.

(b) Subject to paragraph (a) above, goods answering to a description in Notes 2(a)(ii), 2(a)(v) and 2(a)(vi) to Chapter 28 are to be classified in that Chapter and in no other Chapter of this Section.

2. Subject to Note 1 above, goods classifiable within Chapter 30, 37 or 38 by reason of being put up in measured doses or for sale by retail are to be classified in those Chapters and in no other Chapter of this Schedule.

CHAPTER 28

Inorganic chemicals; organic and inorganic compounds of precious metals, of rare earth metals, of radio-active elements and of isotopes

NOTES

1. Except where their context or these Notes otherwise require, this Chapter is to be taken to apply only to:

(a) separate chemical elements and separate chemically defined compounds, whether or not containing impurities;

(b) products mentioned in (a) above dissolved in water;

(c) products mentioned in (a) above dissolved in other solvents, provided that the solution constitutes a normal and necessary method of putting up these products adopted solely for reasons of safety or for transport and that the solvent does not render the product particularly suitable for some type of use rather than for general use;

(d) the products mentioned in (a), (b) or (c) above, with an added stabiliser necessary for their preservation or transport;

(e) the products mentioned in (a), (b), (c) or (d) above with an added anti-dusting agent or a colouring substance added to facilitate their identification or for safety reasons, provided that the additions do not render the product particularly suitable for some types of use rather than for general use.

2. The following products are to be classified in this Chapter:

(a) (i) alkali and alkaline-earth metals; rare earth metals, yttrium and scandium and inter-mixtures or interalloys thereof; mercury;

(ii) amalgams;

(iii) artificial corundum;

(iv) carbon black, anthracene black, acetylene black and lamp black;

(v) colloidal precious metals;

(vi) compounds inorganic or organic, of precious metals whether or not chemically defined; compounds inorganic or organic of thorium, of uranium depleted in U 235, of rare earth metals, of yttrium or of scandium, whether or not mixed together;

(vii) distilled and conductivity water and water of similar purity;

(viii) earth colours containing not less than 70 per cent. by weight of combined iron evaluated as Fe_2O_3 ;

(ix) fissile chemical elements and isotopes, namely, natural uranium and uranium isotopes 233 and 235, plutonium and plutonium isotopes; radio-active chemical elements, namely, technetium, promethium, polonium, astatine, radon, francium, radium actinium, protactinium, neptunium, americium and other elements of higher

atomic number; all other radio-active isotopes, natural or artificial, including those of the precious metals and of the base metals of Sections XIV and XV; compounds inorganic or organic of such elements or isotopes whether or not chemically defined and whether or not mixed together; alloys (other than ferro-uranium), dispersions and cermets containing any of these elements or isotopes or their inorganic or organic compounds; nuclear reactor cartridges, spent or irradiated;

(x) other isotopes and their compounds, inorganic or organic, whether or not chemically defined.

(The term "isotopes" includes "enriched isotopes", but does not include chemical elements which occur in nature as pure isotopes or uranium depleted in U 235);

(xi) liquid air (whether or not rare gases have been removed); compressed air;

(xii) phosphides including ferro-phosphorus, containing 15 per cent. or more by weight of phosphorus, and phosphor copper containing more than 8 per cent. by weight of phosphorus; and

(xiii) sulphur, sublimed or precipitated; colloidal sulphur.

(b) In addition to the organic compounds specified in (a) above, only the following compounds of carbon are to be classified in this Chapter:

(i) metal and non-metal carbides;

(ii) carbonates and percarbonates of inorganic bases;

(iii) carbon disulphide;

(iv) cyanides and complex cyanides of inorganic bases; fulminates, cyanates and thiocyanates of inorganic bases;

(v) dithionites stabilised with organic substances;

(vi) hydrocyanic, fulminic, isocyanic, thiocyanic and other simple or complex cyanogen acids;

(vii) oxides and oxyhalides of carbon;

(viii) solid hydrogen peroxide, carbon oxysulphide, thiocarbonyl halides, cyanogen, cyanogen halides and cyanamide and its metallic derivatives other than calcium cyanamide containing not more than 25 per cent. by weight of nitrogen, calculated on the dry anhydrous product (Chapter 31);

(ix) sulphonylates; and

(x) thiocarbonates, selenocarbonates, tellurocarbonates selenocyanates tellurocyanates tetrathiocyanates, diaminochromates (reineckates) and other complex cyanates of inorganic bases.

3. This Chapter does not cover:

(a) sodium chloride or other mineral products falling within Section V;

(b) organo-inorganic compounds other than those mentioned in Notes 2(a) and 2(b) above;

(c) products mentioned in Note 1 or 2 to Chapter 31;

(d) colouring matter and inorganic products of a kind used as luminophores falling within Heading No. 32.04/12;

(e) artificial graphite; products put up as charges for fire-extinguishers or put up in fire extinguishing grenades, ink removers put up in packings for sale by retail and cultured crystals (other than optical elements) weighing not less than 2.50 grams each, of magnesium oxide or of the halides of the alkali or of the alkaline-earth metals (Chapter 38);

(f) precious or semi-precious stones (natural, synthetic or reconstructed) or dust or powder of such stones (Headings Nos. 71.02 to 71.04) and precious metals falling within Chapter 71;

(g) the metals, whether or not chemically pure, falling within any Heading of Section XV;

(h) optical elements, for example, of magnesium oxide or of the halides of the alkali or of the alkaline-earth metals (Heading No. 90.01); or

(ij) laboratory chemicals or reagents as defined in Note 2 to Chapter 29.

4. Chemical elements (for example, silicon and selenium) doped for use in electronics are to be classified in the present Chapter, provided that they are in forms unworked as drawn, or in the form of cylinders or rods. When cut in the form of discs, wafers or similar forms, they fall in Chapter 38.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
28.01/58	Chemical elements, inorganic chemical compounds and other products as specified in Notes 1 and 2 to this Chapter :				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Aluminium fluoride	60%	50%	..	..
	(3) Aluminium oxide	60%	50%	..	..
	(4) Bleaching paste and bleaching powder	40%	..	..	..
	(5) Borax and boric acid	60%	..	..	..
	(6) Carbon (including carbon black)	60%	..	..	..
	(7) Cryolite, synthetic	60%	50%	..	..
	(8) Iodine in crude form	60%	54%	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
28.01/58 —contd.	(9) Mercury (excluding A. R., B.P., U.S.P. or equivalent grade of purity in containers holding 500 grams or less)	40%	..	..	..
	(10) Silicon	60%	..	..	..
	(11) Sodium hydrosulphite	60%	50%	..	..
	(12) Titanium dioxide	60%	50%	..	..
	(13) The following products, namely, Acids, not elsewhere specified, Air (compressed or liquid), Alums, Amalgams, Ammonia, anhydrous, Arsenic, Azides, Bicarbonate of soda, Borides, Cadmium sulphide, Carbides (for example, silicon carbide, boron carbide, metal carbides), Chrome compounds, Cobalt oxide, Corundum, artificial, Green copperas (ferrous sulphate), Hydrides, Lead compounds, Magnesium compounds, Nitrides, Potassium compounds, Selenium, Silicides, Soda ash, Sodium cyanide, Sodium silicate, Uranium oxide, Zinc compounds.	60%	..	..	..

CHAPTER 29

Organic chemicals

NOTES

1. This Chapter is to be taken to apply only to:

- (a) separate chemically defined organic compounds, whether or not containing impurities;
- (b) mixtures of two or more isomers of the same organic compound (whether or not containing impurities), except mixtures of acyclic hydrocarbon isomers (other than stereoisomers), whether or not saturated (Chapter 27);
- (c) the following products, whether or not chemically defined:
 - (i) antibiotics;
 - (ii) enzymes;

(iii) glycosides, natural or reproduced by synthesis; their salts, ethers, esters and other derivatives;

(iv) hormones, natural or reproduced by synthesis; derivatives thereof, used primarily as hormones; other steroids used primarily as hormones;

(v) provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent;

(vi) vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives; and

(vii) sugar ethers and sugar esters, and their salts;

(d) products mentioned in (a), (b) or (c) above dissolved in water;

(e) products mentioned in (a), (b) or (c) above dissolved in other solvents, provided that the solution constitutes a normal and necessary method of putting up these products adopted solely for reasons of safety or for transport and that the solvent does not render the product particularly suitable for some types of use rather than for general use;

(f) the products mentioned in (a), (b), (c), (d) or (e) above with an added stabiliser necessary for their preservation or transport;

(g) the products mentioned in (a), (b), (c), (d), (e) or (f) above with an added anti-dusting agent or a colouring or odouriferous substance added to facilitate their identification or for safety reasons, provided that the additions do not render the product particularly suitable for some types of use rather than for general use;

(h) diazonium salts, arylides used as couplers for these salts and fast bases for azoic dyes, diluted to standard strengths.

2. In addition to those specified in Note 1 above, this Chapter also covers all chemicals, organic or inorganic, whether or not chemically defined, imported in packings not exceeding $\frac{1}{2}$ kilogram or $\frac{1}{4}$ litre and which can be identified with reference to their purity, marking or other features to show them to be meant for use solely as laboratory chemicals.

3. This Chapter does not cover:

(a) fats and oils, of fish and marine mammals, whether or not refined falling within Heading No. 15.01/06, or glycerol (Heading No. 15.08/13);

(b) ethyl alcohol (Heading No. 22.08 or 22.09);

(c) methane and propane (Heading No. 27.11);

(d) the compounds of carbon mentioned in Note 2 of Chapter 28;

(e) urea (Heading No. 31.02/05);

(f) colouring matter of vegetable or animal origin, synthetic organic dyestuffs (including pigment dyestuffs), synthetic organic products of a kind used as luminophores, products of the kind known as optical bleaching agents substantive to the fibre, natural indigo and dyes or other colouring matter put up in forms or packings of a kind sold by retail (Heading No. 32.04/12);

(g) metaldehyde, hexamethylenetetramine and similar substances put up in forms (for example, tablets, sticks or similar forms) for use as fuels, and liquid fuels of a kind used in mechanical lighters in containers of a capacity not exceeding 300 cubic centimetres (Chapter 36);

(h) products put up as charges for fire-extinguishers or put in fire-extinguishing grenades and ink removers put up in packings for sale by retail (Chapter 38); or

(i) optical elements, for example, of ethylenediamine tartrate (Heading No. 90.01).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	

(1) (2) (3) (4) (5) (6)

29.01/45 Organic compounds including antibiotics, enzymes, hormones, sulphadiazole, vitamins and other products specified in Notes 1 and 2 to this Chapter :

(1) Not elsewhere specified	60%	50%	..	..
(2) Acid cresylic	60%	54%	54%	..
(3) The following alcohols, namely, Isopropyl alcohol, Methyl alcohol, Propyl alcohol	60%	..	..	..
(4) The following hydrocarbons, namely, Benzene, Ethyl benzene, Toluene, Xylene	40%	..	..	..
(5) The following dye intermediates, namely,	60%	50%	..	December 31st, 1977

C-Acid (2-Chloro-5-toluidine-4-sulphonic acid or 6-chloro-toluidine-4-sulphonic acid),

H-Acid,

I-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid),

J-Acid urea,

Aceto-acet-anilide,

Aceto-acet-o-chloro-anilide,

Aceto-acet-o-Toluidine,

Aceto-acetic ester (ethyl/methyl),

1-amino anthraquinone,

2-Amino-anthraquinone

(Beta-amino-anthraquinone),

O-amino azo toluene

(2,3-dimethyl-4-amino-azo-benzene or 4-ortho-toluylo-ortho-toluidine),

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferen- tial Areas	
(1)	(2)	(3)	(4)	(5)	(6)
29.01/45 —contd.	<p>Amino Iso G-acid 1-Amino-6-nitro-2-naphthol- 4-sulphonic acid, Anthraquinone Beta naphthalene thioglycolic acid (2-naphthyl thioglycolic acid), Beta Naphthol, Benzidine sulphate/Benzidine dihydro chloride, Benzoyl J-Acid (2-Benzoyl amino 5-naphthol- 7-sulphonic acid), Chicago acid, 4-chloro-2-anisidine, M-chloro aniline, O-chloro aniline, P-chloro aniline, 4-chloro-2-nitro anisole, 4-chloro-2-nitro Aniline, M-chloro-para-xylene, 4-chloro-o-toluidine, 5-chloro-o-toluidine, 2:5 dichloro aniline, 1:4 diamino anthraquinone 1:5 diamino-anthraquinone, 2:5-Dichloro nitro benzene, Dimethylaniline, 2:5 dimethyl-4-chlorophenyl thioglycolic acid, Dimethyl sulphate, Dinitrostilbene disulphonic acid (4, 4/dinitrostilbene-2, 2/- disulphonic acid), Gamma acid, Meta-phenylene diamine, Meta-toluylene diamine, Nevile Winther acid, M-Nitro-aniline, O-nitro aniline, P-nitro anisole, P-nitrosophenol (1-hydroxy-4-nitro benzene), Ortho anisidine, Ortho nitro-toluene Ortho Toluidine, M-nitro-p-toluidine (MNPT), Para Anisidine, Para Nitro aniline, Para nitro-toluene, Para nitro toluene sulphonic acid or para-nitro toluene-ortho- sulphonic acid (toluene-4- nitro-2-sulphonic acid or ben- zene-1-methyl-4-nitro-2-sulphonic acid), Para toluidine, Para toluidine meta sulphonic acid, Phenyl J. acid (2-phenyl- amino-5-naphthol-7-sulphonic acid or 2-phenylamino-5-hydroxy naphthalene-7-Sulphonic acid), Peri acid, Rhoduline acid, G-Salt, R-salt (2-naphthol-3, 6-disulpho- nic acid, Sodium salt), Schaeffer's acid (2-naphthol-6- sulphonic acid), Sodium naphthionate/naphthi- onic acid, Sulphanilic acid,</p>				

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
29.01/45 —contd.	Tobias acid (2-naphthylamine-1-sulphonic acid), Trichloro benzene.				
	(6) The following dye intermediates, namely, Diamino Stilbene Disulphonic Acid (4, 4/diamino stilbene-2, 2/dsulphonic acid), Diethyl Meta Amino Phenol (Meta-diethylamino Phenol), Metanilic acid, Ortho-Toluidine, Phenyl Peri Acid (Phenylamino naphthalene-8-sulphonic acid), Quinizarine (1, 4-dihydroxy-anthraquinone).	100%	90%	..	December 31st, 1977
	(7) Fast colour bases ordinarily used as coupling components	60%	..	..	..
	(8) Fast colour salts	60%	..	..	..
	(9) Naphthols ordinarily used as coupling components	60%	..	..	..
	(10) The following compounds, namely, Acids, not elsewhere specified, Acetic acid, Carbolic acid (phenol), Citric acid, Tartaric acid, Camphor, Rennet essence.	60%	..	..	..
	(11) Aromatic chemicals, namely, such organic chemicals as are ordinarily used for imparting aroma to perfumery, cosmetics, toilet products, food products, and beverages	60%	50%	..	..
	(12) Insecticide, pesticide, and fungicide chemicals	60%	50%	..	..
	(13) Pharmaceutical chemicals that is, chemicals having prophylactic or therapeutic value and used solely or predominantly as drugs, not elsewhere specified	60%	50%	50%	..
	(14) The following pharmaceutical chemicals, namely, Cocaine, Alkaloids of opium and their derivatives, Alkaloids of cinchona and other alkaloids which are chemically identical with cinchona alkaloids.	60%	..	..	..
	(15) Antibiotics	60%	54%	54%	..
	(16) Sulpha drugs	60%	54%	54%	..
	(17) Vitamins	60%	54%	54%	..
	(18) Saccharine and such other substances as the Central Government may by notification in the Official Gazette declare to be of a like nature or use to saccharine; and intermediates used in the manufacture of saccharine or such other substances and notified by the Central Government as aforesaid				
			Rs. 20 per Kilogram	..	..
	(19) Laboratory chemicals, organic and inorganic as defined in Note 2 to this Chapter	60%	50%	..	..
	(20) Caprolactam and Dimethyl trephthalate		150%	140%	150%

CHAPTER 30

Pharmaceutical products

NOTES

1. For the purposes of Heading No. 30.03, "medicaments" means goods (other than foods or beverages such as dietetic, diabetic or fortified foods, tonic beverages, spa water) not falling within Heading No. 30.02 or 30.04/05 which are either:

(a) products comprising two or more constituents which have been mixed or compounded together for therapeutic or prophylactic uses; or

(b) unmixed products suitable for such uses put up in measured doses or in forms or in packings of a kind sold by retail for therapeutic or prophylactic purposes.

For the purposes of these provisions and of Note 3(c) to this Chapter, the following are to be treated:

(A) As unmixed products:

(1) unmixed products dissolved in water;

(2) all goods falling in Chapter 28 or 29; and

(3) simple vegetable extracts falling within Heading No. 13.03, merely standardised or dissolved in any solvent.

(B) As products which have been mixed:

(1) colloidal solutions and suspensions (other than colloidal sulphur);

(2) vegetable extracts obtained by the treatment of mixtures of vegetable materials; and

(3) salts and concentrates obtained by evaporating natural mineral waters.

2. The Headings of this Chapter are to be taken not to apply to:

(a) aqueous distillates and aqueous solutions of essential oils, suitable for medicinal uses (Chapter 33);

(b) dentifrices of all kinds, including those having therapeutic or prophylactic properties, which are to be considered as falling within Chapter 33; or

(c) soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes or moulded pieces or shapes, whether or not combined with soap falling within Chapter 34, containing added medicaments.

3. In Heading No. 30.04/05, "other pharmaceutical goods" is to be taken to apply, and to apply only, to:

(a) sterile laminaria and sterile laminaria tents;

(b) sterile absorbable surgical haemostatics;

(c) opacifying preparations for X-ray examination and diagnostic reagents (excluding those of Heading No. 30.02) designed to be

administered to the patient, being unmixed products put up in measured doses or products consisting of two or more products which have been mixed or compounded together for such uses;

- (d) blood-grouping reagents;
- (e) dental cements and other dental fillings; and
- (f) first-aid boxes and kits.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty Preferential Areas are protective
		Standard	U.K.	Other	
(1)	(2)	(3)	(4)	(5)	(6)
30.01	Organo-therapeutic glands or other organs, dried, whether or not powdered; organo-therapeutic extracts of glands or other organs or of their secretions; other animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included	60%	[50%	50%	..
30.02	Antisera; microbial vaccines, toxins, microbial cultures (including ferments but excluding yeasts) and similar products	60%	50%	50%	..
30.03	Medicaments (including veterinary medicaments):				
	(1) Not elsewhere specified	60%	50%	50%	..
	(2) Medicaments containing spirit	Rs. 14.40 per litre or 60% whichever is higher plus Rs. 5 per litre.	Rs. 14.40 per litre or 60% whichever is higher plus Rs. 5 per litre.	Rs. 14.40 per litre or 60% whichever is higher plus Rs. 5 per litre.	..
30.04/05	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in retail packings for medical or surgical purposes; sterile surgical suture materials and other pharmaceutical goods specified in Note 3 to this Chapter.	60%	..	..	..

CHAPTER 31

Fertilisers and allied chemicals

NOTES

1. Heading No. 31.02/05 includes the following:

(A) Goods which answer to one or other of the descriptions given below:

- (i) Sodium nitrate containing not more than 16.3 per cent. by weight of nitrogen;
- (ii) Ammonium nitrate, whether or not pure;
- (iii) Ammonium sulphonitrate, whether or not pure;
- (iv) Ammonium sulphate, whether or not pure;
- (v) Calcium nitrate containing not more than 16 per cent. by weight of nitrogen;

(vi) Calcium nitrate-magnesium nitrate, whether or not pure;

(vii) Calcium cyanamide containing not more than 25 per cent. by weight of nitrogen, whether or not treated with oil; and

(viii) Urea, whether or not pure;

(B) Fertilisers consisting of any of the goods described in (A) above, but without quantitative criteria, mixed together;

(C) Fertilisers consisting of ammonium chloride or of any of the goods described in (A) or (B) above, but without quantitative criteria, mixed with chalk, gypsum or other inorganic non-fertilising substances;

(D) Liquid fertilisers consisting of the goods described in (A) (ii) or (A) (viii) above, or of mixtures of those goods, in an aqueous or liquid ammonia solution;

(E) Goods which answer to one or other of the descriptions given below:

(i) basic slag;

(ii) disintegrated (calcined) calcium phosphates (thermo-phosphates and fused phosphates) and calcined natural aluminium calcium phosphates;

(iii) superphosphates (single, double or triple);

(iv) calcium hydrogen phosphate containing not less than 0.2 per cent. by weight of fluorine;

(F) Fertilisers consisting of any of the goods described in (E) above, but without quantitative criteria, mixed together;

(G) Fertilisers consisting of any of the goods described in (E) or (F) above, but without quantitative criteria, mixed with chalk, gypsum or other inorganic non-fertilising substances;

(H) Goods which answer to one or other of the descriptions given below:

(i) crude natural potassium salts (for example, carnallite, kainite and sylvinit);

(ii) crude potassium salts obtained by the treatment of residues of beet molasses;

(iii) potassium chloride, whether or not pure, except as provided in Note 3(c) below;

(iv) potassium sulphates containing not more than 52 per cent. by weight of K_2O ;

(v) magnesium sulphate—potassium sulphate containing not more than 30 per cent. by weight of K_2O ;

(I) Fertilisers consisting of any of the goods described in (H) above, but without quantitative criteria, mixed together; and

(K) Monoammonium and diammonium orthophosphates, whether or not pure, and mixtures thereof.

2. For the purposes of the quantitative criteria specified in Notes 1(A), 1(E) and 1(H) above, the calculation is to be made on the dry anhydrous product.

3. This Chapter does not cover:

- (a) animal blood of Chapter 5;
- (b) separate chemically defined compounds [other than those answering to the descriptions in Note 1(A), 1(E), 1(H) or 1(K) above]; or
- (c) cultured potassium chloride crystals (other than optical elements) weighing not less than 2½ grams each, of Chapter 38; optical elements of potassium chloride (Heading No. 90.01).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
31.01	Guano and other natural animal or vegetable fertilisers, whether or not mixed together, but not chemically treated	Free	..	..	..
31.02/05	Mineral or chemical fertilizers, nitrogenous, phosphatic or potassic, and other fertilizers:				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Ammonium nitrate	60%	50%	..	..
	(3) Monoammonium and diammonium orthophosphates, whether or not pure and mixtures thereof	60%	..	..	..
	(4) Ammonium sulphate	Free	..	..	..
	(5) Potassium chloride (muriate of potash)	60%	..	..	..
	(6) Potassium sulphate containing not more than 52 per cent. by weight of K ₂ O	Free	..	..	..
	(7) Sodium nitrate containing not more than 16.3 per cent. by weight of nitrogen	Free	..	..	..
	(8) Urea	60%	50%	..	..
	(9) Composite fertilizers	Free	..	..	..

CHAPTER 32

Tanning and dyeing extracts; tannins and their derivatives; dyes, colours, paints and varnishes; putty, fillers and stoppings; inks

NOTES

1. This Chapter does not cover:

- (a) separate chemically defined elements and compounds (except colouring matter of vegetable or animal origin, synthetic organic dyestuffs including pigment dyestuffs, optical bleaching agents substantive to the fibre and products of a kind used as luminophores, whether organic or inorganic; natural indigo; dyes or other colouring matter in forms or packings of a kind sold by retail); or
- (b) tannates and other tannin derivatives of products falling within Chapter 29 or 35.

2. Heading No. 32·04/12 is to be taken to include mixtures of stabilised diazonium salts and coupling compounds for the production of insoluble azoic dyestuffs on the fibre.

3. Heading No. 32·04/12 is to be taken to apply also to preparations based on, respectively, synthetic organic dyestuffs (including pigment dyestuffs), colour lakes and other colouring matter, of a kind used for colouring in the mass artificial plastics, rubber or similar materials or as ingredients in preparations for printing textiles.

4. Heading No. 32·04/12 is also to be taken to include solutions (other than collodions) consisting of any of the products specified in Heading No. 39·01/06 in volatile organic solvents if, and only if, the weight of the solvent exceeds 50 per cent. of the weight of the solution.

5. In this Chapter, "colouring matter" does not include products of a kind used as extenders in oil paints, whether or not they are also suitable for colouring distempers.

6. In Heading No. 32·04/12, "stamping foils" is to be taken to apply only to products of a kind used for printing, for example, book covers or hat bands, and consisting of:

(a) thin sheets composed of metallic powder (including powder of precious metal) or pigment, agglomerated with glue, gelatin or other binder; or

(b) metal (for example, gold or aluminium) or pigment, deposited on paper, artificial plastic material or other support.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
32·01	Tanning extracts of vegetable origin:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Gambier	60%	..	50%	..
32·02/03	Tannins (tannic acids) and their derivatives; synthetic organic tanning substances and inorganic tanning substances; tanning preparations, whether or not containing natural tanning materials; enzymatic preparations for pre-tanning (for example, of enzymatic, pancreatic or bacterial origin):				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Mineral tannins	40%	..	..	..
32·04/12	Colouring matter; synthetic organic dyestuffs (including pigment dyestuffs); products of a kind used as luminophores; optical bleaching agents substantive to the fibre; prepared pigments; colour lakes; paints, varnishes and enamels; prepared driers; putty, fillers and stoppings; glass frit and other glass in the form of powder, granules or flakes; stamping foils:				
	(1) Not elsewhere specified	100%	90%	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
32.04/12 —contd.	(2) Pigment dyestuffs	100%	90%	..	..
	(3) Synthetic organic dyestuffs, not elsewhere specified	60%	..	..	..
	(4) Azodyes	60%	..	..	..
	(5) Sulphur dyes	60%	..	..	..
	(6) Vat dyes including solubilised vats	60%	..	..	..
	(7) Optical bleaching agents	60%	50%	50%	..
	32.13	Writing ink, printing ink and other inks	60%

CHAPTER 33

Essential oils and resinoids; perfumery, cosmetics and toilet preparations

NOTE

This Chapter does not cover:

(a) compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages of Heading No. 22.09;

(b) soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes or moulded pieces or shapes, whether or not combined with soap falling within Chapter 34; or

(c) spirits of turpentine or other products falling within Chapter 38.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
33.01/06	Essential oils, natural or synthetic; aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses; concretes and absolutes; resinoids; perfumery, cosmetics and toilet preparations; room deodorisers :				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Natural essential oils of citronella, cinnamon and cinnamon leaf	100%	..	90%	..

CHAPTER 34

Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing and scouring preparations, candles and similar articles, modelling pastes and dental waxes.

NOTES

1. This Chapter does not cover:

(a) separate chemically defined compounds; or

(b) dentifrices, shaving creams or shampoos containing soap or organic surface-active agents (Chapter 33).

2. In this Chapter, the expression "soap" is to be taken to apply only to soap soluble in water. Soap and organic surface-active products and preparations for use as soap, in the form of bars, cakes or moulded pieces or shapes, whether or not combined with soap falling within Chapter 34 may contain added substances (for example, disinfectants, abrasive powders, fillers or medicaments). Products containing abrasive powders in any form remain classified in this Chapter.

3. The reference in this Chapter to petroleum oils and oils obtained from bituminous minerals is to be taken to apply to the products defined in Note 3 to Chapter 27.

4. "Prepared waxes, not emulsified or containing solvents" is to be taken to apply only to:

(a) mixtures of animal waxes, mixtures of vegetable waxes or mixtures of artificial waxes;

(b) mixtures of different classes of waxes (animal, vegetable, mineral or artificial); and

(c) mixtures of waxy consistency not emulsified or containing solvents, with a basis of one or more waxes, and containing fats, resins, mineral substances or other materials.

5. This Chapter is to be taken not to apply to:

(a) waxes falling within Heading No. 27.12/13; or

(b) separate animal waxes and separate vegetable waxes, merely coloured.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty Preferential are protective
		Standard	U.K.	Other Areas	
(1)	(2)	(3)	(4)	(5)	(6)
34.01/07	Soap, organic surface-active agents, surface-active preparations, washing preparations, lubricating preparations (excluding preparations containing 70 per cent. or more by weight of petroleum oils or of oils obtained from bituminous minerals), artificial waxes, prepared waxes not emulsified or containing solvents, polishing and scouring preparations, candles and similar articles, modelling pastes and dental waxes:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Artificial waxes, prepared waxes, lubricating preparations and preparations of a kind known as "dental wax" or "dental impression compounds"	60%	..	..	..
	(3) Organic surface-active agents and surface-active preparations	60%	50%	50%	..

CHAPTER 35

Albuminoidal substances; glues

NOTES

1. This Chapter does not cover:

(a) protein substances put up as medicaments falling within Heading No. 30.03; or

(b) gelatin postcards and other products of the printing industry (Chapter 49).

2. In this Chapter, the term "dextrins" is to be taken to apply to starch degradation products with a reducing sugar content, expressed as dextrose on the dry substance, not exceeding 10 per cent.

Such products with a reducing sugar content exceeding 10 per cent. fall in Heading No. 17.02.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
35.01/06	The following substances and their derivatives, namely, casein, albumins, gelatin (whether or not coloured or surface-worked), peptones and other protein substances; is in glass; hide powder; dextrins; soluble or roasted starches; glues not elsewhere specified or included:				
	(i) Not elsewhere specified	60%	..	..	..
	(a) Gelatin, refined	60%	..	..	..

CHAPTER 36

Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations

NOTES

1. This Chapter does not cover separate chemically defined compounds other than those described in Note 2(a) or 2(b) below.

2. "Other combustible products" applies only to the following articles:

(a) metaldehyde, hexamethylenetetramine and similar substances, put up in forms (for example, tablets, sticks or similar forms) for use as fuels; fuels with a basis of alcohol, and similar prepared fuels, in solid or semi-solid form;

(b) liquid fuel (for example, petrol) of a kind used in mechanical lighters, in containers of a capacity not exceeding 300 cubic centimetres; and

(c) resin torches, firelighters and the like.

Heading No.	Sub-heading	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)		(2)	(3)	(4)	(5)	(6)
36.01/08		Explosives including detonators and blasting fuses; pyrotechnic articles (for example, fireworks, railway fog signals, amorces, rain rockets); matches; pyrophoric alloys and other combustible products as specified in Note 2 to this Chapter	60%	..	..	..

CHAPTER 37

Photographic and cinematographic goods

NOTES

1. This Chapter does not cover waste or scrap materials.
2. This Chapter covers :

(a) chemical products mixed or compounded for photographic uses (for example, sensitised emulsions, developers and fixers); and

(b) unmixed substances suitable for such uses and put up in measured portions or put up for sale by retail in a form ready for use.

This Chapter does not cover photographic pastes or gums, varnishes or similar products.

Heading No.	Sub-heading	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U.K.	Other Preferential Areas	
(1)		(2)	(3)	(4)	(5)	(6)
37.01/08		Photographic plates and film, sensitised, whether or not exposed or developed; sensitised paper, paper-board and cloth (including those used in X-ray, electrocardiographic, recording and photocopying work) whether or not exposed but not developed; cinematograph film; chemical products and flash light materials of a kind and in a form suitable for use in photography as specified in Note 2 to this Chapter :				
	(1)	Not elsewhere specified	100%	90%	..	..
	(2)	Cinematograph film, not exposed	50 paise per linear meter.	..	..	..
	(3)	Cinematograph film, exposed	Rs. 1.60 per linear meter.	..	..	..
	(4)	X-ray film	60%	50%	..	..

CHAPTER 38

Miscellaneous chemical products

NOTES

1. This Chapter does not cover—

(a) separate chemically defined elements or compounds with the exception of the following:

(1) artificial graphite;

(2) disinfectants, insecticides, fungicides, weed-killers, anti-sprouting products, rat poisons and similar products, put up in forms or packings for sale by retail or as preparations or as articles;

(3) products put up as charges for fire-extinguishers or put up in fire-extinguishing grenades;

(4) products specified in Note 2(d), 2(g), 2(k) or 2(q) below:

(b) mixtures of chemicals and foodstuffs of a kind used in the preparation of human foodstuffs (generally, Chapter 21);

(c) medicaments (Heading No. 30.03).

2. The following goods are to be taken to fall within this Chapter and not within any other Chapter of the Schedule;

(a) activated natural mineral products;

(b) ceramic firing testers, fusible (for example, Seger cones);

(c) composite solvents and thinners for varnishes and similar products;

(d) cultured crystals (other than optical elements) weighing not less than 2.5 grams each, of magnesium oxide or of the halides of the alkali or of the alkaline-earth metals;

(e) fluxes and other auxiliary preparations for soldering, brazing or welding;

(f) fusel oils;

(g) ink removers put up in packings for sale by retail;

(h) mixed alkylenes with a very low degree of polymerisation;

(i) pickling preparations for metal surfaces;

(k) plasters specially prepared for use in dentistry;

(l) prepared additives for mineral oils;

(m) prepared culture media for development of micro-organisms;

(n) prepared glazings, prepared dressings and prepared mordants of a kind used in textile, paper, leather or like industries;

(o) rosin and resin acids and their derivatives other than ester gums falling within Heading No. 39.01/06;

(p) spirits of turpentine and other terpenic solvents produced by distillation or other treatment of coniferous woods;

(q) stencil correctors put up in packings for sale by retail;

(r) wood tars, wood tar oils and wood naphtha; and

(a) chemical elements of Chapter 28 (for example, silicon and selenium) doped for use in electronics, in the form of discs, wafers or similar forms, polished or not, whether or not coated with a uniform epitaxial layer.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
38.01/19	Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Activated carbon	60%	50%	50%	..
	(3) Anti-knock preparations and prepared additives for mineral oils	60%	..	..	..
	(4) Artificial graphite ²	60%	..	50%	..
	(5) Compound catalysts	60%	50%	50%	..
	(6) Plasticisers, not elsewhere specified	60%	50%	50%	..
	(7) Prepared rubber chemicals	60%	50%	50%	..
	(8) Stockholm tar, refined	40%	..	..	..
	(9) Water treatment chemicals, not elsewhere specified ³	60%	50%	50%	..

SECTION VII

ARTIFICIAL RESINS AND PLASTIC MATERIALS, CELLULOSE ESTERS AND ETHERS AND ARTICLES THEREOF; RUBBER, SYNTHETIC RUBBERS, FACTICE AND ARTICLES THEREOF⁸

CHAPTER 39

Artificial resins and plastic materials, cellulose esters and ethers; articles thereof

NOTES

1. This Chapter does not cover:

- (a) stamping foils of Heading No. 32.04/12;
- (b) artificial waxes (Chapter 34);
- (c) synthetic rubber, as defined for the purposes of Chapter 40, or articles thereof;
- (d) saddlery or harness or travel goods, handbags or other receptacles falling within Chapter 42;
- (e) plaits, wickerwork or other articles falling within Chapter 46;
- (f) goods falling within Section XI (textiles and textile articles);

(g) footwear, headgear, umbrellas, sunshades, walking-sticks, whips, riding-crops, fans or parts thereof or other articles falling within Section XII;

(h) imitation jewellery falling within Heading No. 71.16;

(ij) articles falling within Section XVI (machines and mechanical or electrical appliances);

(k) parts of aircraft or vehicles falling within Section XVII;

(l) optical elements of artificial plastics, spectacle frames, drawing instruments or other articles falling within Chapter 90;

(m) articles falling within Chapter 91 (for example, clock or watch cases);

(n) musical instruments or parts thereof or other articles falling within Chapter 92;

(o) furniture and other articles of Chapter 94;

(p) brushes or other articles falling within Chapter 96;

(q) articles falling within Chapter 97 (for example, toys, games and sports requisites); or

(r) buttons, slide fasteners, combs, mouthpieces or stems for smoking pipes, cigarette-holders or the like, parts of vacuum flasks or the like, pens, propelling pencils or other articles falling within Chapter 98.

2. In Heading No. 39.01/06 "condensation, polycondensation, polyaddition, polymerisation and copolymerisation products" are to be taken to apply only to goods of a kind produced by chemical synthesis answering to one of the following descriptions:

(a) artificial plastics including artificial resins;

(b) silicones;

(c) resols, liquid polyisobutylene, and similar artificial polycondensation or polymerisation products.

3. Heading No. 39.01/06 is to be taken to apply to materials in the following forms only:

(a) liquid or pasty (including emulsions, dispersions and solutions);

(b) blocks, lumps, powders (including moulding powders), granules, flasks and similar bulk forms;

(c) monofil of which any cross-sectional dimension exceeds one millimetre; seamless tubes, rods, sticks and profile shapes, whether or not surface-worked but not otherwise worked;

(d) plates, sheets, film, foil and strip (other than that classified in Heading No. 51.01/03 by the application of Note 4 to Chapter 51), whether or not printed or otherwise surface-worked, uncut or cut into rectangles but not further worked (even if, when so cut, they become articles ready for use); and

(e) waste and scrap.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
39·01/06	Artificial resins such as condensation, polycondensation, polyaddition, polymerisation and copolymerisation products; artificial plastic materials, silicones; natural resins modified by fusion or esterification such as rosin gums or ester gums; regenerated cellulose; chemical derivatives of cellulose; vulcanised fibre; hardened proteins; chemical derivatives of natural rubber; other high polymers (including alginic acid, its salts and esters); linocyn	100%	..	..	..
39·07	Articles of the materials described in Heading No. 39·01/06	100%	..	..	..

CHAPTER 40

Rubber, synthetic rubber, factice, and articles thereof

NOTES

1. Except where the context otherwise requires, throughout this Schedule "rubber" means the following products, whether or not vulcanised or hardened; natural rubber, balata, gutta-percha and similar natural gums, synthetic rubber, and factice derived from oils, and such substances reclaimed.

2. This Chapter does not cover the following products of rubber and textiles which fall generally within Section XI:

(a) knitted or crocheted fabric or articles thereof, elastic or rubberised (other than transmission, conveyor and elevator belts or belting of rubberised knitted or crocheted fabric, of Heading No. 40.05/16), other elastic fabric or articles thereof;

(b) textile hose-piping and similar textile tubing, internally coated or lined with rubber (Heading No. 59.01/15);

(c) woven textile fabrics (other than the goods of Heading No. 40.05/16) impregnated, coated, covered or laminated with rubber:

(i) weighing not more than 1.5 kilograms per square metre;

or

(ii) weighing more than 1.5 kilograms per square metre and containing more than 50 per cent. by weight of textile material; and articles of those fabrics;

(d) felt impregnated or coated with rubber and containing more than 50 per cent. by weight of textile material and articles thereof;

(e) bonded fibre fabrics and similar bonded yarn fabrics, impregnated or coated with rubber, or in which rubber forms the bonding substance, irrespective of their weight per square metre, and articles thereof;

(f) fabrics composed of parallel textile yarns agglomerated with rubber, irrespective of their weight per square metre, and articles thereof.

However, plates, sheets and strip, of expanded, foam or sponge rubber, combined with textile fabric, and articles thereof, are to be classified in Chapter 40 provided that the textile fabric is present merely for reinforcing purposes.

3. The following are also not covered by this Chapter:

(a) footwear or parts thereof falling within Chapter 64;

(b) headgear or parts thereof (including bathing caps) falling within Chapter 65;

(c) mechanical or electrical appliances or parts thereof (including electrical goods of all kinds), of hardened rubber, falling within Section XVI;

(d) articles falling within Chapter 90, 92, 94 or 96;

(e) articles falling within Chapter 97 (other than sports gloves and goods falling within sub-heading (2) of Heading No. 40.05/16); or

(f) buttons, combs, smoking pipe stems, pens or other articles falling within Chapter 98.

4. In this Chapter, the expression "synthetic rubber" is to be taken to apply to:

(a) unsaturated synthetic substances which can be irreversibly transformed into non-thermoplastic substances by vulcanisation with sulphur and which, when so vulcanised as well as may be (without the addition of any substances such as plasticisers, fillers or reinforcing agents not necessary for the cross-linking), can produce substances which, at a temperature between 18° and 29° C, will not break on being extended to three times their original length and will return, after being extended to twice their original length, within a period of five minutes, to a length not greater than one-and-a-half times their original length.

Such substances include cis-polyisoprene (IR), polybutadiene (BR), polychlorobutadiene (CR), polybutadiene-styrene (SBR), polychlorobutadiene-acrylonitrile (NCR), polybutadiene-acrylonitrile (NBR) and butyl rubber (IIR);

(b) thioplasts (TM); and

(c) natural rubber modified by grafting or mixing with artificial plastic material, de-polymerised natural rubber, and mixtures of unsaturated synthetic substances with saturated synthetic high polymers, provided that all the above-mentioned products comply with the requirements concerning vulcanisation, elongation and recovery in (a) above.

5. Heading No. 40.01/04 is to be taken not to apply to:

(a) natural or synthetic rubber latex (including pre-vulcanised rubber latex) compounded with vulcanising agents or accelerators, fillers or reinforcing agents, plasticisers, colouring matter (other than colouring matter added solely for the purpose of identification), or with any other substance; however, latex merely stabilised or concentrated, and thermo-sensitive and electro-positive latex are to be classified in this Heading;

(b) rubber which has been compounded with carbon black (with or without the addition of mineral oil) or with silica (with or without the addition of mineral oil) before coagulation or with any substance after coagulation; or

(c) mixture of any of the products specified in Note 1 to this Chapter, whether or not compounded with any other substance.

This condition is, however, not applicable to reclaimed, waste or scrap rubber falling within this Heading.

6. Transmission, conveyor or elevator belts or belting of textile fabric impregnated, coated, covered or laminated with rubber or made from textile yarn or cord impregnated or coated with rubber are to be classified in Heading No. 40.05/16.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
40.01/04	Raw rubber, natural or synthetic; rubber latex, natural or synthetic (including mixtures thereof) whether or not pre-vulcanised; balata, gutta-percha and similar natural gums, factice derived from oils; reclaimed rubber; waste and scrap of unhardened rubber	40%	..	..	..
40.05/16	Preparations (including master batches) of natural or synthetic rubber; manufactures of natural or synthetic rubber, whether or not vulcanised or hardened, not elsewhere specified; waste and scrap of hardened rubber				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Rubber tyres and tubes for wheels of all kinds*	100%	..	..	..
	(3) Transmission, conveyor or elevator belts or belting of vulcanised rubber	40%	..	..	..

SECTION VIII

RAW HIDES AND SKINS, LEATHER, FURSKINS AND ARTICLES THEREOF; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF GUT (OTHER THAN SILK-WORM GUT)

CHAPTER 41

Raw hides and skins (other than furskins) and leather

NOTES

1. This Chapter does not cover:

(a) parings or similar waste, of raw hides or skins (Chapter 5);

(b) birdskins or parts of birdskins, with their feathers or down, falling within Chapter 5 or 67; or

(c) hides or skins, with the hair on, raw, tanned or dressed (Chapter 43); the following are, however, to be classified in Heading No. 41.01, namely, raw hides or skins with the hair on, of bovine cattle (including buffalo), of equine animals, of sheep and lambs (except Persian, Astrakhan, Caracul and similar lambs, Indian, Chinese, Mongolian and Tibetan lambs), of goats and kids (except Yemen, Mongolian and Tibetan goats and kids), of swine (including peccary), of reindeer, of chamois, of gazelle, of deer, of elk, of roebucks or of dogs.

2. Throughout this Schedule, "composition leather" is to be taken to mean only substances with a basis of leather or leather fibre, in slabs, sheets or rolls.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
41.01	Raw hides and skins (fresh, salted, dried, pickled or limed), whether or not split, including sheep-skins in the wool	Free	..	..	..
41.02/10	Bovine cattle leather (including buffalo leather) and equine leather; sheep and lamb skin leather, other kinds of leather including composition leather; parings and other waste of leather or of composition leather	60%	..	..	..

CHAPTER 42

Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)

NOTES

1. This Chapter does not cover:

- (a) sterile surgical catgut and similar sterile suture materials (Heading No. 30.04/05);
- (b) articles of apparel and clothing accessories (except gloves), lined with furskin or artificial fur or to which furskin or artificial fur is attached on the outside except as mere trimming (Chapter 43);
- (c) string or net bags of Section XI;
- (d) articles falling within Chapter 64;
- (e) headgear or parts thereof falling within Chapter 65;
- (f) whips, riding-crops or other articles of Chapter 66;
- (g) strings, skins for drums and the like, and other parts of musical instruments (Chapter 92);

- (h) furniture or parts of furniture (Chapter 94);
- (i) articles falling within Chapter 97 (for example, toys, games and sports requisites); or
- (k) buttons studs, cuff-links, press-fasteners, including snap-fasteners and press-studs, and blanks and parts of such articles, falling within Chapter 71 or Heading No. 98.01/02.

2. In this Chapter, "other articles of leather" is to be taken to apply, *inter alia*, to gloves (including sports gloves), aprons and other protective clothing, braces, belts, bandoliers and wrist straps, including watch straps.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
42 01/06	Saddlery and harness, of any material; travel goods (for example; trunks and suit-cases), handbags, purses, brief-cases and similar containers (but excluding articles of basket-work and wicker-work); other articles of leather or of composition leather; articles made from gut or similar materials .	100%	..	..	..

CHAPTER 43

Furskins and artificial fur; manufactures thereof

NOTES

1. Throughout this Schedule, references to furskins, other than to raw furskins, are to be taken to apply to hides or skins of all animals which have been tanned or dressed with the hair on.
2. This Chapter does not cover:
 - (a) birdskins or parts of birdskins, with their feathers or down, falling within Chapter 5 or 67;
 - (b) raw hides or skins, with the hair on, of a kind falling within Chapter 41 [see Note 1(c) to that Chapter];
 - (c) gloves consisting of leather and furskin or of leather and artificial fur (Chapter 42);
 - (d) articles falling within Chapter 64;
 - (e) headgear or parts thereof falling within Chapter 65; or
 - (f) articles falling within Chapter 97 (for example, toys, games and sports requisites).
3. Articles of apparel and clothing accessories (except those excluded by Note 2) lined with furskin or artificial fur or to which furskin or artificial fur is attached on the outside except as mere trimming are to be classified in this Chapter.

4. Throughout this Schedule, "artificial fur" means any imitation of furskin consisting of wool, hair or other fibres gummed or sewn on to leather, woven fabric or other materials, but does not include imitation furskins obtained by weaving (Heading No. 58.04/10).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
43.01/04	Furskins and artificial fur and articles made thereof	100%	..	..	..

SECTION IX

WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK; MANUFACTURES OF STRAW, OF ESPARTO AND OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK

CHAPTER 44

Wood and articles of wood; wood charcoal

NOTES

1. This Chapter does not cover:

- (a) wood of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes (Heading No. 12.07);
- (b) wood of a kind used primarily in dyeing or in tanning (Heading No. 13.01);
- (c) activated charcoal (Chapter 38);
- (d) articles falling within Chapter 46;
- (e) footwear or parts thereof falling within Chapter 64;
- (f) goods falling within Chapter 66 (for example, umbrellas and walking-sticks and parts thereof);
- (g) goods falling within Chapter 68;
- (h) imitation jewellery falling within Heading No. 71.16;
- (i) goods falling within Section XVII (for example, wheelwrights' wares);
- (k) goods falling within Chapter 91 (for example, clocks and clock cases);
- (l) musical instruments or parts thereof (Chapter 92);
- (m) parts of firearms (Chapter 93);
- (n) furniture or parts thereof falling within Chapter 94;
- (o) articles falling within Chapter 97 (for example, toys, games and sports requisites);

(p) smoking pipes or the like or parts thereof, buttons, pencils or other articles falling within Chapter 98; or

(q) wooden tools in which metal parts form the blade, working edge, working surface or other working part.

2. In this Chapter, "improved wood" means wood which has been subjected to chemical or physical treatment (being, in the case of layers bonded together, treatment in excess of that needed to ensure a good bond), and which has thereby acquired increased density or hardness together with improved mechanical strength or resistance to chemical or electrical agencies.

3. This Chapter covers articles of the respective descriptions of plywood, cellular wood, "improved" wood or reconstituted wood as they apply to such articles of wood.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)

44.01/28	Wood in the rough, fuel wood, wood waste and wood charcoal; wood flour and wood wool; sawn and dressed timber; veneered wood, plywood, cellular wood, improved wood and reconstituted wood; spools, bobbins and the like of turned wood; articles of wood, not elsewhere specified	60%
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CHAPTER 45

Cork and articles of cork

NOTE

This Chapter does not cover:

- (a) footwear or parts of footwear falling within Chapter 64;
- (b) headgear or parts of headgear falling within Chapter 65; or
- (c) articles falling within Chapter 97 (for example, toys, games and sports requisites).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)

45.01/04	Natural or agglomerated cork and articles thereof; waste cork	40%
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CHAPTER 46

*Manufactures of straw, of esparto and of other plaiting materials;
basketware and wickerwork*

NOTES

1. In this Chapter, "plaiting materials" includes straw, osier or willow, bamboos, rushes, reeds, strips of wood, strips of vegetable fibre or bark, unspun textile fibres, monofil and strip of artificial plastic materials or strips of paper, but not strips of leather, of composition leather or of felt, human hair, horsehair, textile rovings or yarns, or monofil or strip of Chapter 51.

2. This Chapter does not cover:

(a) twine, cordage, ropes or cables, plaited or not (Heading No. 59.01/15);

(b) footwear or headgear or parts thereof falling within Chapter 64 or 65;

(c) vehicles and bodies for vehicles, of basketware (Chapter 87);
or

(d) furniture or parts thereof (Chapter 94).

3. Throughout this Schedule, "horsehair" means hair of the manes and tails of equine or bovine animals.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
46.01/03	Articles made of plaiting materials, including matting, mats and screens, basketwork and wicker-work	60%	..	..	..

SECTION X

PAPER-MAKING MATERIAL; PAPER AND PAPER BOARD AND ARTICLES THEREOF

CHAPTER 47

Paper-making material

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
47.01	Pulp derived by mechanical or chemical means from any fibrous vegetable material	40%	..	..	..
47.02	Waste paper and paperboard; scrap article of paper or of paperboard, fit only for use in paper-making	100%	..	..	..

CHAPTER 48

Paper and Paperboard; articles of paper pulp, of paper or of paperboard

NOTES

1. This Chapter does not cover:
 - (a) stamping foils of Heading No. 32.04/12;
 - (b) perfume and cosmetic papers (Chapter 33);
 - (c) soap papers, paper impregnated or coated with detergent, and cellulose wedding impregnated with polishes, creams or similar preparations (Chapter 34);
 - (d) paper or paperboard, sensitised (Chapter 37);
 - (e) paper-reinforced stratified artificial plastic sheeting, or vulcanised fibre or articles of such materials (Chapter 39);
 - (f) goods falling within Chapter 42 (for example, travel goods);
 - (g) articles falling within Chapter 46 (manufactures of plaiting material);
 - (h) paper yarn or textile articles of paper yarn (Section XI);
 - (ij) abrasive paper or paper backed mica splittings (Chapter 68) (paper coated with mica powder is, however, to be classified in this Chapter);
 - (k) metal foil backed with paper or paperboard (Section XV);
 - (l) perforated paper or paperboard for musical instruments (Chapter 92); or
 - (m) goods falling within Chapter 97 (for example, toys, games and sports requisites) or Chapter 98 (for example, buttons).

2. This Chapter covers, *inter alia*, paper wool, paper strip (whether or not folded or coated) of a kind used for plaiting, toilet paper in rolls or packets, cards for statistical machines, perforated paper and paperboard, cards for Jacquard and similar machines, paper lace, shelf edging, paper tablecloths, serviettes and handkerchiefs, paper gaskets, moulded or pressed goods of wood pulp, and dress patterns.

3. Paper, paperboard and cellulose wadding, and articles thereof, printed with characters or pictures which are not merely incidental to the primary use of the goods are regarded as printed matter falling within Chapter 49.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
48.01/21	Paper and paper board, all sorts, whether in rolls, sheets or cut to size or shape (including cellulose wadding, composite paper or paperboard and impregnated, coated, corrugated, embossed, perforated, surface coloured or decorated, ruled or printed paper or paperboard); filter blocks, slabs and plates of paper pulp; building board of wood pulp or vegetable fibre whether or not bonded with natural or artificial resins or similar binders; stationery made of paper or paperboard; articles not elsewhere specified, of paper, paperboard, paper pulp or cellulose wadding				
	(1) Not elsewhere specified		100%		

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
48.01/21 — <i>conid.</i>	(2) Newsprint containing mechanical wood pulp amounting to not less than 70 per cent. of the fibre content (excluding chrome, marble, flint, poster, stereo and art paper)	40%	..	..	..
	(3) Other printing and writing paper	60%	..	..	..

CHAPTER 49

Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans

NOTES

1. This Chapter does not cover:
 - (a) paper, paperboard, or cellulose wadding, or articles thereof, in which printing is merely incidental to their primary use (Chapter 48);
 - (b) playing cards or other goods falling within Chapter 97; or
 - (c) original engravings, prints or lithographs, postage, revenue or similar stamps, antiques of an age exceeding one hundred years or other articles falling within Chapter 99.
2. Newspapers, journals and periodicals which are bound otherwise than in paper, and sets of newspapers, journals or periodicals comprising more than one number under a single cover are to be treated as falling within Heading No. 49.01 and not within Heading No. 49.02.
3. Heading No. 49.01 is to be extended to apply to:
 - (a) a collection of printed reproductions of, for example, works of art or drawings, with a relative text, put up with numbered pages in a form suitable for binding into one or more volumes;
 - (b) a pictorial supplement accompanying, and subsidiary to, a bound volume; and
 - (c) printed parts of books or booklets, in the form of assembled or separate sheets or signatures, constituting the whole or a part of a complete work and designed for binding.

However, printed pictures or illustrations not bearing a text, whether in the form of signatures or separate sheets, fall in Heading No. 49.08/11.
4. Headings Nos. 49.01 and 49.02 are to be taken not to apply to publications issued for advertising purposes by or for an advertiser named therein, or to publications which are primarily devoted to advertising (including tourist propaganda). Such publications are to be taken as falling within Heading No. 49.08/11.

5. For the purposes of Heading No. 49.03, "children's picture books" means books for children in which the pictures form the principal interest and the text is subsidiary.

6. In Heading No. 49.04/06, "manuscripts and typescripts" is to be taken to extend to carbon copies or copies on sensitised paper of manuscripts and typescripts. References in this Chapter to printed matter of any kind include references to any matter of that kind which is reproduced by means of a duplicating machine.

7. For the purposes of Heading No. 49.08/11, "picture postcards" means cards consisting essentially of an illustration and bearing printed indications of their use.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
49.01	Printed books, booklets, brochures, pamphlets and leaflets	Free	..	..	..
49.02	Newspapers, journals and periodicals, whether or not illustrated	Free	..	..	..
49.03	Children's picture books and painting books	Free	..	..	..
49.04/06	Music, printed or in manuscript, whether or not bound or illustrated; maps and charts of all kinds (including atlases and printed globes); plans and drawings, for industrial, architectural, engineering, commercial or similar purposes, whether original or reproductions on sensitised paper; manuscripts and typescripts	Free	..	..	..
49.07	Unused postage, revenue and similar stamps of current or new issue in India; stamp-impressed paper; banknotes, stock, share and bond certificates and similar documents of title; cheque books	100%	..	..	..
49.08/11	Transfers (De calcomanias); picture postcards, Christmas and other picture greeting cards, calendars, printed pictures and photographs; other printed matter, including trade catalogues and advertising material	100%	..	..	..

SECTION XI

TEXTILES AND TEXTILE ARTICLES

NOTES

1. This Section does not cover:

(a) animal brush making bristles or hair, horsehair or horsehair waste (Chapter 5);

(b) human hair or articles of human hair (Chapter 5 or 67), except straining cloth of a kind commonly used in oil presses and the like (Heading No. 59.16/17);

(c) vegetable materials falling within Chapter 14;

(d) asbestos falling within Chapter 25 or articles of asbestos and the following products falling within Chapter 68:

fabricated asbestos and articles thereof (for example asbestos board, thread and fabric; asbestos clothing, asbestos jointing), reinforced or not; mixtures with a basis of asbestos and mixtures with a basis of asbestos and magnesium carbonate and articles of such mixtures; friction material (segments, discs, washers, strips, sheets, plates, rolls and the like) of a kind suitable for brakes, for clutches or the like, with a basis of asbestos, other mineral substances or of cellulose, whether or not combined with textile or other materials;

(e) articles falling within Heading No. 30.04/05 (for example, wadding, gauze, bandages and similar articles for medical or surgical purposes, sterile surgical suture materials);

(f) sensitised textile fabric (Chapter 37);

(g) monofil of which any cross-sectional dimension exceeds one millimetre and strip (artificial straw and the like) of a width exceeding 5 millimetres, of artificial plastic material (Chapter 39) or plaits or fabrics of such monofil or strip (Chapter 46);

(h) woven textile fabrics, felt, bonded fibre or bonded yarn fabrics, impregnated, coated, covered or laminated with rubber, and articles thereof, falling within Chapter 40;

(i) skins with their wool on (Chapter 41 or 43) or articles of fur skin, artificial fur or articles thereof, falling within Chapter 43;

(k) articles of textile materials falling within Chapter 42 saddlery, harness, travel goods, haversacks, handbags and similar containers);

(l) products and articles of Chapter 48 (for example, cellulose wadding);

(m) footwear or parts of footwear, gaiters or leggings or similar articles classified in Chapter 64;

(n) headgear or parts thereof falling within Chapter 65;

(o) hair nets (Chapter 65 or 67, as the case may be);

(p) goods falling within Chapter 67;

(q) abrasive-coated threads, cords or fabric (Chapter 68);

(r) glass fibre or articles of glass fibre, other than embroidery with glass thread on a visible ground of fabric (Chapter 70);

(s) articles falling within Chapter 94 (furniture and bedding); or

(t) articles falling within Chapter 97 (for example, toys, games and sports requisites).

2. (A) Goods classifiable in any Heading in Chapters 50 to 57 and of a mixture of two or more different textile materials are to be classified according to the following rules:

(a) goods containing more than 10 per cent. by weight of silk, noil or other waste silk or any combination thereof are to be classified in Chapter 50, and, for the purposes of classification in that Chapter, as if consisting wholly of that one of those materials which predominates in weight;

(b) all other goods are to be classified as if consisting wholly of that one textile material which predominates in weight over any other single textile material.

(B) For the purposes of the above rules:

(a) metallised yarn shall be treated as a single textile material and its weight shall be taken as the aggregate of the weight of the textile and metal components, and, for the classification of woven fabrics, metal thread is to be regarded as a textile material;

(b) where a Heading in question refers to goods of different textile materials (for example, silk and waste silk or carded*sheep's or lambs' wool), all those materials shall be treated as being one and the same;

(c) except as provided in (B) (a) above, the weight of constituents other than textile materials is not to be included in the weight of the goods.

(C) The provisions of paragraphs (A) and (B) above are to be applied also to the yarns referred to in Notes 3 and 4 below.

3. (A) For the purposes of this Section, and subject to the exceptions in paragraph (B) below, yarns (single, multiple or cabled) of the following descriptions are to be treated as "twine, cordage, ropes and cables":

(a) of silk, noil or other waste silk, of a weight exceeding 2 grams per metre (18,000 denier);

(b) of man-made fibres (including yarn of two or more monofil of Chapter 51), of a weight exceeding one gram per metre (9,000 denier);

(c) of true hemp or flax:

(i) polished or glazed, of which the length per kilogram, multiplied by the number of constituent strands, is less than 7,000 metres;

(ii) not polished or glazed and of a weight exceeding 2 grams per metre;

(d) of colr, consisting of three or more plies;

(e) of other vegetable fibres, of a weight exceeding 2 grams per metre; or

(f) reinforced with metal.

(B) Exceptions:

(a) yarn of sheep's or lambs' wool or other animal hair and paper yarn, other than yarn reinforced with metal;

(b) continuous filament tow for the manufacture of man-made fibres (discontinuous), and multifilament yarn without twist or with a twist of less than 5 turns per metre;

(c) silkworm gut, imitation catgut of silk or of man-made fibres, and monofil of Chapter 51;

(d) metallised yarn, not being yarn reinforced with metal; and

(e) chenille yarn and gimped yarn.

4. For the purposes of this Section, "made up" means:

(a) cut otherwise than into rectangles;

(b) made and finished by weaving and ready for use (or merely needing separation by cutting dividing threads) and not requiring sewing or further fabrication (for example, certain dusters, towels, table cloths, scarf squares and blankets);

(c) hemmed or with rolled edges (except fabrics in the piece which have been cut from wider pieces and hemmed or rolled merely to prevent unravelling), or with a knotted fringe at any of the edges;

(d) cut to size and having undergone a process of drawn thread work;

(e) assembled by sewing, gumming or otherwise (other than piece-goods consisting of two or more lengths of identical material joined end to end and piece goods composed of two or more fabrics assembled in layers, whether or not padded).

5. The Headings of Chapters 50 to 57 and, except where the context otherwise requires, the Headings of Chapters 58 to 60, are to be taken not to apply to goods made up within the meaning of Note 4 above. Chapters 50 to 57 are to be taken not to apply to goods falling within Chapter 58 or 59.

CHAPTER 50*Silk and waste silk*

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rate of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
5001	Silk-worm cocoons suitable for reeling	50% plus Rs. 8.80 per kilogram	..	..	December 31st, 1979.
50.0	Raw Silk (not thrown)	30%	..	..	December 31st, 1979.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are preferential Areas
		Standard	U.K.	Other	
(1)	(2)	(3)	(4)	(5)	(6)
50.03/07	Silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags); silk yarn	50% plus Rs. 8.80 per kilogram	..	..	December 31st, 1979.
50.08	Silk worm gut and imitation catgut of silk	100%	..	..	..
50.09/10	Woven fabrics of silk including waste silk and noil silk :				
	(1) Fabrics, not elsewhere specified, containing more than 90 per cent. of silk, including such fabrics embroidered with yarn of man-made fibres	100% plus Rs. 18.70 per kilogram	..	..	December 31st, 1979.
	(2) Fabrics, not elsewhere specified, containing more than 10 per cent. and not more than 90 per cent. silk	100%	..	..	..

CHAPTER 51

Man-made fibres (continuous)

NOTES

1. Throughout this Schedule, "man-made fibres" means fibres or filaments of organic polymers produced by manufacturing processes, either:

(a) by polymerisation or condensation of organic monomers, for example, polyamides, polyesters, polyurethanes and polyvinyl derivatives; or

(b) by chemical transformation of natural organic polymers (such as cellulose, casein, proteins and algae), for example, viscose rayon, cuprammonium rayon (cupra), cellulose acetate and alginates.

2. Heading No. 51.01/03 is to be taken not to apply to continuous filament tow of man-made fibres falling within Chapter 56.

3. "Yarn of man-made fibres (continuous)" is to be taken not to apply to yarn (known as "ruptured filament yarn") of which the majority of the filaments have been ruptured by passage through rollers or other devices (Chapter 56).

4. Monofil of which any cross-sectional dimension exceeds one millimetre is to be classified in Chapter 39.

Strip (artificial straw and the like) of man-made fibre materials is to be classified in Heading No. 51.01/03 when of a width not exceeding 5 millimetres and in Chapter 39 in other cases.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
51·01/03	Yarn of man-made fibres (continuous); monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials.	100%			
			[100% plus Re 20 per kilogram]		
51·04	Woven fabrics of man-made fibres (continuous); including woven fabrics of monofil or strip of Heading No. 51·01/03.	100%	..	..	..

CHAPTER 52

Metallised textiles

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
52·01	Metallised yarn, being textile yarn-spun with metal or covered with metal by any process	100%	..	..	..
52·02	Woven fabrics of metal thread or of metallised yarn, of a kind used in articles of apparel, as furnishing fabrics or the like.	100%	..	..	..

CHAPTER 53

Wool and other animal hair

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
53·01/05	Sheep's or lambs' wool and other animal hair, whether or not carded or combed, and waste of such wool or of animal hair, whether or not pulled or garnetted (including pulled or garnetted rags):				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Wool, raw and wool tops	40%	..	..	..
53·06/10	Yarn of sheep's or lambs' wool, or horsehair or of other animal hair	60%	..	..	..
53·11/13	Woven fabrics of sheep's or lambs' wool, of horsehair or of other animal hair	100%	..	..	..

↳ Subs. by Act 66 of 1976, S. 34 and Sch. III

CHAPTER 54
Flax and ramie

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
54.01/02	Flax and ramie, raw or processed but not spun; flax tow and waste and ramie noils and waste (including pulled or garnetted rags)	40%	..	..	..
54.03/04	Flax or ramie yarn.	60%	..	..	..
54.05	Woven fabrics of flax or of ramie	100%	..	..	..

CHAPTER 55

Cotton

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
55.01/04	Cotton whether or not carded or combed; cotton linters and waste	40%	..	..	..
55.05/06	Cotton yarn	60%	..	..	..
55.07/09	Woven fabrics of cotton	100%	..	..	..

CHAPTER 56

Man-made fibres (discontinuous)

NOTE

In Heading No. 56.01/04 "continuous filament tow" is to be taken to apply only to continuous filament tow of man-made fibres, consisting of parallel filaments of a uniform length equal to the length of the tow, meeting the following specifications:

- (a) length of tow exceeding 2 metres;
- (b) twist less than 5 turns per metre;
- (c) weight per filament less than 6.6 milligrams per metre (60 denier);
- (d) in the case of filaments described in Note 1(a) to Chapter 51 the tow must be drawn, that is to say, be incapable of being stretched by more than 100 per cent. of its length; and
- (e) the total weight of tow more than 2 grams per metre (18,000 denier).

Tow of a length not exceeding 2 metres is also to be classified in this Heading.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
56.01/04	Man-made fibres (discontinuous) and waste (including yarn waste and pulled or garnetted rags) of man-made fibres (continuous or discontinuous) whether or not carded or combed or otherwise prepared for spinning; continuous filament tow	100%	..	..	..
56.05/06	Yarn of man-made fibres (discontinuous or waste)	100%	100% plus Re. 20. per kilogram		
56.07	Woven fabrics of man-made fibres (discontinuous or waste)	100%	..	..	..

CHAPTER 57

Other vegetable textile material, paper yarn and woven fabrics of paper yarn

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
57.01/04	Hemp, jute and other vegetable textile fibres, raw or processed but not spun; tow and waste of such fibres	40%	..	..	..
57.05/08	Yarn of hemp, of jute or of other vegetable textile fibres; paper yarn	60%	..	..	..
57.09/12	Woven fabrics of hemp, of jute or of other vegetable textile fibres; woven fabrics of paper yarn	100%	..	..	..

CHAPTER 58

Carpets, mats, matting and tapestries; pile and chenille fabrics; narrow fabrics; trimmings; tulle and other net fabrics; lace; embroidery

NOTES

1. The Headings of this Chapter are to be taken not to apply to coated or impregnated fabrics, elastic fabrics or elastic trimmings, machinery belting or other goods falling within Chapter 59. However, embroidery on any textile base falls within Heading No. 58.04/10.

2. In Heading No. 58.01/03, "carpets" and "rugs" are to be taken to extend to similar articles having the characteristics of floor coverings but intended for use for other purpose. This Heading is to be taken not to apply to felt carpets, which fall within Chapter 59.

↳ Subs by Act 66 of 1976, S. 34 and Sch. III

3. For the purpose of Heading No. 58.04/10, "narrow woven fabrics" means:

(a) woven fabrics of a width not exceeding 30 centimetres, whether woven as such or cut from wider pieces, provided with selvages (woven, gummed or made otherwise) on both edges;

(b) tubular woven fabrics of a flattened width not exceeding 30 centimetres; and

(c) bias binding with folded edges, of a width when unfolded not exceeding 30 centimetres.

Narrow woven fabrics in the form of fringes are to be treated as falling within this Heading.

4. Heading No. 58.04/10 is to be taken not to apply to nets or netting in the piece made of twine, cordage or rope, which are to be taken as falling within Heading No. 59.01/15.

5. In Heading No. 58.04/10, "embroidery" means, *inter alia*, embroidery with metal or glass thread on a visible ground of textile fabric, and sewn applique work of sequins, beads or ornamental motifs of textile or other materials. The Heading is to be taken not to apply to needlework tapestry (Heading No. 58.01/03).

6. The Headings of this Chapter are to be taken to include goods of the descriptions specified therein when made of metal thread and of a kind used in apparel, as furnishings or the like.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
58.01/03	Carpets, carpeting, rugs, mats and matting (made up or not); tapestries	100 %	..	..	..
58.04/10	Pile and chenille fabrics, narrow woven fabrics and other narrow fabrics; labels, badges and the like; chenille yarn (including flock chenille yarn); gimped yarn; braids; trimmings; net fabrics; lace; embroidery	100 %	..	..	..

CHAPTER 59

Wadding and felt; twine, cordage, ropes and cables; special fabrics; impregnated and coated fabrics; textile articles of a kind suitable for industrial use

NOTES

1. For the purposes of this Chapter, "textile fabric" is to be taken to apply only to the textile fabrics of Chapters 50 to 57 and Heading No. 58.04/10, the braids and trimmings in the piece, the tulle and other net fabrics and lace of Heading No. 58.04/10 and the knitted and crocheted fabrics of Chapter 60.

2. Heading No. 59.01/15 covers:

(i) textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials whatever the weight per square metre and whatever the nature of the plastic material (compact, foam, sponge or expanded); and

(ii) textile fabrics otherwise impregnated or coated; painted canvas, being theatrical scenery, studio back-cloths or the like.

It does not, however, cover:

(a) fabrics in which the impregnation, coating or covering cannot be seen with the naked eye (usually Chapters 50 to 58 and 60); for the purpose of this provision, no account should be taken of any resulting change of colour;

(b) products which cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm. at a temperature between 15° and 30°C (usually Chapter 39); or

(c) products in which the textile fabric is either completely embedded in artificial plastic material or coated or covered on both sides with such material (Chapter 39).

Sub-paragraph (ii) above does not apply to:

(a) fabrics in which the impregnation or coating cannot be seen within the naked eye (usually Chapters 50 to 58 and 60); for the purpose of this provision, no account should be taken of any resulting change of colour;

(b) fabrics painted with designs (other than painted canvas being theatrical scenery, studio back-cloths or the like);

(c) fabrics covered with flock, dust, powdered cork or the like and bearing designs resulting from these treatments; or

(d) fabrics finished with normal dressings having a basis of amylaceous or similar substances.

3. Heading No. 59.16/17 is to be taken not to apply to:

(a) transmission, conveyor or elevator belting of a thickness of less than 3 millimetres; or

(b) transmission, conveyor or elevator belts or belting of textile fabric impregnated, coated, covered or laminated with rubber or made from textile yarn or cord impregnated or coated with rubber (Heading No. 40.05/16).

4. In Heading No. 59.16/17, the expression "textile fabrics and textile articles, of a kind commonly used in machinery or plant" is to be taken to apply to the following goods which are to be taken as not falling within any other Heading of Section XI:

(a) textile products (other than those having the character of the products of Chapter 59), the following only:

(i) textile fabric, felt and felt-lined woven fabric, coated, covered or laminated with rubber, leather or other material, of a kind commonly used for card clothing, and similar fabric of a kind commonly used in machinery or plant;

(ii) bolting cloth;

(iii) straining cloth of a kind commonly used in oil presses and the like, of textile fibres or of human hair;

(iv) woven textile felts, whether or not impregnated or coated, of a kind commonly used in paper-making or other machinery, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft;

(v) textile fabrics reinforced with metal, of a kind commonly used in machinery or plant;

(vi) textile fabrics of the metallised yarn falling within Heading No. 52.01 of a kind commonly used in paper-making or other machinery;

(vii) cords, braids and the like, whether or not coated, impregnated or reinforced with metal, of a kind commonly used in machinery or plant as packing or lubricating materials;

(b) textile articles (other than wicks, textile hose-piping and transmission, conveyor or elevator belts or belting) of a kind commonly used in machinery or plant (for example, gaskets, washers, polishing discs and other machinery parts).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
59.01/15	Wadding, felt, bonded fibre fabrics, similar bonded yarn fabrics, twine, cordage, ropes and cables, and articles thereof (including nets and netting); impregnated, coated; covered or laminated textile fabrics, elastic fabrics, wicks and textile hose piping	100%	..	..	..
59.16/17	Transmission, conveyor or elevator belts or belting, of textile material, whether or not strengthened with metal or other material; textile fabrics and textile articles, of a kind commonly used in machinery or plant	40%			

CHAPTER 60

Knitted and crocheted goods

NOTES

1. This Chapter does not cover:
 - (a) crochet lace of Heading No. 58.04/10;
 - (b) knitted or crocheted goods falling within Chapter 59;
 - (c) corsets, corset-belts, suspender-belts, brassieres, braces, suspenders, garters or the like (Chapter 61);
 - (d) old clothing or other articles falling within Heading No. 63.01; or
 - (e) orthopaedic appliances, surgical belts, trusses or the like (Heading No. 90.19).
2. This Chapter is to be taken to apply to knitted or crocheted articles and to parts thereof:
 - (a) knitted or crocheted directly to shape, whether imported as separate items or in the form of a number of items in the length;
 - (b) made up, by sewing or otherwise.
3. This Chapter includes goods of the descriptions specified therein when made of metal thread and of a kind used in apparel, as furnishings or the like.
4. For the purposes of this Chapter:
 - (a) "elastic" means consisting of textile materials combined with rubber threads; and
 - (b) "rubberised" means impregnated, coated, covered or laminated with rubber; or made with textile thread impregnated, coated or covered with rubber.

Heading No.	Sub-heading No.	No. and description of article	Rate of duty			Duration when rates of duty are protective
			Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
60.01/06		Knitted or crocheted fabric, whether or not elastic or rubberised; undergarments and outer garments, gloves, stockings and the like, knitted or crocheted, or made of knitted or crocheted fabric.	100%	..	..	..

CHAPTER 61

Articles of apparel and clothing accessories of textile, fabric, other than knitted or crocheted goods

NOTES

1. This Chapter applies to articles of the kinds described therein only when made up of any textile fabric (including felt, bonded fibre fabric, braid or trimmings of Heading No. 58.04/10, tulle or other net fabrics and lace) or of fabric of metal thread, but does not apply to articles of knitted or crocheted material other than corsets, corset-belts, suspender-belts, brassieres, braces, suspenders, garters and the like.

2. This Chapter does not cover:

(a) old clothing or other articles falling within Heading No. 63·01; or

(b) orthopaedic appliances, surgical belts, trusses or the like (Heading No. 90·19).

3. This Chapter is to be taken to apply to textile fabrics (other than knitted or crocheted fabric) cut to shape for making articles of this Chapter.

Corsets and like articles referred to in Note 1 to this Chapter, however, also include fabrics knitted or crocheted to shape for making such articles whether imported as separate items or in the form of a number of items in the length.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
61·01/11	Articles of apparel and clothing accessories of textile fabric, other than knitted or crocheted goods falling within Chapter 60	100%	..	..	..

CHAPTER 62

Other made up textile articles

NOTES

1. This Chapter applies to the articles of the kind described therein only when made up of any textile fabric (other than felt and bonded fabric or similar bonded yarn fabrics) or of the braids or trimmings of Heading No. 58.04/10, not being knitted or crocheted goods.

2. This Chapter does not cover goods falling within Chapter 58, 59 or 61 or Heading No. 63·01.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
62·01/05	Other made up textile articles including travelling rugs, blankets, household linen, curtains and other furnishing articles, sacks and bags, tarpaulins, tents and camping goods	100%	..	..	..

CHAPTER 63

Old clothing and other textile articles; rags

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
63·01	Clothing, clothing accessories, travelling rugs and blankets, household linen and furnishing articles (other than articles falling within Chapter 58), of textile materials, footwear and headgear of any material, showing signs of appreciable wear and imported in bulk packings	100%	..	..	..
63·02	Used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables	40%	..	..	..

SECTION XII

FOOTWEAR, HEADGEAR, UMBRELLAS, SUNSHADES, WHIPS, RIDING-CROPS AND PARTS THEREOF; PREPARED FEATHERS AND ARTICLES MADE THEREWITH; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR; FANS

CHAPTER 64

Footwear, gaiters and the like; parts of such articles

NOTES

1. This Chapter does not cover:

(a) footwear, without applied soles, knitted or crocheted (Chapter 60) or of other textile fabric (except felt or bonded fibre or similar bonded yarn fabrics) (Chapter 62);

(b) old footwear falling within Heading No. 63·01;

(c) articles of asbestos (Chapter 68);

(d) orthopaedic footwear or other orthopaedic appliances, or parts thereof (Heading No. 90·19); or

(e) toys and skating boots with skates attached (Chapter 97).

2. In this Chapter, "parts" is to be taken not to include pegs, boot protectors, eyelets, boot hooks, buckles, ornaments, braid, laces, pomons or other trimmings (which are to be classified in their appropriate Headings) or buttons or other goods falling within Heading No. 98·01/02.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
64.01/06	Footwear, all sorts, of any material except asbestos and parts thereof of any material except asbestos or metal; gaiters, spats, leggings, puttees, cricket pads, shin-guards and similar articles, and parts thereof	100%	..	..	..

CHAPTER 65

Headgear and parts thereof

NOTE

This Chapter does not cover:

- (a) old headgear falling within Heading No. 63.01;
- (b) hair nets of human hair (Chapter 67);
- (c) asbestos headgear (Chapter 68); or
- (d) dolls' hats or other toy hats, or carnival articles of Chapter 97.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
65.01/07	Headgear and parts thereof including hair nets	100%	..	..	..

CHAPTER 66

Umbrellas, sunshades, walking-sticks, whips, riding-crops and parts thereof

NOTES

1. This Chapter does not cover:

- (a) measure walking-sticks or the like (Heading No. 90.16);
- (b) firearm-sticks, sword-sticks, loaded walking-sticks or the like (Chapter 93); or
- (c) goods falling within Chapter 97 (for example, toy umbrellas and toy sunshades).

2. This Chapter does not apply to parts, trimmings or accessories of textile material, nor to covers, tassels, thongs, umbrella cases or the like, of any material. Such goods imported with, but not fitted to, articles falling within this Chapter are to be classified separately and are not to be treated as forming part of those article.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
56-01/03	Umbrellas and sunshades, all sorts; walking-sticks and the like; parts, fittings, trimmings and accessories of the foregoing	100%	..	..	..

CHAPTER 67

Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair; fans

NOTE

This Chapter does not cover:

- (a) straining cloth (Heading No. 59-16/17);
- (b) floral motifs of lace, of embroidery or other textile fabric (Section XI);
- (c) footwear (Chapter 64);
- (d) headgear (Chapter 65);
- (e) feather dusters, powder-puffs or hair sieves (Chapter 96);
- (f) toys, sports requisites or carnival articles (Chapter 97);
- (g) goods (for example, bedding) in which feathers or down constitute only filling or padding;
- (h) articles of apparel and accessories thereto in which feathers or down constitute no more than mere trimming or padding;
- (ij) articles of glass (Chapter 70); or
- (k) artificial flowers, foliage or fruit of pottery, stone, metal, wood, or other materials, obtained in one piece by moulding, forging, carving, stamping or other process, or consisting of parts assembled otherwise than by binding, glueing or similar methods.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
67-01/05	Skins and other parts of birds with their feathers or down; prepared feathers and down and articles made of feathers or of down; artificial flowers; human or animal hair; worked; articles of human hair; wigs and the like, and animal hair prepared for use in making them; fans (non-mechanical)	100%	..	..	..

SECTION XIII

ARTICLES OF STONE, OF PLASTER, OF CEMENT, OF ASBESTOS,
OF MICA AND OF SIMILAR MATERIALS; CERAMIC PRODUCTS;
GLASS AND GLASSWARE

CHAPTER 68

Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials

NOTE

This Chapter does not cover:

- (a) goods falling within Chapter 25;
- (b) coated or impregnated paper falling within Chapter 48 (for example, paper coated with mica powder or graphite, bituminised or asphalted paper);
- (c) coated or impregnated textile fabric falling within Chapter 59 (for example, mica-coated fabric, bituminised or asphalted fabric);
- (d) articles falling within Chapter 71;
- (e) tools or parts of tools, falling within Chapter 82;
- (f) lithographic stones of Heading No. 84.34;
- (g) electrical insulators or fittings of insulating material falling within Heading No. 85.18/27;
- (h) dental burrs (Heading No. 90.17/18);
- (ij) goods falling within Chapter 91 (for example, clocks and clock cases);
- (k) articles falling within Chapter 95;
- (l) articles falling within Chapter 97 (for example, toys, games and sports requisites);
- (m) goods falling within Headings Nos. 98.01/02 and 98.03/09 (for example, buttons, slate pencils or drawing slates); or
- (n) works of art, collectors' pieces or antiques (Chapter 99).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rate of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
68.01/16	Articles of natural or artificial stone, of agglomerated natural or artificial abrasives, of plastering material, of cement, of concrete, of asbestos, of asbestos-cement or cellulose fibre-cement, or of mica; articles of vegetable materials agglomerated with mineral binders; mineral wools; expanded mineral materials; articles of other mineral substances, not elsewhere specified or included:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Grinding stones, grinding wheels and the like, of natural stone, of agglomerated natural or artificial abrasives, and segments or other finished parts of such stones and wheels but excluding hand polishing stones, whetstones, oilstones, and hones	40%	..	..	..

CHAPTER 69

Ceramic products

NOTES

1. The Headings of this Chapter are to be taken to apply only to ceramic products which have been fired after shaping. Headings Nos. 69.04/08, 69.09 and 69.10/14 are to be taken to apply only to such products other than heat-insulating goods and refractory goods.

2. This Chapter does not cover:

(a) goods falling within Chapter 71 (for example, imitation jewellery);

(b) cermets falling within Chapter 81;

(c) electrical insulators or fittings of insulating material falling within Heading No. 85.18/27;

(d) artificial teeth (Heading No. 90.19);

(e) goods falling within Chapter 91 (for example, clocks and clock cases);

(f) articles falling within Chapter 97 (for example, toys, games and sports requisites);

(g) smoking pipes, buttons or other articles falling within Chapter 98; or

(h) original statuary, collectors' pieces or antiques (Chapter 99).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
69.01/02	Heat-insulating bricks, blocks, tiles and other heat-insulating goods of siliceous fossil meals or of similar siliceous earths (for example, kieselguhr, tripolite or diatomite); refractory bricks, blocks, tiles and similar refractory constructional goods	60%	..	..	..
69.03	Other refractory goods (for example, retorts, crucibles, muffles, nozzles, plugs, supports, cupels, tubes, pipes, sheaths and rods)	60%	..	..	..
69.04/08	Building bricks, roofing tiles, earth and wall tiles and other constructional goods; piping, conduits and guttering (including angles, bends and similar fittings)	100%	..	..	..
69.09	Laboratory, chemical or industrial wares; troughs, tubs and similar receptacles of a kind used in agriculture; pots, jars and similar articles of a kind commonly used for the conveyance or packing of goods	60%	..	..	..
69.10/14	Other articles including sanitary fixtures, tableware and domestic-ware	100%	..	..	..

CHAPTER 70
Glass and glassware

NOTES

1. This Chapter does not cover:
 - (a) ceramic enamels (Heading No. 32.04/12);
 - (b) goods falling within Chapter 71 (for example, imitation jewellery);
 - (c) electrical insulators or fittings of insulating material falling within Heading No. 85.18/27;
 - (d) hypodermic syringes, artificial eyes, thermometers, barometers, hydrometers, optically worked optical elements or other articles falling within Chapter 90;
 - (e) toys, games, sports requisites, Christmas tree ornaments or other articles falling within Chapter 97 (excluding glass eyes without mechanisms for dolls or for other articles of that Chapter); or
 - (f) buttons, fitted vacuum flasks, scent or similar sprays or other articles falling within Chapter 98.
2. For the purposes of Heading No. 70.20, the expression "wool" means:
 - (a) mineral wools with a silica (SiO_2) content not less than 60 per cent. by weight;
 - (b) mineral wools with a silica (SiO_2) content less than 60 per cent. but with an alkaline oxide (K_2O and/or Na_2O) content of more than 5 per cent. by weight or a boric oxide (B_2O_3) content of more than 2 per cent. by weight.

Mineral wools which do not comply with the above specifications fall in Chapter 68.

3. For the purposes of this Schedule, "glass" is to be taken to extend to fused quartz and fused silica.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
70.01/16	Glass and glassware, including containers for the conveyance or packing of goods, envelopes for electric lamps, electronic valves or the like, inners for vacuum flasks, articles of stationery, illuminating glassware, optical elements of glass not optically worked nor of optical glass, clock and watch glasses and bricks, tiles, slabs and similar articles of a kind commonly used in building	100%	..	..	..
70.17/18	Laboratory, hygienic and pharmaceutical glassware, whether or not graduated or calibrated; glass ampoules; optical glass and elements of optical glass, other than optically worked elements; blanks for corrective spectacle lenses	60%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
70·19	Glass beads, imitation pearls, imitation precious and semi-precious stones, and similar fancy or decorative glasswares, and articles of glassware made therefrom; glass cubes and small glass plates, for decorative purposes; artificial eyes of glass, excluding those for wear by humans; ornaments and other fancy articles of lamp-worked glass; glass grains (ballotini).	100%	..	..	..
70·20	Glass fibre (including wool), yarns, fabrics, and articles made therefrom	60%	..	..	..
70·21	Other articles of glass	100%	..	..	..

SECTION XIV

PEARLS, PRECIOUS AND SEMI-PRECIOUS STONES, PRECIOUS METALS, ROLLED PRECIOUS METALS, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN

CHAPTER 71

Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery

NOTES

1. Subject to Note 1 (a) to Section VI and except as provided below, all articles consisting wholly or partly:

(a) of pearls or of precious or semi-precious stones (natural, synthetic, or reconstructed); or

(b) of precious metal or of rolled precious metals, are to be classified within this Chapter and not within any other Chapter.

2. This Chapter does not cover:

(a) amalgams of precious metal, and colloidal precious metal (Chapter 28);

(b) sterile surgical suture materials, dental fillings and other goods falling in Chapter 30;

(c) goods falling within Chapter 32 (for example, lustres);

(d) handbags and other articles falling within Chapter 42;

(e) goods of Chapter 43;

(f) goods falling within Section XI (textiles and textile articles);

(g) footwear (Chapter 64) and headgear (Chapter 65);

(h) umbrellas, walking-sticks and other articles falling within Chapter 66;

(i) fans and hand screens of Chapter 67;

(k) coin (Chapter 72 or 99);

(l) abrasive goods falling within Chapter 68 or 82, containing dust or powder of precious or semi-precious stones (natural or synthetic); goods of Chapter 82 with a working part of precious or semi-precious stones (natural, synthetic or reconstructed) on a support of base metal; machinery, mechanical appliances and electrical goods, and parts thereof, falling within Section XVI, not being such articles wholly of precious or semi-precious stones (natural, synthetic or reconstructed);

(m) goods falling within Chapter 90, 91 or 92 (scientific instruments, clocks and watches, or musical instruments);

(n) arms or parts thereof (Chapter 93);

(o) articles covered by Note 2 to Chapter 97;

(p) articles falling within Chapter 98 other than buttons, studs, cuff-links, combs, hair-slides and the like; or

(q) original sculptures and statuary and collectors' pieces (Heading No. 99-04/05) and antiques of an age exceeding one hundred years (Heading No. 99-06) other than pearls or precious or semi-precious stones.

3. (a) "Pearls" is to be taken to include cultured pearls.

(b) "Precious metal" means silver, gold, platinum and other metals of the platinum group, namely, iridium, osmium, palladium, rhodium and ruthenium.

4. For the purposes of this Chapter, any alloy (including a sintered mixture) containing precious metal is to be treated as an alloy of precious metal if, and only if, any one precious metal constitutes as much as two per cent., by weight, of the alloy. Alloys of precious metal are to be classified according to the following rules:

(a) an alloy containing two per cent. or more, by weight, of platinum is to be treated only as an alloy of platinum;

(b) an alloy containing two per cent. or more, by weight, of gold but no platinum, or less than two per cent., by weight, of platinum, is to be treated only as an alloy of gold;

(c) other alloys containing two per cent. or more, by weight, of silver are to be treated as alloys of silver.

For the purposes of this Note, metals of the platinum group are to be regarded as one metal and are to be treated as though they were platinum.

5. Except where the context otherwise requires, any reference in these Notes or elsewhere in this Schedule to precious metal or to any particular precious metal is to be taken to include a reference to alloys treated as alloys of precious metal or of the particular metal in accordance with Note 4 above, but not to rolled precious metal or to base metal or non-metals coated or plated with precious metal.

6. "Rolled precious metal" means material made with a base of metal upon one or more surfaces of which there is affixed by soldering, brazing, welding, hot-rolling or similar mechanical means a covering of precious metal. This expression is also to be taken to cover base metal inlaid with precious metal.

(a) In Heading No. 71.12/15, "jewellery, goldsmiths' and silversmiths' wares and other articles of precious metal or rolled precious metal and parts thereof" does not cover articles in which precious metal or rolled precious metal is present as minor constituents, only, such as minor fittings or minor ornamentation (for example, monograms, ferrules and rims). "Articles consisting of, or incorporating, pearls, precious or semi-precious stones (natural, synthetic or reconstructed)" does not cover articles containing precious metal or rolled precious metal (other than as minor constituents).

(b) For the purposes of this Heading, "jewellery" means:

(i) any small objects of personal adornment (gem-set or not) (for example, rings, bracelets, necklaces, broaches, ear-rings, watch-chains, fobs, pendants, tie pins, cuff-links, dress-studs, religious or other medals and insignia); and

(ii) articles of personal use of a kind normally carried in the pocket, in the handbag or on the person (such as cigarette cases, powder boxes, chain purses, cachou boxes).

(c) For the purposes of this Heading, "goldsmiths' or silversmiths' wares" includes such articles as ornaments, tableware, toilet-ware, smokers' requisites and other articles of household, office or religious use.

8. For the purposes of Heading No. 71.16, "imitation jewellery" means articles of jewellery within the meaning of paragraph (b)(i) of Note 7 above (but not including buttons, studs, cuff-links, dress combs, hair-slides or the like of Headings Nos. 98.01/02 and 98.12/14) not incorporating pearls, precious or semi-precious stones (natural, synthetic or reconstructed) nor (except as plating or as minor constituents) precious metal or rolled precious metal, and composed:

(a) wholly or partly of base metal, whether or not plated with precious metal; or

(b) of at least two materials (for example, wood and glass, bone and amber, mother of pearl and artificial plastic material), no account being taken of materials (for example, necklace strings) used only for assembly.

9. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
71-01	Pearls, unworked or worked, but not mounted, set or strung (except ungraded pearls temporarily strung for convenience of transport):				
	(1) Real pearls, raw or unworked	40%			
	(2) Cultured pearls, raw or unworked	40%			
	(3) Real and cultured pearls, worked	60%			
71-02	Precious and semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport):				
	(1) Emeralds, sapphires and rubies, unworked or uncut	40%			
	(2) Diamonds, unworked or uncut, including sawn diamonds which require further cutting or faceting, but excluding industrial diamonds	40%			
	(3) Industrial diamonds	40%			
	(4) Precious and semi-precious stones not elsewhere specified, unworked	40%			
	(5) Precious and semi-precious stones, cut or otherwise worked	60%			
71-03	Synthetic or reconstructed precious or semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	60%			
71-04	Dust and powder of natural or synthetic precious or semi-precious stones	60%			
71-05/1	Precious metals, namely silver, gold and platinum and other metals of the platinum group, rolled precious metals, silver gilt and platinum plated gold or silver, unwrought, or semi-manufactured; jewellers' sweepings and other waste and scrap of precious metal:				
	(1) Not elsewhere specified	100%			
	(2) Platinum and other metals of the platinum group	60%			
71-12/15	Jewellery, goldsmiths' and silversmiths' wares and other articles, of precious metal or rolled precious metal, and parts thereof; articles consisting of, or incorporating, pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	100%			
71-16	Imitation jewellery	100%			

CHAPTER 72

Coin

NOTE

This Chapter does not cover collectors' pieces (Heading No. 99:04/05).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
72.01	Coin:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Current coin of the Government of India	Free	..	..	..

SECTION XV

BASE METALS AND ARTICLES OF BASE METAL

NOTES

1. This Section does not cover:

- (a) prepared paints, inks or other products with a basis of metallic flakes or powder falling within Heading No. 32.04/12 or 32.13;
- (b) ferro-cerium or other pyrophoric alloys (Chapter 36);
- (c) headgear or parts thereof falling within Chapter 65;
- (d) umbrella frames and other goods (parts, fittings, trimmings and accessories of umbrellas, sunshades, walking-sticks and the like) falling within Chapter 66;
- (e) goods falling within Chapter 71 (for example, precious metal alloys, rolled precious metal and imitation jewellery);
- (f) articles falling within Section XVI (machinery, mechanical appliances and electrical goods);
- (g) assembled railway or tramway track (Heading No. 86.10) or other articles falling within Section XVII (vehicles, ships and boats, aircraft);
- (h) instruments or apparatus of base metal of a kind falling within Section XVIII, including clock and watch springs;
- (i) lead shot prepared for ammunition (Chapter 93) or other articles falling within Section XIX (arms and ammunition);
- (k) articles falling within Chapter 94 (furniture and mattress supports);
- (l) hand sieves (Chapter 96);
- (m) articles falling within Chapter 97 (for example, toys, games and sports requisites); or
- (n) buttons, pens, pencil-holders, pen nibs or other articles falling within Chapter 98.

2. Throughout this Schedule, "parts of general use" means:

(a) goods described in Headings Nos. 73·20, 73·25, 73·29, 73·31 and 73·32 and similar goods of other base metals;

(b) springs and leaves for springs, of base metal, other than clock and watch springs (Chapter 91); and

(c) goods described in Sub-heading No. (1) of Heading No. 83·01/15.

In Chapters 73 to 82 (but not in Heading No. 73·29) references to parts of goods do not include references to parts of general use as defined above.

Subject to the preceding paragraph and to the Note to Chapter 83, the Headings in Chapters 73 to 81 are to be taken not to apply to any goods falling within Chapter 82 or 83.

3. Classification of alloys (other than ferro-alloys and master alloys as defined in Chapters 73 and 74):

(a) an alloy of base metals containing more than 10 per cent., by weight, of nickel is to be classified as an alloy of nickel, except in the case of an alloy in which iron predominates by weight over each of the other metals;

(b) any other alloy of base metals is to be classified as an alloy of the metal which predominates by weight over each of the other metals;

(c) an alloy composed of base metals of this Section and of elements not falling within this Section is to be treated as an alloy of base metals of this Section if the total weight of such metals equals or exceeds the total weight of the other elements present;

(d) in this Section, the term "alloy" is to be taken to include sintered mixtures of metal powders and heterogeneous intimate mixtures obtained by melting (other than cermets).

4. Unless the context otherwise requires, any reference in this Schedule to a base metal is to be taken to include a reference to alloys which, by virtue of Note 3 above, are to be classified as alloys of that metal.

5. Classification of composite articles:

except where the Headings otherwise require, articles of base metal (including articles of mixed materials treated as articles of base metal under the Interpretative Rules) containing two or more base metals are to be treated as articles of the base metal predominating by weight. For this purpose:

(a) iron and steel, or different kinds of iron or steel, are regarded as one and the same metal;

(b) an alloy is regarded as being entirely composed of that metal as an alloy of which, by virtue of Note 3, it is classified; and

(c) a cermet falling within Chapter 81 is regarded as a single base metal.

6. For the purposes of this Section, "waste and scrap" means waste and scrap metal fit only for the recovery of metal or for use in the manufacture of chemicals.

CHAPTER 73

Iron and steel and articles thereof

NOTES

1. In this Chapter, the following expressions have the meanings hereby assigned to them:

(a) "pig iron" and "cast iron" (Heading No. 73.01):

a ferrous product containing, by weight, 1.9 per cent. or more of carbon, and which may contain one or more of the following elements within the weight limits specified:

less than 15 per cent. phosphorus,

not more than 8 per cent. silicon,

not more than 6 per cent. manganese,

not more than 30 per cent. chromium,

not more than 40 per cent. tungsten, and

an aggregate of not more than 10 per cent. of other alloy elements (for example, nickel, copper, aluminium, titanium, vanadium, molybdenum).

However, the ferrous alloys known as "non-distorting tool steels" containing, by weight, 1.9 per cent. or more of carbon and having the characteristics of steel, are to be classified as steels, under their appropriate Headings;

(b) "spiegeleisen" (Heading No. 73.01):

a ferrous product containing, by weight, more than 6 per cent but not more than 30 per cent. of manganese and otherwise conforming to the specification at (a) above;

(c) "ferro-alloys" (Heading No. 73.02):

alloys of iron (other than master alloys as defined in Note 1 to Chapter 74) which are not usefully malleable and are commonly used as raw material in the manufacture of ferrous metals and which contain, by weight, separately or together:

more than 8 per cent. of silicon, or

more than 30 per cent. of manganese, or

more than 30 per cent. of chromium, or

more than 40 per cent. of tungsten, or

a total of more than 10 per cent. of other alloy elements (aluminium, titanium, vanadium, copper, molybdenum, niobium or other elements, subject to a maximum content of 10 per cent. in the case of copper),

and which contain, by weight, not less than 4 per cent. in the case of ferro-alloys containing silicon, not less than 8 per cent. in the case of ferro-alloys containing manganese, but no silicon or not less than 10 per cent. in other cases, of the element iron;

(d) "alloy steel" (Heading No. 73.15):

steel containing, by weight, one or more elements in the following proportions:

more than 2 per cent. of manganese and silicon, taken together, or

2.00 per cent. or more of manganese, or

2.00 per cent. or more of silicon, or

0.50 per cent. or more of nickel, or

0.50 per cent. or more of chromium, or

0.10 per cent. or more of molybdenum, or

0.10 per cent. or more of vanadium, or

0.30 per cent. or more of tungsten, or

0.30 per cent. or more of cobalt, or

0.30 per cent. or more of aluminium, or

0.40 per cent. or more of copper, or

0.10 per cent. or more of lead, or

0.12 per cent. or more of phosphorus, or

0.10 per cent. or more of sulphur, or

0.20 per cent. or more of phosphorus and sulphur, taken together, or

0.10 per cent. or more of other elements, taken separately;

(e) "high carbon steel" (Heading No. 73.15):

steel containing, by weight, not less than 0.60 per cent. of carbon and having a content, by weight, less than 0.04 per cent. of phosphorus and sulphur taken separately and less than 0.07 per cent. of these elements taken together;

(f) "puddled bars" and "pilings" (Heading No. 73.06/07):

products for rolling, forging or re-melting obtained either:

(i) by shingling balls of puddled iron to remove the slag arising during puddling, or

(ii) by roughly welding together by means of hot-rolling, packets of scrap iron or steel or puddled iron;

(g) "ingots" (Heading No. 73.06/07):

products for rolling or forging obtained by casting into moulds;

(h) "blooms" and "billets" (Heading No. 73.06/07):

semi-finished products of rectangular section, of a cross-sectional area exceeding 1,225 square millimetres and of such dimensions that the thickness exceeds one-quarter of the width;

(ij) "slabs and sheet bars" (including tinplate bars) (Heading No. 73.06/07);

semi-finished products of rectangular section, of a thickness not less than 6 millimetres, of a width not less than 150 millimetres and of such dimensions that the thickness does not exceed one-quarter of the width;

(k) "coils for re-rolling" (Heading No. 73·08):

coiled semi-finished hot-rolled products, of rectangular section, not less than 1·5 millimetres thick, of a width exceeding 500 millimetres and of a weight of not less than 500 kilograms per piece;

(l) "universal plates" (Heading No. 73·09):

products of rectangular section, hot-rolled lengthwise in a closed box or universal mill, of a thickness exceeding 5 millimetres but not exceeding 100 millimetres, and of a width exceeding 150 millimetres but not exceeding 1,200 millimetres;

(m) "hoop and strip" (Heading No. 73·12):

rolled products with sheared or unsheared edges, of rectangular section, of a thickness not exceeding 6 millimetres, of width not exceeding 500 millimetres and of such dimensions that the thickness does not exceed one-tenth of the width, in straight strips, coils or flattened coils;

(n) "sheets and plates" (Heading No. 73·13):

rolled products [other than coils for re-rolling as defined in paragraph (k) above] of any thickness and, if in rectangles, of a width exceeding 500 millimetres.

Heading No. 73·13 is to be taken to apply, *inter alia*, to sheets or plates which have been cut to non-rectangular shape, perforated, corrugated, channelled, ribbed, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings;

(o) "wire" (Heading No. 73·14):

cold-drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 13 millimetres. In the case of Headings Nos. 73·25, 73·26 and 73·27/28, however, "wire" is deemed to include rolled products of the same dimensions;

(p) "bars and rods" (including wire rod) (Heading No. 73·10):

products of solid section which do not conform to the entirety of any of the definitions (h), (ij), (k), (l), (m), (n) and (o) above, and which have cross-sections in the shape of circles, segments of circles, ovals, isosceles triangles, rectangles, hexagons, octagons or quadrilaterals with only two sides parallel and the other sides equal.

The expression also includes concrete reinforcing bars which apart from minor indentations, flanges, grooves or other deformations produced during the rolling process correspond to the above definition;

(q) "hollow mining drill steel" (Heading No. 73·10):

steel hollow bars of any cross-section, suitable for mining drills, of which the greatest external dimension exceeds 15 millimetres but does not exceed 50 millimetres, and of which the greatest internal dimension does not exceed one-third of the greatest external dimension. Other steel hollow bars are to be treated as falling within Heading No. 73·17/19;

(r) "angles, shapes and sections" (Heading No. 73.11):

products, other than those falling within Heading No. 73.16, which do not conform to the entirety of any of the definitions (h), (ij), (k), (l), (m), (n) and (o) above, and which do not have cross-sections in the form of circles, segments of circles, ovals, isosceles triangles, rectangles, hexagons, octagons or quadrilaterals with only two sides parallel and the other two sides equal, and which are not hollow.

2. Headings Nos. 73.06/07 to 73.14 are to be taken not to apply to goods of alloy or high carbon steel (Heading No. 73.15).

3. Iron and steel products of the kind described in any of the Headings Nos. 73.06/07 to 73.15 inclusive, clad with another ferrous metal, are to be classified as products of the ferrous metal predominating by weight.

4. Iron obtained by electrolytic deposition is classified according to its form and dimensions with the corresponding products obtained by other processes.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
73.01	Pig iron, cast iron and spiegeleisen, in pigs, blocks, lumps and similar forms	40%	..	..	..
73.02	Ferro-alloys	40%	..	..	..
73.03/05	Waste and scrap metal, shot and angular grit (whether or not graded); wire pellets, iron or steel powders; sponge iron or steel	40%	..	..	..
73.06/07	Puddled bars, pilings, ingots, blocks, lumps and similar forms, blooms, billets, slabs and sheet bars (including tinplate bars), of iron or steel pieces roughly shaped by forging, of iron or steel				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Pieces roughly shaped by forging, of iron or steel	60%	..	..	..
73.08	Iron or steel coils for re-rolling	40%	..	..	..
73.09	Universal plates of iron or steel	40%	..	..	..
73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel	40%	..	..	..
73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
73·12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled	40%	..	..	..
73·13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled :				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Tinned sheets and plates	40%	..	..	..
73·14	Iron or steel wire, whether or not coated, but not insulated	40%	..	..	..
73·15	Alloy steel and high carbon steel in the forms mentioned in Headings Nos. 73·06/07 to 73·14:				
	(1) Not elsewhere specified				
	(2) High carbon steel strip of thickness 0·5 millimetre or less	60%	50%	..	..
	(3) Coils for re-rolling, strips, sheets and plates, of stainless steel	200%	..	..	..
	(4) Grain-oriented electrical steel sheets and strip	40%	..	..	..
73·16	Railway and tramway track construction material of iron or steel, the following: rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for joining or fixing rails	40%	..	..	..
73·17/19	Tubes and pipes and blanks therefor, of iron or steel:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Drilling tubes and pipes and blanks therefor	40%	..	..	..
	(3) Tubes and pipes for boilers falling within Heading No. 84·01/02 and blanks therefor	40%	..	..	..
	(4) Tubes and pipes sheathed or lined with corrosion-resisting material, such as glass, rubber and plastic	40%	..	..	..
73·20	Tube and pipe fittings (for example, joints, elbows, unions and flanges), of iron or steel	60%	..	..	..

↳ Ins. by Act 66 of 1976, S. 34 and Sch. III

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
73·21	Structures and parts of structures (for example, hangers and other buildings, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, door and window frames, shutters, balustrades, pillars and columns), of iron or steel; plates, strip, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	40%	..	..	..
73·22/23	Reservoirs, tanks, vats, casks, drums, cans, boxes and similar containers for any material (other than compressed or liquefied-gas), of iron or steel	60%	..	..	..
73·24	Containers of iron or steel, for compressed or liquefied-gas	40%	..	..	..
73·25	Stranded wire, cables, cordage, ropes, plaited bands, slings and the like, of iron or steel wire, but excluding insulated electric cables	60%	50%	..	..
73·26	Barbed iron or steelwire; twisted hood or single flat wire, barbed or not, and loosely twisted double wire, of kinds used for fencing, of iron or steel	60%	50%	..	..
73·27/28	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials, of iron or steel wire; expanded metal of iron or steel	60%	..	..	..
73·29	Chain and parts thereof, of iron or steel :				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Mooring chains	40%	..	..	..
73·30	Anchors and grapnels and parts thereof, of iron or steel	40%	..	..	..
73·31	Nails, tacks, staples, hook-nails, corrugated nails, spiked cramps, studs, spikes and drawing pins, of iron or steel, whether or not with heads of other materials, but not including such articles with heads of copper ;	60%	..	..	..
73·32	Bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped, and screws (including screw hooks and screw rings), of iron or steel; rivets, cotters, cotter-pins, washers and spring washers, of iron or steel	60%	..	..	..
73·33/40	Other articles of iron or steel	100%	..	..	..

CHAPTER 74

Copper and articles thereof

NOTES

1. For the purposes of Heading No. 74.01/02, "master alloys" means alloys [except copper phosphide (phosphor copper) containing more than 8 per cent. by weight of phosphorus] containing with other alloy elements more than 10 per cent. by weight of copper, not usefully malleable and commonly used as raw material in the manufacture of other alloys or as de-oxidants, de-sulphurising agents or for similar uses in the metallurgy of non-ferrous metals.

[Copper phosphide (phosphor copper) containing more than 8 per cent. by weight of phosphorus falls within Chapter 28 and not within this Chapter.]

2. In this Chapter, the following expressions have the meanings hereby assigned to them:

(a) "wire" (Heading No. 74.03):

rolled, extruded or drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 6 millimetres;

(b) "wrought bars, rods, angles, shapes and sections" (Heading No. 74.03):

rolled, extruded, drawn or forged products of solid section, of which the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; also cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of articles or products falling within other Headings.

Wire-bars and billets with their ends tapered or otherwise worked simply to facilitate their entry into machines for converting them into, for example, wire-rod or tubes, are however to be taken to be unwrought copper of Heading No. 74.01/02;

(c) "wrought plates, sheets, strip" (Heading No. 74.04/05):

flat-surfaced, wrought products (coiled or not), of which the maximum cross-sectional dimension exceeds 6 millimetres and of which the thickness exceeds 0.15 millimetre but does not exceed one-tenth of the width.

Heading No. 74.04/05 is to be taken to apply, *inter alia*, to such products, whether or not cut to shape, perforated, corrugated, ribbed, channelled, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings.

3. Heading No. 74.07/08 is to be taken to apply, *inter alia*, to tubes, pipes and hollow bars which have been polished or coated, or which have been shaped or worked, such as bent, coiled, threaded, drilled, waisted, cone-shaped or finned. Heading No. 74.07/08 is to be taken to apply, *inter alia*, to tube and pipe fittings which have been similarly treated.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
74·01/02	Copper matte; unwrought copper (refined or not); copper waste and scrap; master alloys	40%	[100%]	4	..
74·03	Wrought bars, rods, angles, shapes and sections, of copper; copper wire:				
	(1) Not elsewhere specified	60%	[100%]	4	..
	(2) Bars, rods, angles, shapes, sections and wire of unalloyed copper	[100%]	60%	50% [90%]	4 ..
74·04/05	Wrought plates, sheets, strip and foil, of copper	60%	[100%]	4	..
74·06	Copper powders and flakes	60%	[100%]	4	..
74·07/08	Tubes and pipes and blanks therefor, of copper; hollow bars of copper; tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper:				
	(1) Not elsewhere specified	60%	[100%]	4	..
	(2) Tubes and pipes and blanks therefor, and hollow bars, of nominal bore exceeding 19 millimetres	40%	..	..	..
74·09/19	Other articles of copper	60%	[100%]	4	..

CHAPTER 75

Nickel and articles thereof

NOTES

1. In this Chapter, the following expressions have the meanings hereby assigned to them:

(a) "wire" (Heading No. 75·02):

rolled, extruded or drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 6 millimetres;

(b) "wrought bars, rods, angles, shapes and sections" (Heading No. 75·02):

rolled, extruded, drawn or forged products of solid section of which the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; also cast or sintered products, of the same forms and dimensions, which have been subsequently machined (otherwise than by simple trimming or de-scaling);

↳ Subs. by Act 66 of 1976, s.34 and Sch. III

(c) "wrought plates, and strip" (Heading No. 75·03):

flat-surfaced, wrought products (coiled or not), of which the maximum cross-sectional dimension exceeds 6 millimetres, and of which the thickness does not exceed one-tenth of the width.

Heading No. 75·03 is to be taken to apply, *inter alia*, to such products, whether or not cut to shape, perforated, corrugated, ribbed, channelled, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings.

2. Heading No. 75·04/06 is to be taken to apply, *inter alia*, to tubes, pipes, hollow bars and tube and pipe fittings which have been polished or coated, or which have been shaped or worked, such as bent, coiled, threaded, drilled, waisted, cone-shaped or finned.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
75·01	Nickel mattes, nickel speiss and other intermediate products of nickel metallurgy; unwrought nickel (excluding electro-plating anodes); nickel waste and scrap	40%	..	..	..
75·02	Wrought bars, rods, angles, shapes and sections of nickel; nickel wire:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Electrical resistance wires of nickel-chrome and other nickel alloys	100%	..	..	..
75·03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes	60%	..	..	..
75·04/06	Other articles of nickel	60%	..	..	..

CHAPTER 76

Aluminium and articles thereof

NOTES

1. In this Chapter, the following expressions have the meanings hereby assigned to them:

(a) "wire" (Heading No. 76·02):

rolled, extruded or drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 6 millimetres;

(b) "wrought bars, rods, angles, shapes and sections" (Heading No. 76·02):

rolled, extruded, drawn or forged products of solid section, of which the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; also cast or sintered products, of the same forms and dimensions, which have been subsequently machined (otherwise than by simple trimming or de-scaling);

(c) "wrought plates, sheets and strip" (Heading No. 76·03/04):

flat-surfaced, wrought products (coiled or not), of which the maximum cross-sectional dimension exceeds 6 millimetres, and of which the thickness exceeds 0·15 millimetre but does not exceed one-tenth of the width.

Heading No. 76·03/04 is to be taken to apply, *inter alia*, to such products, whether or not cut to shape, perforated, corrugated, ribbed, channelled, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings.

2. Heading No. 76·06/07 is to be taken to apply, *inter alia*, to tubes, pipes and hollow bars which have been polished or coated, or which have been shaped or worked, such as bent, coiled, threaded, drilled, waisted, cone-shaped or finned; also to tube and pipe fittings which have been similarly treated.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
76·01	Unwrought aluminium; aluminium waste and scrap: (1) Not elsewhere specified	40%	..	..	..
	(2) Unalloyed aluminium in any crude form, including ingots, blocks, slabs, billets, wire bars, shots and pellets	40%	..	..	..
76 02	Wrought bars, rods, angles, shapes and sections of aluminium; aluminium wire	60%	..	..	..
76·03/04	Wrought plates, sheets, and strip of aluminium; aluminium foil: (1) Not elsewhere specified	60%	..	..	..
	(2) Wrought plates, sheets, strip and foil, of unalloyed aluminium	40%	..	..	..
76·05	Aluminium powders and flakes	60%	..	..	..
76·06/07	Tubes and pipes and blanks therefor, of aluminium; hollow bars of aluminium; tube and pipe fittings (for example, joints, elbows, sockets and flanges) of aluminium	60%	..	..	..
76·08/16	Other articles of aluminium	60%	..	..	..

CHAPTER 77

Magnesium and beryllium and articles thereof

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
77·01/03	Magnesium unwrought or wrought, and articles of magnesium	40%	..	..	..
77·04	Beryllium unwrought or wrought and articles of beryllium	60%	..	..	..

CHAPTER 78

Lead and articles thereof

NOTES

1. In this Chapter, Heading No. 78·02/06 covers, *inter alia*,—

(a) Wire, meaning

rolled, extruded or drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 6 millimetres;

(b) wrought bars, rods, angles, shapes and sections, meaning

rolled, extruded, drawn or forged products of solid section, of which the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; also cast or sintered products, of the same forms and dimensions, which have been subsequently machined (otherwise than by simple trimming or de-scaling);

(c) wrought plates, sheets and strip, meaning

flat-surfaced, wrought products (coiled or not), of which the maximum cross-sectional dimension exceeds 6 millimetres, of which the thickness does not exceed one-tenth of the width, and which are of a weight exceeding 1,700 grams per square metre.

This Heading is to be taken to apply, *inter alia*, to the products, mentioned in (c) above, whether or not cut to shape, perforated, corrugated, ribbed, channelled, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings.

2. Heading No. 78·02/06 is to be taken to apply, *inter alia*, to tubes, pipes, hollow bars and tube and pipe fittings which have been polished or coated, or which have been shaped or worked, such as bent, coiled, threaded, drilled, waisted, cone-shaped or finned.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
78·01	Unwrought lead (including argentiferous lead); lead waste and scrap:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Unalloyed lead, unwrought	40%	..	..	..
78·02/06	Lead wrought and articles of lead	60%	..	..	..

CHAPTER 79

Zinc and articles thereof

NOTE

In this Chapter, the following expressions have the meanings hereby assigned to them:

(a) "wire" (Heading No. 79·02):

rolled, extruded or drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 6 millimetres;

(b) "wrought bars, rods, angles, shapes and sections" (Heading No. 79·02):

rolled, extruded, drawn or forged products of solid section, of which the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; also cast or sintered products, of the same forms and dimensions, which have been subsequently machined (otherwise than by simple trimming or de-scaling);

(c) "wrought plates, sheets and strip" (Heading No. 79·03):

flat-surfaced, wrought products (coiled or not), of which the maximum cross-sectional dimension exceeds 6 millimetres, and of which the thickness does not exceed one-tenth of the width.

Heading No. 79·03 is to be taken to apply, *inter alia*, to such products, whether or not cut to shape, perforated, corrugated, ribbed, channelled, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
79·01	Unwrought zinc; zinc waste and scrap :				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Unalloyed zinc, unwrought	40%	..	..	..
79·02	Wrought bars, rods, angles, shapes and sections, of zinc; zinc wire	60%	..	..	..
79·03	Wrought plates, sheets and strip of zinc; zinc foil; zinc powders and flakes	40%	..	..	..
79·04/06	Other articles of zinc	60%	..	..	..

CHAPTER 80

Tin and articles thereof

NOTES

1. In this Chapter, Heading No. 80·02/06 covers, *inter alia*,—

(a) Wire, meaning

rolled, extruded or drawn products of solid section of any cross-sectional shape, of which no cross-sectional dimension exceeds 6 millimetres;

(b) Wrought bars, rods, angles, shapes and sections, meaning

rolled, extruded, drawn or forged products of solid section, of which the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; also cast or sintered products, of the same forms and dimensions, which have been subsequently machined (otherwise than by simple trimming or de-scaling);

(c) Wrought plates, sheets and strip, meaning

flat-surfaced, wrought products (coiled or not), of which the maximum cross-sectional dimension exceeds 6 millimetres, of which the thickness does not exceed one-tenth of the width, and which are of a weight exceeding 1 kilogram per square metre.

This Heading is to be taken to apply, *inter alia*, to the products mentioned in (c) above, whether or not cut to shape, perforated, corrugated, ribbed, channelled, polished or coated, provided that they do not thereby assume the character of articles or of products falling within other Headings.

2. Heading No. 80-02/06 is to be taken to apply, *inter alia*, to tubes, pipes, hollow bars and tube and pipe fittings which have been polished or coated, or which have been shaped or worked, such as bent coiled, threaded, drilled, waisted, cone-shaped or finned.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
80-01	Unwrought tin; tin waste and scrap :				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Unalloyed tin, unwrought	40%	..	..	..
80-02/06	Tin wrought and articles of tin	60%	..	..	..

CHAPTER 81

Other base metals employed in metallurgy and articles thereof

NOTE

This Chapter covers, in addition to tungsten, molybdenum and tantalum, the following base metals, bismuth, cadmium, cobalt, chromium, gallium, germanium, hafnium, indium, manganese, niobium (columbium), rhenium, antimony, titanium, thorium, thallium, uranium depleted in U235, vanadium and zirconium. The Chapter also covers cobalt mattes, cobalt speiss and other intermediate products of cobalt metallurgy and cermets.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
81-01/04	Tungsten, molybdenum, tantalum and other base metals, wrought or unwrought, and articles thereof:				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Unalloyed tungsten, molybdenum, tantalum and other base metals, unwrought	40%	..	..	..

CHAPTER 82

Tools, implements, cutlery, spoons and forks, of base metal; parts thereof

NOTES

1. Apart from blow lamps, portable forges, grinding wheels with frameworks, manicure and chiropody sets, and goods classified in Heading No. 82·07 and handles of base metal falling within Heading No. 82·08/15, this Chapter covers only articles with a blade, working edge, working surface or other working part of:

- (a) base metal;
- (b) metal carbides;
- (c) precious or semi-precious stones (natural, synthetic or reconstructed) on a support of base metal; or
- (d) abrasive materials on a support of base metal, provided that the articles have cutting teeth, flutes, grooves, or the like, of base metal, which retain their identity and function after the application of the abrasive.

2. Parts of base metal of the articles falling in the Headings of this Chapter are to be classified with the articles of which they are parts, except parts separately specified as such and tool-holders for hand tools (Heading No. 84·45/48). However, parts of general use as defined in Note 2 to Section XV are in all cases excluded from this Chapter.

Cutting plates for electric hair clippers and blades and heads for electric shavers are to be classified under Heading No. 82·08/15.

3. Sets (other than manicure or chiropody sets Heading No. 82·08/15) comprising an assortment of tools, cutlery, spoons, forks or other articles of a kind falling within the different Headings of this Chapter, fitted in cabinets, boxes, cases or the like, are to be classified as that one of the constituent articles which is chargeable with the highest rate of duty.

4. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
82·01/04	Hand tools (for example, spades, hoes, hewing tools, scythes and hay knives) of a kind used in agriculture, horticulture or forestry; saws (non-mechanical) and blades for hand or machine saws (including toothless saw blades); hand tools, not falling within any other Heading of this Chapter, including glaziers' diamonds, pliers, tinmen's snips, bolt croppers, perforating punches, spanners and wrenches (other than tap wrenches), files and rasps; blow lamps, anvils; vices and clamps, other than accessories for, and parts of, machine tools; portable forges; grinding wheels with frameworks (hand or pedal operated)	60%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
82·05	Interchangeable tools for hand tools, for machine tools or for power-operated hand tools (for example, for pressing, stamping, drilling, tapping, threading, boring, broaching, milling, cutting, turning, dressing, morticing or screw driving), including dies for wire drawing, extrusion dies for metal, and rock drilling bits :				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Rock drilling bits	40%	..	..	..
82·06	Knives and cutting blades, for machines' or for mechanical appliances	The rate applicable to the machine or mechanical appliance with which the knife or the cutting blade is designed to be used.	..	..	..
82·07	Tool-tips and plates, sticks and the like for tool-tips, unmounted, of sintered metal carbides (for example, carbides of tungsten, molybdenum or vanadium)	60%	..	..	..
82·08/15	Coffee-mills, mincers, juice-extractors and other mechanical appliances, of a weight not exceeding ten kilograms and of a kind used for domestic purposes in the preparation, serving or conditioning of food or drink; knives (other than those falling within Heading No. 82·06), scissors, knife and scissor blades, and other articles of cutlery (including spoons, forks, ladles and similar kitchen or tableware); razors or razor blades (including razor blade blanks, whether or not in strips); manicure and chiropody sets and appliances; handles of base metal for any of the above articles	100%	..	..	..

CHAPTER 83

Miscellaneous articles of base metal

NOTE

In this Chapter, a reference to parts of articles is in no case to be taken as applying to cables, chains, nails, bolts, nuts, screws, springs or other articles of iron or steel of a kind described in Heading No. 73·25, 73·29, 73·31, 73·32 or springs and leaves for springs, of iron or steel, nor to similar articles of other base metals (Chapters 74 to 81 inclusive).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)

83·01/15 Miscellaneous articles of base metal:

(1)	Locks, all sorts (including frames incorporating locks, for handbags, trunks or the like), and parts thereof; lock keys; fittings and mountings of a kind suitable for furniture, doors, staircases, blinds, coachwork, saddlery, trunks, caskets and the like (including automatic door closers); hat-racks, hat-pegs, brackets and the like; lamps and lighting fittings, and parts thereof (excluding articles falling within Chapter 85); fittings (for example, clasps, buckles, hooks, eyes and eyelets) of a kind commonly used for clothing, travel goods, handbags or other textile or leather goods; tubular rivets and bifurcated rivets; photograph, picture and similar frames; mirrors of base metal; sign-plates, name-plates, numbers, letters and other signs	100%	..	..	..
(2)	Safes, strong-boxes, strong-rooms (including linings and doors thereof); cash and deed boxes and the like; office equipment (for example, filing cabinets, racks, sorting boxes, paper trays and paper rests) other than office furniture falling within Chapter 94; fittings for loose leaf binders, for files or for stationery books; letter clips, staples, indexing tags and similar stationery goods; statuettes and other ornaments of a kind used indoors; flexible tubing and piping; beads and spangles; bells and gongs, non-electric, and parts thereof, stoppers, crown corks, bottle caps, capsules, bung covers, seals and plombs, case corner protectors and other packing accessories	100%	..	..	..
(3)	Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides, coated or cored with flux material, of a kind used for soldering, brazing, welding or deposition of metal or of metal carbides; wire and rods, of agglomerated base metal powder, used for metal spraying	60%	..	..	..

SECTION XVI

MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL
EQUIPMENT; PARTS THEREOF

NOTES

1. This Section does not cover:

(a) transmission, conveyor or elevator belts or belting, of artificial plastic material of Chapter 39, or of vulcanised rubber (Heading No. 40·05/16); or other articles of a kind used on machinery, mechanical or electrical appliances, of unhardened vulcanised rubber (for example, washers) (Heading No. 40·05/16);

(b) articles of leather or of composition leather (Chapter 42) or of furskin (Chapter 43), of a kind used in machinery or mechanical appliances or for industrial purposes;

(c) bobbins, spools, cops, cones, cores, reels and similar supports, of any material (for example, Chapter 39, 40, 44 or 48 or Section XV);

(d) perforated cards of paper or paperboard for Jacquard or similar machines, falling within Chapter 48;

(e) transmission, conveyor or elevator belts of textile material or other articles of textile material of a kind commonly used in machinery or plant (Heading No. 59·16/17);

(f) precious or semi-precious stones (natural, synthetic or reconstructed) of Heading No. 71·02 or 71·03, or articles wholly of such stones falling within Heading No. 71·12/15;

(g) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39·07);

(h) endless belts of metal wire or strip (Section XV);

(ij) articles falling within Chapter 82 or 83;

(k) vehicles, aircraft, ships or boats, of Section XVII;

(l) articles falling within Chapter 90;

(m) clocks, watches and other articles falling within Chapter 91;

(n) interchangeable tools of Heading No. 82·05 and brushes of a kind used as parts of machines, of Chapter 96; similar interchangeable tools are to be classified according to the constituent material of their working part (for example, in Chapter 40, 42, 43, 45, 59 or 68 or Heading No. 69·09); or

(o) articles falling within Chapter 97.

2. Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines [not being parts of the articles described in Heading No. 84·64 or parts of the following articles falling within Heading No. 85·18/27, namely, (i) insulators or insulated electric wire and the like (ii) carbon articles used for electrical purposes, or (iii) electrical conduit tubing and joints therefor] are to be classified according to the following rules:

(a) goods of a kind described in any of the Headings of Chapters 84 and 85 (other than Headings Nos. 84·65 and 85·28) are in all cases to be classified in their respective Headings;

(b) other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines falling

within the same Heading (including a machine falling within Heading No. 84·59 or electrical goods and apparatus falling within Heading No. 85·18/27) are to be classified with the machines of that kind. However, goods which are equally suitable for use principally with the goods of Headings Nos. 85·13 and 85·15 are to be classified in Heading No. 85·13;

(c) all other parts are to be classified in Heading No. 84·65 or 85·28.

3. Unless the Headings otherwise require, composite machines consisting of two or more machines fitted together to form a whole and other machines adapted for the purpose of performing two or more complementary or alternative functions are to be classified as if consisting only of that component or as being that machine which performs the principal function.

4. Motors and transmission, conveyor or elevator belts, for machinery or appliances to which they are fitted, or, if packed separately for convenience of transport, which are clearly intended to be fitted to or mounted on a common base with the machine or appliance with which they are imported, are to be classified under the same Heading as such machinery or appliances.

5. For the purposes of these Notes, "machine" means any machine, apparatus or appliance of a kind falling within Section XVI.

6. Heading No. 84·66 is to be taken to apply to all goods which satisfy the conditions prescribed therein, even though they may be covered by a more specific Heading elsewhere in the Schedule.

CHAPTER 84

Boilers, machinery and mechanical appliances; parts thereof

NOTES

1. This Chapter does not cover:

(a) millstones, grindstones and other articles falling within Chapter 68;

(b) appliances and machinery (for example, pumps) and parts thereof, of ceramic material (Chapter 69);

(c) laboratory glassware of Heading No. 70·17/18; machinery and appliances and parts thereof, of glass (Heading No. 70·20 or 70·21);

(d) heating equipment falling within Heading No. 73·33/40 and similar articles of other base metals (Chapters 74 to 81); or

(e) tools for working in the hand of Heading No. 85·05 or electro-mechanical domestic appliances of Heading No. 85·06/07.

2. Subject to the operation of Notes 3 and 4 to Section XVI a machine or appliance which answers to a description in one or more of the

Headings Nos. 84·01/02 to 84·21 and at the same time to a description in one or other of the Headings Nos. 84·22 to 84·60, is to be classified under the former Heading and not the latter.

Heading No. 84·17 is, however, to be taken not to apply to:

(a) germination plant, incubators and brooders (Heading No. 84·28);

(b) grain dampening machines (Heading No. 84·29);

(c) diffusing apparatus for sugar juice extraction (Heading No. 84·30);

(d) machinery for the heat-treatment of textile yarns, fabrics or made up textile articles (Heading No. 84·40); or

(e) machinery or plant, designed for a mechanical operation, in which a change of temperature, even if necessary, is subsidiary.

Heading No. 84·19 is to be taken not to apply to:

(a) sewing machines for closing bags or similar containers (Heading No. 84·41); or

(b) office machinery of Heading No. 84·51/55.

3. (A) In Heading No. 84·51/55, the expression "automatic data processing machines" means:

(a) digital machines having storages capable of storing not only the processing programme or programmes and the data to be processed but also a programme for translating the formal programming language in which the programmes are written into machine language. These machines must have a main storage which is directly accessible for the execution of a programme and which has a capacity at least sufficient to store those parts of the processing and translating programmes and the data immediately necessary for the current processing run. They must also be able themselves, on the basis of the instructions contained in the initial programme, to modify, by logical decision, its execution during the processing run;

(b) analogue machines capable of simulating mathematical models and comprising at least: analogue elements, control elements and programming elements;

(c) hybrid machines consisting of either a digital machine with analogue elements or an analogue machine with digital elements.

(B) Automatic data processing machines may be in the form of systems consisting of a variable number of separately-housed units. A unit is to be regarded as being a part of the complete system if it meets all the following conditions:

(a) it is connectable to the central processing unit either directly or through one or more other units;

(b) it is specifically designed as part of such a system [it must, in particular, unless it is a power supply unit, be able to accept or deliver data in a form (code or signals) which can be used by the system].

Such units imported separately are also to be classified in Heading No. 84·51/55.

4. Heading No. 84·62 is to be taken to apply, *inter alia*, to polished steel balls, the maximum and minimum diameters of which do not differ from the nominal diameter by more than one per cent. or by more than 0·05 millimetre, whichever is less. Other steel balls are to be classified under Heading No. 73·33/40.

5. A machine which is used for more than one purpose is, for the purposes of classification, to be treated as if its principal purpose were its sole purpose.

Subject to Note 2 to this Chapter and Note 3 to Section XVI, a machine whose principal purpose is not described in any Heading or for which no one purpose is the principal purpose is, unless the context otherwise requires, to be classified in Heading No. 84·59. Heading No. 84·59 is also to be taken to cover machines for making rope or cable (for example, stranding, twisting or cabling machines) from metal wire, textile yarn or any other material or from a combination of such materials.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84·01/02	Steam and other vapour generating boilers (excluding central heating hot water boilers capable also of producing low pressure steam); superheated water boilers; auxiliary plant for use with such boilers (for example, economisers, superheaters, soot removers, gas recoverers and the like); condensers for vapour engines and power units	40%	..	..	..
84·03	Producer gas and water gas generators, with or without purifiers; acetylene gas generators (water process) and similar gas generators with or without purifiers	40%	..	..	..
84·04/05	Steam engines (including mobile engines, but not steam tractors falling within Heading No. 87·01 or mechanically propelled road rollers) with self-contained boilers; steam and other vapour power units, not incorporating boilers	40%	..	..	..
84·06	Internal combustion piston engines	100%	..	..	..
84·07	Hydraulic engines and motors (including waterwheels and water turbines)	40%	..	..	..
84·08	Other engines and motors :				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Spring operated or weight operated motors	60%	..	..	..
	(3) Jet and gas turbines, adapted for use in aeroplanes	40%	..	..	..

Heading No.	Sub-heading No. and description of article.	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.09	Mechanically propelled road rollers	40%	..	..	..
84.10	Pumps (including motor pumps and turbo pumps) for liquids, whether or not fitted with measuring devices; liquid elevators of bucket, chain, screw, band and similar kinds :				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Delivery pumps fitted with measuring or price calculating mechanism, such as are used for supplying petrol or oil, and pumps specially designed for lubricating and washing of vehicles; manually operated pumps	60%	..	..	..
	(3) Fuel, oil or water pumps for internal combustion piston engines (including fuel injection pumps)	100%	..	..	..
84.11	Air pumps, vacuum pumps and air or gas compressors (including motor and turbo pumps and compressors, and free-piston generators for gas turbines); fans, blowers and the like:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Gas compressors imported for use in air-conditioning equipment	60%	..	..	..
	(3) Gas compressors imported for use in refrigerating equipment	100%	94%	..	..
	(4) Exhaust fans and blowers of not less than 65 centimetres sweep; flame-proof fans and blowers	40%	..	..	..
	(5) Fans and blowers not falling within sub-heading (4)	100%	90%	..	..
84.12	Air-conditioning machines, self-contained, comprising a motor-driven fan and elements for changing the temperature and humidity of air	60%	..	..	..
84.13	Furnace burners for liquid fuel (atomisers), for pulverised solid fuel or for gas; mechanical stokers, mechanical grates, mechanical ash dischargers and similar appliances	40%	..	..	..
84.14	Industrial and laboratory furnaces and ovens, non-electric	40%	..	..	..
84.15	Refrigerators and refrigerating equipment (electrical and other) :				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Domestic refrigerators	100%	94%	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.16	Calendering and similar rolling machines (other than metal-working and metal-rolling machines and glass-working machines) and cylinders therefor	40%	..	..	..
84.17	Machinery, plant and similar laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, not being machinery or plant of a kind used for domestic purposes; instantaneous or storage water-heaters, non-electrical:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Machinery and equipment for food and drink other than those used for treating milk; instantaneous or storage water-heaters, non-electrical; machinery and equipment imported for use in air-conditioning	60%	..	..	..
84.18	Centrifuges; filtering and purifying machinery and apparatus (other than filter funnels, milk strainers and the like), for liquids or gases:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Air filters; oil or fuel filters for internal combustion piston engines	100%	..	..	..
84.19	Machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery; machinery for aerating beverages; dish washing machines	60%	..	..	..
84.20	Weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight-operated counting and checking machines; weighing machine weights of all kinds:				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Weigh-bridges; hopper scales for automatically weighing materials discharged from hoppers	40%	..	..	..
84.21	Mechanical appliances (whether or not hand operated) for projecting, dispersing or spraying liquids or powders; fire extinguishers (charged or not); spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines:				
	(1) Not elsewhere specified	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84·21 — <i>contd.</i>	(2) Spray guns and similar appliances for spraying paint, varnish, oil, distemper or cement; fire extinguishers (charged or not)	60%	..	..	..
84·22	Lifting, handling, loading or unloading machinery, telfers and conveyors (for example, lifts, hoists, winches, cranes, transporter cranes, jacks, pulley tackle, belt conveyors and teleferics) not being machinery falling within Heading No. 84·23	40%	..	..	..
84·23	Excavating, levelling, tamping, boring and extracting machinery, stationary or mobile, for earth, minerals or ores (for example, mechanical shovels, coal-cutters, excavators, scrapers, levellers and bulldozers); pile-drivers; snow-ploughs, not self-propelled (including snow-plough attachments)	40%	..	..	..
84·24	Agricultural and horticultural machinery for soil preparation or cultivation (for example, ploughs, harrows, cultivators, seed and fertiliser distributors); lawn and sports ground rollers 1]				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Lawn and sports ground rollers	60%	..	..	..
84·25	Harvesting and threshing machinery; straw and fodder presses; hay or grass mowers; winnowing and similar cleaning machines for seed, grain or leguminous vegetables and egg-grading and other grading machines for agricultural produce (other than those of a kind used in the bread grain milling industry falling within Heading No. 84·29)	40%	..	..	..
84·26	Dairy machinery (including milking machines)	40%	..	..	..
84·27	Presses, crushers and other machinery of a kind used in wine-making, cider-making, fruit juice preparation or the like	60%	..	..	..
84·28	Other agricultural, horticultural, poultry-keeping and bee-keeping machinery; germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders	40%	..	..	..
84·29	Machinery of a kind used in the bread grain milling industry, and other machinery (other than farm type machinery), for the working of cereals or dried leguminous vegetables	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.30	Machinery, not falling within any other heading of this Chapter, of a kind used in the following food or drink industries; bakery, confectionery, chocolate manufacture, macaroni, ravioli or similar cereal food manufacture, the preparation of meat, fish, fruit or vegetables (including mincing or slicing machines), sugar manufacture or brewing :				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Sugar manufacturing and refining machinery	40%	..	..	..
84.31	Machinery for making or finishing cellulosic pulp, paper or paperboard	40%	..	..	..
84.32	Book-binding machinery, including book-sewing machines	40%	..	..	..
84.33	Paper or paperboard cutting machines of all kinds; other machinery for making up paper pulp, paper or paperboard	40%	..	..	..
84.34	Machinery, apparatus and accessories for type-founding or type-setting; machinery, other than the machine tools of Heading No. 84.45/48, for preparing or working printing blocks, plates or cylinders; printing type, impressed flongs and matrices, printing blocks, plates and cylinders; blocks, plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished)	40%	..	..	..
84.35	Other printing machinery; machinery for uses ancillary to printing	40%	..	..	..
84.36	Machines for extruding man-made textiles; machines of a kind used for processing natural or man-made textile fibres; textile spinning and twisting machines; textile doubling, throwing and reeling (including weft-winding) machines	40%	..	..	..
84.37	Weaving machines, knitting machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net; machines for preparing yarns for use on such machines, including warping and warp sizing machines:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Domestic knitting machines; machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net	60%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.38	Auxiliary machinery for use with machines of Heading No. 84.37 (for example, dobbies, Jacquards, automatic stop motions and shuttle changing mechanisms); parts and accessories suitable for use solely or principally with the machines of the present heading or with machines falling within Heading No. 84.36 or 84.37 (for example, spindles and spindle flyers, card clothing, combs, extruding nipples, shuttles, healds and heald-lifters and hosiery needles):				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Parts and accessories of machines falling within sub-heading No. (2) of Heading No. 84.37	60%	..	..	..
84.39	Machinery for the manufacture or finishing of felt in the piece or in shapes, including felt-hat making machines and hat-making blocks	40%	..	..	..
84.40	Machinery for washing, cleaning, drying, bleaching, dyeing, dressing, finishing or coating textile yarns, fabrics or made-up textile articles (including laundry and dry-cleaning machinery); fabric folding, reeling or cutting machines; machines of a kind used in the manufacture of linoleum or other floor coverings for applying the paste to the base fabric or other support; machines of a type used for printing a repetitive design, repetitive words or overall colour on textiles, leather, wall-paper, wrapping paper, linoleum or other materials, and engraved or etched plates, blocks or rollers therefor:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Domestic washing machines, laundry and dry-cleaning machinery	60%	50%	..	..
84.41	Sewing machines; furniture specially designed for sewing machines; sewing machine needles:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Domestic sewing machines	100%	90%	..	..
84.42	Machinery (other than sewing machines) for preparing, tanning or working hides, skins or leather (including boot and shoe machinery):				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Boot and shoe making machinery	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.43	Convertors, ladles, ingot moulds and casting machines, of a kind used in metallurgy and in metal foundries . . .	40%	..	..	..
84.44	Rolling mills and rolls therefor . . .	40%	..	..	..
84.45/48	Machine-tools for working metal or metal carbides, stone, ceramics, concrete, asbestos-cement and like mineral materials or for working glass in the cold, for working wood, cork, bone, ebonite (vulcanite), hard artificial plastic materials or other hard carving materials, other than machines falling within Heading No. 84.49 or 84.50; accessories and parts suitable for use solely or principally with the above machine-tools, including work and tool holders, self-opening dieheads, dividing heads and other appliances for machine-tools; tool holders for any type of tool or machine-tool for working in the hand . . .	40%	..	..	..
84.49	Tools for working in the hand, pneumatic or with self-contained non-electric motor . . .	40%	..	..	..
84.50	Gas-operated welding, brazing, cutting and surface tempering appliances: (1) Not elsewhere specified . . .	40%	..	..	..
	(2) Hand-operated gas welding, brazing, cutting and surface tempering appliances (blow pipes) . . .	60%	50%	..	..
84.51/55	Typewriters, other than typewriters incorporating calculating mechanisms; cheque-writing machines; calculating machines; accounting machines, cash registers, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device; automatic data processing machines and units thereof; magnetic and optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included; other office machines (for example, hectograph or stencil duplicating machines, addressing machines, coin-sorting machines, coin-counting and wrapping machines, pencil-sharpening machines, perforating and stapling machines); parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the above machines: (1) Not elsewhere specified . . .	60%	..	..	..
	(2) Automatic data processing machines and units thereof; magnetic and optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included; parts and accessories suitable for use solely or principally with the machines falling within this sub-heading. . .	60%	..	..	..

Heading No.	Sub-heading No.	No. and description of article	Rate of duty			Duration when rates of duty are protective of preferential Areas
			Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)	
84.56		Machinery for sorting, screening, separating, washing, crushing, grinding or mixing earth, stone, ores or other mineral substances, in solid (including powder and paste) form; machinery for agglomerating, moulding or shaping solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder and paste form; machines for forming foundry moulds of sand	40%	..	..	..
84.57		Glass-working machines (other than machines for working glass in the cold); machines for assembling electric filament and discharge lamps and electronic and similar tubes and valves	40%	..	..	..
84.58		Automatic vending machines (for example, stamp, cigarette, chocolate and food machines), not being games of skill or chance	60%	50%	..	..
84.59		Machines and mechanical appliances, having individual functions, not falling within any other heading of this Chapter:				
		(1) Not elsewhere specified	60%	..	..	..
		(2) Machines and mechanical appliances designed for the production of a commodity, such as oil, soap or edible fats, artificial plastics, rubber or other similar products, electric wires and cables, ropes, baskets and brushes, cigars and cigarettes; machinery for treating metals, wood or similar materials, for stripping and cutting of tobacco leaf or for cutting or rolling tea leaves; machines for mounting card clothing; nuclear reactors	40%	..	..	..
84.60		Moulding boxes for metal foundry; moulds of a type used for metal (other than ingot moulds), for metal carbides, for glass, for mineral materials (for example, ceramic pastes, concrete or cement) or for rubber or artificial plastic materials	40%	..	..	..
84.61		Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats and the like, including pressure reducing valves and thermostatically controlled valves:				
		(1) Not elsewhere specified	60%	..	..	..
		(2) Isolating valves, non-return valves, safety valves, pressure reducing valves, exhaust relief valves, thermostatically controlled valves, solenoid operated valves; valves made of corrosion-resisting material such as stainless steel, nickel, monel, incoloy, hastelloy and other valves lined with rubber or other corrosion-resisting materials; steam traps	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.62	Ball, roller or needle roller bearings :				
	(1) Ball and roller bearings not elsewhere specified	40%	..	..	..
	(2) Ball bearings of all types not exceeding 60 millimetres bore diameter	100%	..	..	..
	(3) Roller bearings, including needle roller bearings but excluding adapter roller bearings, not exceeding 85 millimetres bore diameter	100%	..	..	..
84.63	Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing (including friction gears and gear-boxes and other variable speed gears), fly-wheels, pulleys and pulley blocks, clutches and shaft couplings	60%	..	..	..
84.64	Gaskets and similar joints of metal sheeting combined with other material (for example, asbestos, felt and paperboard) or of laminated metal foil; sets or assortments of gaskets and similar joints, dissimilar in composition, for engines, pipes, tubes and the like, put up in pouches, envelopes or similar packings	60%	..	..	..
84.65]	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features and not falling within any other heading in this Chapter	60%	..	..	..
84.66	(f) All items of :	40%	..	..	..
	(a) machinery including prime-movers,				
	(b) instruments, apparatus and appliances,				
	(c) control gear and transmission equipment,				
	(d) auxiliary equipment, as well as, all components (whether finished or not) or raw materials for the manufacture of the aforesaid items and their components, required for the initial setting up of a unit, or the substantial expansion of an existing unit, of a specified :				
	(1) industrial plant,				
	(2) irrigation project,				
	(3) power project,				
	(4) mining project,				
	(5) project for the exploration for oil or other minerals, and				

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
84.66 —contd.	(6) such other projects as the Central Government may, having regard to the economic development of the country, notify in the Official Gazette in this behalf :				
	<p>Provided these are imported (whether in one or in more than one consignment) against one or more specific contracts, which have been registered with the appropriate Custom House in the manner prescribed by Regulations which the Central Board of Excise and Customs may make under section 157 of the Customs Act, 1962 (52 of 1962) and such contract or contracts has or have been so registered before any order is made by the proper officer of customs permitting the clearance for home consumption, or deposit in a warehouse of items, components or raw materials;</p> <p>(#) all spare parts, other raw materials (including semi-finished material), or consumable stores imported, as a part of a contract or contracts, registered in terms of sub-heading (i), provided the total value of such spare parts, raw materials, and consumable stores does not exceed 10 per cent. of the value of the goods covered by sub-heading (i) and further provided that such spare parts, raw materials or consumable stores are essential for the maintenance of the plant or project mentioned in sub-heading (i)</p>				
		40%			

CHAPTER 85

Electrical machinery and equipment; parts thereof

NOTES

1. This Chapter does not cover:

(a) electrically warmed blankets, bed pads, food-muffs and the like; electrically warmed clothing, footwear and ear pads and other electrically warmed articles worn on or about the person;

(b) glass envelopes for electric lamps, electronic valves or the like, falling within Heading No. 70.01/16; or

(c) electrically heated furniture of Chapter 94.

2. Heading No. 85.01 includes metal tank mercury arc rectifiers but is to be taken not to apply to goods described in Heading No. 85.08 or 85.09 or to the rectifying tubes, valves and mounted semi-conductors of Heading No. 85.18/27.

3. Apart from shavers and hair clippers, Heading No. 85·06/07 is to be taken to apply only to the following electro-mechanical machines of types commonly used for domestic purposes:

(a) vacuum cleaners, floor polishers, food grinders and mixers, fruit juice extractors and fans, of any weight;

(b) other machines, provided the weight of such other machines does not exceed 20 kilograms.

The Heading does not, however, apply to dish washing machines (Heading No. 84·19), centrifugal and other clothes washing machines (Heading No. 84·08 or 84·40), roller and other ironing machines (Heading No. 84·16 or 84·40), sewing machines (Heading No. 84·41) or to electro-thermic appliances (Heading No. 85·12).

4. In Heading No. 85·18/27, "printed circuits" are to be taken to be circuits obtained by forming on an insulating base, by any printing process (for example, embossing, plating-up, etching) or by the "film circuit" technique, conductor elements, contacts or other printed components (for example, inductances, resistors, capacitors) alone or inter-connected according to a pre-established pattern, other than elements which can produce, rectify, modulate or amplify an electrical signal (for example, semi-conductor elements).

The term "printed circuits" does not cover circuits combined with elements other than those obtained during the printing process. Printed circuits may, however, be fitted with non-printed connecting elements.

Thin-or thick-film circuits comprising passive and active elements obtained during the same technological process are to be classified in Heading No. 85·18/27.

In Heading No. 85·18/27:

(A) "Diodes, transistors and similar semi-conductor devices" are to be taken to be those devices the operation of which depends on variations in resistivity on the application of an electric field;

(B) "Electronic micro-circuits" are to be taken to be:

(a) microassemblies of the "fagot" module, moulded module, micromodule and similar types; consisting of discrete, active or both active and passive miniaturised components which are combined and inter-connected;

(b) monolithic integrated circuits in which the circuit elements (diodes, transistors, resistors, capacitors, inter-connections, etc.) are created in the mass (essentially) and on the surface of a semi-conductor material (doped silicon, for example) and are inseparably associated;

(c) hybrid integrated circuits in which passive and active elements, some obtained by thin-or thick-film technology (resistors, capacitors, inter-connections, etc.), others by semi-conductor technology (diodes, transistors, monolithic integrated circuits, etc.), are combined, to all intents and purposes indivisibly, on a single insulating substrate (glass, ceramic, etc.). These circuits may also include miniaturised discrete components.

For the classification of the articles defined in this Note, Heading No. 85·18/27 shall take precedence over any other heading in the Schedule which might cover them by reference to, in particular, their function,

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
85.01	Electrical goods of the following descriptions : generators, motors, converters (rotary or static), transformers, rectifiers and rectifying apparatus, inductors :				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Electric motors other than the following : flameproof motors, variable speed commutator motors, internally geared motors, motors designed for use in circuits of 400 volts or above and other motors of rated output 1.5 kilowatts or above	60%	..	..	..
	(3) Transformers, other than flameproof, whose rated input voltage is less than 400 volts, and inductors used in circuits of less than 400 volts	60%	50%	..	..
85.02	Electro-magnets; permanent magnets and articles of special materials for permanent magnets, being blanks of such magnets; electro-magnetic and permanent magnet chucks, clamps, vices and similar work holders; electro-magnetic clutches and couplings; electro-magnetic brakes; electro-magnetic lifting heads	40%	..	..	..
85.03	Primary cells and primary batteries	100%	..	..	..
85.04	Electric accumulators	100%	..	..	..
85.05	Tools for working in the hand, with self-contained electric motor	60%	..	..	..
85.06/07	Electro-mechanical domestic appliances with self-contained electric motors; shavers and hair clippers, with self-contained electric motors	60%	50%	..	..
85.08	Electrical starting and ignition equipment for internal combustion engines (including ignition magnetos, magneto-dynamos, ignition coils, starter motors, sparking plugs and glow plugs); generators (dynamos and alternators) and cut-outs for use in conjunction with such engines.	100%	..	..	..
85.09	Electrical lighting and signalling equipment and electrical windscreen wipers, defrosters and demisters, for cycles or motor vehicles	100%	..	..	..
85.10	Portable electric battery and magneto lamps, other than lamps falling within Heading No. 85.09	100%	..	..	..
85.11	Industrial and laboratory electric furnaces, ovens and induction and dielectric heating equipment; electric welding, brazing and soldering machines and apparatus and similar electric machines and apparatus for cutting :				

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
85·11 —contd.	(1) Not elsewhere specified . . .	40%	..	..	..
	(2) Electrically heated hand soldering and brazing irons . . .	60%	50%	..	..
85·12	Electric instantaneous or storage water heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances (for example, hair dryers, hair curlers, curling tong heaters) and electric smoothing irons; electro-thermic domestic appliances; electric heating resistors, other than those of carbon	60%	50%	..	..
85·13	Electrical line telephonic and telegraphic apparatus (including such apparatus for carrier-current line systems)	60%	..	..	..
85·14	Microphones and stands therefor; loudspeakers; audio-frequency electric amplifiers	60%	50%	..	..
85·15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus:				
	(1) Not elsewhere specified . . .	60%	..	..	..
	(2) Radio broadcast receivers including those incorporating gramophones; television reception apparatus	100%	94%	..	..
85·16	Electric traffic control equipment for railways, roads or inland waterways and equipment used for similar purposes in port installations or upon airfields	60%	50%	..	..
85·17	Electric sound or visual signalling apparatus (such as bells, sirens, indicator panels, burglar and fire alarms), other than those of Heading No. 85·09 or 85·16	60%	50%	..	..
85·18/27	Electrical capacitors; electrical apparatus for making and breaking electrical circuits, for the protection of electrical circuits, or for making connections to or in electrical circuits; resistors other than heating resistors; printed circuits; switchboards (other than telephone switchboards) and control panels; electric filament lamps				

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
85.18/27 —contd.	and discharge lamps, arc-lamps and electrically ignited photographic flash bulbs; electronic valves and tubes; photocells; mounted piezo-electric crystals; diodes, transistors and similar semi-conductor devices; electronic microcircuits; insulated electric wire, cable, bars, strip and the like whether or not fitted with connectors; carbon brushes, arc-lamp carbons, battery carbons, carbon electrodes and other carbon articles of a kind used for electrical purposes; insulators of any material; insulating fittings for electrical equipment; electrical conduit tubing and joints therefor, of base metal lined with insulating material; electrical appliances and apparatus, having individual functions, not falling within any other Heading of this Chapter:				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Electrical capacitors, fixed or variable	60%	..	..	..
	(3) Electrical apparatus for making and breaking electrical circuits, for the protection of electrical circuits or for making connections to or in electrical circuits; resistors; switchboards and control panels:				
	Provided that the articles are designed for use in circuits of 400 volts or above, or of 20 amperes or above or for use with motors of 1.5 kilowatts or above	40%	..	..	..
	(4) Electric filament lamps and electric discharge lamps (excluding infra-red and ultra-violet lamps); arc-lamps; electrically ignited photographic flash bulbs	100%	..	..	..
	(5) Insulated (including enamelled or anodised) electric wire, cable, bars, strips and the like (including co-axial cable), whether or not fitted with connectors:				
	Provided that the conductor of any core has a sectional area of 4.75 square millimetres or more, if of copper, or has an equivalent conductance, if of any other material	60%	..	..	..
	(6) Carbon electrodes (including unmachined) for furnaces and electrolyzers, and nipples therefor	40%	..	..	..
	(7) Insulators designed for use in an electrical transmission system of 400 volts or above	40%	..	..	..
85.28	Electrical parts of machinery and apparatus, not being goods falling within any of the preceding headings of this Chapter	60%	50%	..	..

SECTION XVII**VEHICLES, AIRCRAFT, AND PARTS THEREOF; VESSELS AND CERTAIN ASSOCIATED TRANSPORT EQUIPMENT****NOTES**

1. This Section does not cover bobsleighs, toboggans or other articles falling within Chapter 97.

2. Throughout this Section, "parts" and "parts and accessories" are to be taken not to apply to the following articles, whether or not they are identifiable as for the goods of this Section:

(a) joints, washers and the like (classified according to their constituent material or in Heading No. 84·64);

(b) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39·07);

(c) articles falling within Chapter 82 (tools);

(d) articles falling within Chapter 83;

(e) machines and mechanical appliances and other articles falling within Heading Nos. 84·01/02 to 84·59, 84·61 or 84·62 and parts of engines and motors falling within Heading No. 84·63;

(f) electrical machinery and equipment (Chapter 85);

(g) articles falling within Chapter 90;

(h) clocks (Chapter 91);

(ij) arms (Chapter 93);

(k) brushes of a kind used as parts of vehicles (Chapter 96).

3. References in Chapters 86 to 88 to parts or accessories are to be taken not to apply to parts or accessories which are not suitable for use solely or principally with the articles of those Chapters. A part or accessory which answers to a description in two or more of the Headings of those Chapters is to be classified under that Heading which corresponds to the principal use of that part or accessory.

4. Flying machines specially constructed so that they can also be used as road vehicles are classified as flying machines. Amphibious motor vehicles are classified as motor vehicles.

5. Air-cushion vehicles are to be classified within this Section with the vehicles to which they are most akin as follows:

(a) in Chapter 86 if designed to travel on a guide-track (hover-trains);

(b) in Chapter 87 if designed to travel over land or over both land and water;

(c) in Chapter 89 if designed to travel over water, whether or not able to land on beaches or landing-stages or also able to travel over ice.

Parts and accessories of air-cushion vehicles are to be classified in the same way as those of vehicles falling within the Heading in which the air-cushion vehicles are classified under the above provisions.

Hovertrain track fixtures and fittings are to be classified as railway track fixtures and fittings, and traffic control equipment for hovertrain transport systems as traffic control equipment for railways.

CHAPTER 86

Railway and tramway locomotives, rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered)

NOTES

1. This Chapter does not cover:

(a) railway or tramway sleepers of wood or of concrete, or concrete guide-track sections for hovertrains (Chapter 44 or 68);

(b) railway or tramway track construction material of iron or steel falling within Heading No. 73·16; or

(c) electrically powered signalling apparatus falling within Heading No. 85·16.

2. Heading No. 86·09 is to be taken to apply, *inter alia*, to:

(a) axis, wheels, metal tyres, hoops and hubs and other parts of wheels;

(b) frames, underframes and bogies;

(c) axle boxes; brake gear;

(d) buffers for rolling-stock; coupling gear and corridor connections; and

(e) coachwork.

3. Subject to the provisions of Note 1 above, Heading No. 86·10 is to be taken to apply, *inter alia*, to:

(a) assembled track, turntables, platform buffers, loading gauges; and

(b) semaphores, mechanical signal discs, level crossing control gear, signal and point controls, whether or not they are fitted for electric lighting.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
86-01/03	Rail locomotives and tenders	40%	..	..	..
86-04/07	Railway and tramway coaches, vans, wagons and trucks and other rolling-stock	40%	..	..	..
86-08	Containers specially designed and equipped for carriage by one or more modes of transport	60%	..	..	..
86-09	Parts of railway and tramway locomotives and rolling-stock	40%	..	..	..
86-10	Railway and tramway track fixtures and fittings; mechanical equipment, not electrically powered for signalling to or controlling road, rail or other vehicles, ships or aircraft; parts of the foregoing fixtures, fittings or equipment	40%	..	..	..

CHAPTER 87

Vehicles, other than railway or tramway rolling-stock, and parts thereof

NOTES

1. The Headings of this Chapter are to be taken not to apply to railway or tramway rolling-stock designed solely for running on rails.

2. For the purposes of this Chapter, tractors are deemed to be vehicles constructed essentially for hauling or pushing another vehicle, appliance or load, whether or not they contain subsidiary provision for the transport, in connection with the main use of the tractor, of tools, seeds, fertilisers or other goods.

3. Motor chassis fitted with cabs are to be treated as falling within Heading No. 87.02 and not within Heading No. 87.04/06.

4. Headings Nos. 87-09/12 and 87-13/14 are to be taken not to apply to children's cycles which are not fitted with ball bearings nor to children's cycles which, though fitted with ball bearings, are not constructed in the normal form of adults' cycles. Such children's cycles are to be treated as falling within Chapter 97.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
87-01	Tractors (other than those falling within Heading No. 87-07), whether or not fitted with power take offs, winches or pulleys:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Tractors designed for transport on roads other than earthen roads	60%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
37.02	Motor vehicles for the transport of persons, goods or materials (including sports motor vehicles, other than those of Heading No. 87.09/12):				
	(1) Not elsewhere specified	60%	..	..	..
	(2) Motor cars and caravans; other vehicles designed for the private transport of persons	150%	..	..	..
	(3) Shuttle cars designed for use in mines	40%	..	..	..
37.03	Special purpose motor lorries and vans (such as breakdown lorries, fire-engines, fire-escapes, road sweeper lorries, snow-ploughs, spraying lorries, crane lorries, search-light lorries, mobile workshops and mobile radiological units), but not including the motor vehicles of Heading No. 87.02	60%	..	..	..
87.04/06	Chassis fitted with engines, bodies (including cabs) and parts and accessories of the motor vehicles falling within Heading No. 87.01, 87.02 or 87.03 :				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Parts designed for the articles covered by sub-heading No. (1) of Heading No. 87.01 and sub-heading No. (3) of Heading No. 87.02	40%	..	..	..
87.07	Works trucks, mechanically propelled, of the types used in factories, warehouses, dock areas or airports for short distance transport or handling of goods (for example, platform trucks, fork-lift trucks and straddle carriers); tractors of the type used on railway station platforms; parts of the foregoing vehicles	60%	..	..	..
87.08	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	Free	..	..	..
87.09/12	Motor cycles (including scooters), auto-cycles and cycles fitted with an auxiliary motor, with or without side-cars; side cars of all kinds; cycles (including delivery tricycles), not motorised invalid carriages fitted with means of mechanical propulsion (motorised or not); parts and accessories of the foregoing articles:				
	(1) Not elsewhere specified	100%	92%	..	..
	(2) Cycles (including delivery tricycles), not motorised, and parts and accessories of cycles	100%	90%	..	..
	(3) Invalid carriages, fitted with means of mechanical propulsion (motorised or not), and parts and accessories thereof	60%	..	..	..
87.13/14	Other vehicles (including trailers, baby carriages and invalid carriages), not mechanically propelled, and parts thereof	100%	..	..	..

CHAPTER 88

Aircraft and parts thereof; parachutes; catapults and similar aircraft launching gear; ground flying trainers

NOTE

"Aeroplanes" means flying machines which are heavier-than-air and are mechanically propelled, including those with jet propulsion, but excluding gyroplanes, helicopters and ornithopters. Land planes, seaplanes and amphibians are deemed to be "aeroplanes".

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
88·01/03	Aircraft and parts thereof:				
	(1) Not elsewhere specified . . .	40%	..	..	..
	(2) Aeroplanes and parts thereof . . .	40%	..	..	..
88·04/05	Parachutes and parts thereof and accessories thereto; catapults and similar aircraft launching gear; ground flying trainers; parts of any of the foregoing articles . . .	60%	..	..	..

CHAPTER 89

Ships, boats and floating structures

NOTE

A hull, unfinished or incomplete vessel, assembled, unassembled or disassembled, or a complete vessel, unassembled or disassembled, is to be classified within Heading No. 89·01/03.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
89·01/03	Ships, boats, vessels specially designed for towing (tugs) or pushing other vessels, and other vessels not elsewhere specified; light-vessels, fire floats, dredgers, floating cranes and other special purpose vessels; floating docks . . .	40%	..	..	..
89·04	Ships, boats and other vessels for bracking up . . .	40%	..	..	..
89·05	Floating structures other than vessels (for example, coffer-dams, landing stages, buoys and beacons). . .	40%	..	..	..

SECTION XVIII

OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL AND SURGICAL INSTRUMENTS AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS, SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, MAGNETIC; PARTS THEREOF

CHAPTER 90

Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; parts thereof

NOTES

1. This Chapter does not cover:

(a) articles of a kind used in machines, appliances, instruments or apparatus, of unhardened vulcanised rubber, falling within Heading No. 40.05/16, of leather or of composition leather, falling within Chapter 42, or of textile material (Heading No. 59.16/17);

(b) refractory goods of Heading No. 69.03; laboratory, chemical or industrial wares of Heading No. 69.09;

(c) glass mirrors, not optically worked, falling within Heading No. 70.01/16, and mirrors of base metal or of precious metal, not being optical elements, falling within Chapter 71 or 83;

(d) goods falling within Heading No. 70.01/16 or 70.17/18;

(e) parts of general use as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39.07);

(f) pumps incorporating measuring devices, of Heading No. 84.10; weight-operated counting and checking machinery, and separately imported weights for balances (Heading No. 84.20); lifting and handling machinery of Heading No. 84.22; fittings for adjusting work or tools on machine-tools, of Heading No. 84.45/48, including fittings with optical devices for reading the scale (for example, "optical" dividing heads) but not those which are in themselves essentially optical instruments (for example, alignment telescopes); valves and other appliances of Heading No. 84.61;

(g) searchlights and spotlights, of a kind used on motor vehicles, of Heading No. 85.09, and radio navigational aid or radar apparatus of Heading No. 85.15;

(h) cinematographic sound recorders, reproducers and recorders, operating solely by a magnetic process and magnetic sound-heads (Chapter 92);

(ij) articles of Chapter 97;

(k) capacity measures, which are to be classified according to the material of which they are made; or

(l) spools, reels or similar supports (which are to be classified according to their constituent material, for example, in Heading No. 39.07 or Section XV).

2. Subject to Note 1 above, parts or accessories which are suitable for use solely or principally with machines, appliances, instruments or apparatus falling within any Heading of this Chapter are to be classified as follows:

(a) parts or accessories constituting in themselves machines, appliances, instruments or apparatus (including optical elements of Heading No. 90.01 or 90.02) of any particular Heading of this Chapter or of Chapter 84, 85, or 91 (other than Headings Nos. 84.65 and 85.28) are to be classified in that Heading;

(b) other parts or accessories are to be classified in Heading No. 90.29 if they answer to the terms of that Heading; otherwise they are to be classified in the Heading appropriate to the machine, appliance, instrument or apparatus itself.

3. Heading No. 90.05/06 is to be taken not to apply to telescopic sights for fitting to firearms, periscopic telescopes for fitting to submarines or tanks, or to telescopes for machines, appliances, instruments or apparatus of this Chapter; such telescopic sights and telescopes are to be classified in Heading No. 90.13.

4. Measuring or checking optical instruments, appliances or machines which, but for this Note, could be classified both in Heading No. 90.13 and in Heading No. 90.16, are to be classified in Heading No. 90.16.

5. Heading No. 90.28 is to be taken to apply, and apply only, to:

(a) instruments or apparatus for measuring or checking electrical quantities;

(b) machines, appliances, instruments or apparatus of a kind described in Heading No. 90.14, 90.15, 90.16, 90.22, 90.23, 90.24, 90.25 or 90.27 (other than stroboscopes), the operation of which depends on an electrical phenomenon which varies according to the factor to be ascertained or automatically controlled;

(c) instruments or apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations; and

(d) automatic regulators of electrical quantities, and instruments or apparatus for automatically controlling non-electrical quantities the operation of which depends on an electrical phenomenon varying according to the factor to be controlled.

6. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are Preferential protective Areas
		Standard	U.K.	Other	
(1)	(2)	(3)	(4)	(5)	(6)
90.01	Lenses, prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked; sheets or plates, or polarising material	60%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
90·02	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked.	Rate of duty applicable to the instrument or apparatus of which they are parts or fittings.			
90·03/04	Spectacles, pince-nez, lorgnettes, goggles and the like, corrective, protective or other; frames and mountings of the above articles, and parts thereof	100%	..	..	..
90·05/06	Refracting telescopes (monocular and binocular) prismatic or not; astronomical instruments (for example, reflecting telescopes, transit instruments and equatorial telescopes) and mountings therefor, but not including instruments for radio-astronomy	60%	..	..	..
90·07	Photographic cameras; photographic flash-light apparatus	100%	90%	..	..
90·08	Cinematographic cameras, projectors, sound recorders and sound reproducers; any combination of these articles : (1) Not elsewhere specified (2) Cinematographic cameras	40% 40%	.. ..	.. ..	.. ..
90·09	Image projectors (other than cinematographic projectors); photographic (except cinematographic) enlargers and reducers	100%	90%	..	..
90·10	Apparatus and equipment of a kind used in photographic or cinematographic laboratories, not falling within any other Heading in this Chapter; photo-copying apparatus (whether incorporating an optical system or of the contact-type) and thermo-copying apparatus; screens for projectors	100%	90%	..	..
90·11/12	Microscopes and diffraction apparatus, electron and proton ; compound optical microscopes, whether or not provided with means for photographing or projecting the image	40%	..	..	..
90·13	Optical appliances and instruments, (but not including lighting appliances other than searchlights and spotlights) not falling within any other Heading of this Chapter	60%	..	..	..
90·14	Surveying (including photogrammetrical surveying), hydrographic, navigational, meteorological, hydrological and geophysical instruments; compasses; range-finders	60%	50%	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
90.15	Balances of a sensitivity of 5 centigrams or better, with or without their weights	40%	..	..	..
90.16	Drawing, marking-out and mathematical calculating instruments, drafting machines, pantographs, slide rules, disc calculators and the like; measuring or checking instruments, appliances and machines, not falling within any other Heading of this Chapter (for example, micrometers, callipers, gauges, measuring rods, balancing machines); profile projectors:				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Checking instruments, appliances and machines (for example, balancing machines); profile projectors	40%	..	..	..
90.17/18	Medical, dental, surgical and veterinary instruments and appliances (including electromedical apparatus and ophthalmic instruments); mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; artificial respiration, ozone therapy, oxygen therapy, aerosol therapy or similar apparatus; breathing appliances (including gas masks and similar respirators)	60%	..	..	..
90.19	Orthopaedic appliances, surgical belts, trusses and the like; splints and other fracture appliances artificial limbs, eyes, teeth and other artificial parts of the body; hearing aids (deaf-aids) and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability	40%	..	..	..
90.20	Apparatus based on the use of X-rays or of the radiations from radio-active substances (including radiography and radiotherapy apparatus); X-ray generators; X-ray tubes; X-ray screens; X-ray high tension generators; X-ray control panels and desks; X-ray examination or treatment tables, chairs and the like	40%	..	..	..
90.21	Instruments, apparatus or models, designed solely for demonstrational purposes (for example, in education or exhibition), unsuitable for other uses	Free	..	..	..
90.22	Machines and appliances for testing mechanically the hardness, strength, compressibility, elasticity and the like properties of industrial materials (for example, metals, wood, textiles, paper or plastics)	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
90·23	Hydrometers and similar instruments; thermometers, pyrometers, barometers, hygrometers, psychrometers, recording or not; any combination of these instruments:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Hydrometers, barometers, hygrometers, psychrometers; any combination of these instruments	60%	50%	..	..
90·24	Instruments and apparatus for measuring, checking or automatically controlling the flow, depth, pressure or other variables of liquids or gases or for automatically controlling temperature (for example, pressure gauges, thermostats, level gauges, flow meters, heat meters, automatic oven-draught regulators), not being articles falling within Heading No. 90·14 :				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Thermostats and humidistats	60%	50%	..	..
90·25	Instruments and apparatus for physical or chemical analysis (such as polarimeters, refractometers, spectrometers, gas analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like (such as viscometers, porosimeters, expansion meters); instruments and apparatus for measuring or checking quantities of heat, light or sound (such as photometers, including exposure meters, and calorimeters); microtomes:				
	(1) Not elsewhere specified	40%	..	..	..
	(2) Exposure meters	100%	90%	..	..
90·26	Gas, liquid and electricity supply or production meters; calibrating meters therefor	60%	50%	..	..
90·27	Revolution counters, production counters, taximeters, mileometers, pedometers and the like, speed indicators (including magnetic speed indicators) and tachometers (other than articles falling within Heading No. 90·14); stroboscopes	60%	50%	..	..
90·28	Electrical measuring, checking, analysing or automatically controlling instruments and apparatus:				
	(1) Not elsewhere specified	60%	50%	..	..
	(2) Instruments or apparatus for measuring or checking electrical quantities and automatic regulators of electrical quantities, if such instruments, apparatus or regulators are designed for use in circuits of 400 volts or over	40%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rate of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
90.28— <i>contd.</i>	(3) Instruments or apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiation	40%	..	..	..
	(4) Electrical instruments and apparatus, the non-electric counterparts of which fall under Heading Nos. 90.14 to 90.16, 90.22 to 90.25 or 90.27	The rate applicable to the non-electric counterparts.			
90.29	Parts or accessories suitable for use solely or principally with one or more of the articles falling within Heading Nos. 90.23, 90.24, 90.26, 90.27 or 90.28	Rate of duty applicable to the main article of which they are parts or accessories.			

CHAPTER 91

Clocks and watches and parts thereof

NOTES

1. For the purpose of this Chapter, the expression "watch movements" means movements regulated by a balance-wheel and hair-spring or by any other system capable of determining intervals of time, not exceeding 12 mm. in thickness when measured with the plate, the bridges and any additional outer plates.

2. This Chapter is to be taken not to apply to spring-operated or weight-operated motors not fitted, nor adapted to be fitted, with escape-ments (Heading No. 84.08).

3. This Chapter does not cover parts of general use as defined in Note 2 to Section XV, of base metal (Section XV), nor similar goods of artificial plastic materials (which are generally classified in Heading No. 39.07). This Chapter also excludes weights, clock or watch glasses, watch chains or straps, parts of electrical equipment, ball bearings or bearing balls. Clock and watch springs are to be classified as clock or watch parts.

4. Except as provided in Notes 2 and 3, movements and other parts suitable for use both in clocks or watches and in other articles (for example, precision instruments) are to be taken as falling within this Chapter and not within any other Chapter.

5. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
91.01/II	Clocks and watches of all types; time of day recording apparatus; apparatus with clock or watch movements or with synchronous motor, for measuring, recording or otherwise indicating intervals of time; time switches with clock or watch movement or with synchronous motor; parts of all the above articles:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Watches, all sorts, and parts thereof	100%	..	..	..
	(3) Clocks, all sorts, and parts thereof	100%	..	..	..

CHAPTER 92

Musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts and accessories of such articles

NOTES

1. This Chapter does not cover:

(a) film wholly or partly sensitised for photographic or photo-electric recording or such film exposed, whether or not developed (Chapter 37);

(b) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39.07);

(c) microphones, amplifiers, loud-speakers, head-phones, switches, stroboscopes and other accessory instruments, apparatus or equipment falling within Chapter 85 or 90, for use with but not incorporated in or housed in the same cabinet as instruments of this Chapter; sound recorders or reproducers combined with a radio or television receiver (Heading No. 85.15);

(d) brushes (for cleaning musical instruments) falling within Chapter 96;

(e) toy instruments (Chapter 97);

(f) collectors' pieces or antiques (Heading No. 99.04/05 or 99.06);

or

(g) spools, reels or similar supports (which are to be classified according to their constituent material, for example, in Heading No. 39.07 or Section XV).

2. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U. K.	Other preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
92.01/13	Musical instruments including electronic and similar musical instruments; sound recorders and reproducers; decoy calls and sound-signalling instruments; television image and sound recorders and reproducers, magnetic; parts and accessories of the above articles	100%	..	..	..

SECTION XIX

ARMS AND AMMUNITION; PARTS THEREOF

CHAPTER 93

Arms and ammunition; parts thereof

NOTES

1. This Chapter does not cover:

(a) goods falling within Chapter 36 (for example, percussion caps, detonators, signalling flares);

(b) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39.07);

(c) armoured fighting vehicles and parts thereof (Heading No. 87.08);

(d) telescopic sights and other optical devices suitable for use with arms, unless mounted on a firearm or imported with the firearm on which they are designed to be mounted (Chapter 90);

(e) bows, arrows, fencing foils or toys falling within Chapter 97; or

(f) collectors' pieces or antiques (Heading No. 99.04/05 or 99.06).

2. In this Chapter, "parts thereof" is to be taken not to include radio or radar apparatus of Heading No. 85.15.

3. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
93·01/07	Arms and ammunition; parts thereof	100%	..	..	..

SECTION XX

MISCELLANEOUS MANUFACTURED ARTICLES

CHAPTER 94

Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings

NOTES

1. This Chapter does not cover:

(a) pneumatic or water mattresses, pillows or cushions, falling within Chapter 39, 40 or 62;

(b) standard lamps, table lamps, wall lamp brackets and other lighting fittings; these are classified according to the constituent material (for example, in Chapter 44, Heading No. 70·01/16 or Chapter 83);

(c) articles of stone, ceramic or any other material referred to in Chapter 68 or 69, used as seats, tables or columns, of the kind used in parks, gardens or vestibules (Chapter 68 or 69);

(d) mirrors designed for placing on the floor or ground (for example, cheval-glasses or swing-mirrors) falling within Heading No. 70·01/16;

(e) parts of general use as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39·07); and safes falling within Chapter 83;

(f) furniture specially designed as parts of refrigerators of Heading No. 84·15; furniture specially designed for sewing machines (Heading No. 84·41);

(g) furniture specially designed as parts of radio-gramophones, wireless sets or television sets (Heading No. 85·15);

(h) dentists' spittoons falling within heading No. 90·17/18;

(i) goods falling within Chapter 91 (for example, clocks and clock cases);

(k) furniture specially designed as parts of gramophones, of dictating machines or of other sound reproducers or recorders, falling within Chapter 92; or

(l) toy furniture, billiard tables and other furniture specially constructed for games or for conjuring tricks (Chapter 97).

2. Furniture (other than parts) referred to in this Chapter is to be classified in this Chapter only if it is designed for placing on the floor or ground.

This provision is, however, to be taken not to apply to the following which are still to be classified in this Chapter even if they are designed to be hung, to be fixed to the wall or to stand one on the other:

- (a) kitchen cabinets and similar cupboards;
- (b) seats and beds;
- (c) unit bookcases and similar unit furniture.

3. In this Chapter, "parts" does not apply to separately imported sheets of glass (including mirrors), of marble or of other stone unless they are combined with other parts which clearly identify them as parts of furniture.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective Areas
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
94.01/04	Furniture including medical furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	100%	..	..	..

CHAPTER 95

Articles and manufactures of carving or moulding material

NOTE

This Chapter does not cover:

- (a) articles falling within Chapter 66 (for example, parts of umbrellas or walking-sticks);
- (b) fans or hand screens, non-mechanical (Chapter 67);
- (c) articles falling within Chapter 71 (for example, imitation jewellery);
- (d) cutlery or other articles falling within Chapter 82, with handles or other parts of carving or moulding materials; the present Chapter applies, however, to separately imported handles or other parts of such articles;
- (e) articles falling within Chapter 90 (for example, spectacle frames);
- (f) articles falling within Chapter 91 (for example, clock or watch cases);
- (g) articles falling within Chapter 92 (for example, musical instruments and parts thereof);
- (h) articles falling within Chapter 93 (arms and parts thereof);
- (i) articles falling within Chapter 94 (furniture and parts thereof);

(k) brushes, powder-puffs or other articles falling within Chapter 96;

(l) articles falling within Chapter 97 (toys, games and sports requisites);

(m) articles falling within Chapter 98 (for example, buttons, cuff-links, smoking pipes, combs); or

(n) collectors' pieces or antiques (Chapter 99).

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
95·01/08	Articles and manufactures of carving or moulding materials; worked unhardened gelatin (except gelatin falling within Chapter 35) and articles of unhardened gelatin:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Worked unhardened gelatin and articles of unhardened gelatin	60%	..	..	..

CHAPTER 96

Brooms, brushes, feather dusters, powder-puffs and sieves

NOTES

1. This Chapter does not cover:

(a) articles falling within Chapter 71;

(b) brushes of a kind specialised for use in dentistry or for medical, surgical or veterinary purposes, falling within Heading No. 90·17/18; or

(c) toys (Chapter 97).

2. "Prepared knots and tufts for broom or brush making" is to be taken to apply only to unmounted knots and tufts of animal hair, vegetable fibre or other material, which are ready for incorporation without division in brooms or brushes, or which require only such further minor processes as glueing or coating the butts, or trimming to shape at the top, to render them ready for such incorporation.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
96·01/06	Brooms and brushes (including brushes of a kind used as parts of machines); prepared knots and tufts for broom or brush making; feather dusters; powder-puffs and pads for applying cosmetics or toilet preparations, of any material; hand sieves and hand riddles, of any material:				
	(1) Not elsewhere specified	100%	..	..	..
	(2) Brushes of a kind used as parts of machines	40%	..	..	..

CHAPTER 97

Toys, games and sports requisites; parts thereof

NOTES

1. This Chapter does not cover:

- (a) Christmas tree candles (Chapter 34);
- (b) fireworks or other pyrotechnic articles falling within Chapter 36;
- (c) yarns, monofil, cords or gut and the like for fishing, cut to length but not made up into fishing lines, falling within Chapter 39 or 42 or Section XI;
- (d) sports bags or other containers of Chapter 42 or 43;
- (e) sports clothing or fancy dress, of textiles, falling within Chapter 60 or 61;
- (f) textile flags or bunting, or sails for boats or land craft, falling within Chapter 62;
- (g) sports footwear (other than skating boots with skates attached); cricket pads, shin-guards or the like, falling within Chapter 64, or sports headgear falling within Chapter 65;
- (h) climbing sticks, whips, riding crops or the like, or parts thereof (Chapter 66);
- (ij) unmounted glass eyes for dolls or other toys, falling within Heading No. 70·19;
- (k) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39·07);
- (l) bells and gongs, non-electric, and parts thereof, of base metal (Chapter 83);
- (m) sports vehicles (other than bobsleighs, toboggans and the like) falling within Section XVII;
- (n) children's cycles fitted with ball bearings and in the normal form of adults' cycles (Heading No. 87·09/12);
- (o) sports craft such as canoes and skiffs (Chapter 89), or their means of propulsion (Chapter 44 for such articles made of wood);
- (p) spectacles, goggles and the like, for sports and outdoor games (Heading No. 90·03/04);
- (q) decoy calls and whistles (Chapter 92);
- (r) arms or other articles of Chapter 93; or
- (s) racket strings, tents or other camping goods, or gloves (classified, in general, according to the material of which they are made).

2. This Chapter is to be taken to include articles in which pearls, precious or semi-precious stones (natural, synthetic or reconstructed), precious metals or rolled precious metals constitute only minor constituents.

3. Subject to Note 1 above, parts and accessories which are suitable for use solely or principally with articles falling within this Chapter are to be classified with those articles.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective Areas
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
97·01/08	Wheeled toys designed to be ridden by children; dolls and other toys; articles for parlour games or fair-ground amusements; entertainment articles; Christmas tree decorations and the like; equipment for gymnastics, sports and outdoor games; hunting and fishing requisites; travelling circuses, travelling menageries and travelling theatres	100%	..	..	..

CHAPTER 98

Miscellaneous manufactured articles

NOTES

1. This Chapter does not cover:

(a) eyebrow and other cosmetic pencils (Chapter 33);

(b) buttons, studs, cuff-links, combs, hair-slides and the like, if made wholly or partly of precious metal or rolled precious metal [subject to the provisions of Note 7(a) to Chapter 71] or if containing pearls or precious or semi-precious stones (natural, synthetic or reconstructed) (Chapter 71);

(c) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of artificial plastic materials (which are generally classified in Heading No. 39·07);

(d) mathematical drawing pens (Heading No. 90·16); or

(e) toys and other articles falling within Chapter 97.

2. Subject to Note 1 above, the Headings in this Chapter are to be taken to apply to goods of the kind described whether or not composed wholly or partly of precious metal or rolled precious metal or of pearls or precious or semi-precious stones (natural, synthetic or reconstructed).

3. Cases, boxes and similar containers imported with articles of this Chapter are to be classified with such articles if they are of a kind normally sold therewith. Cases, boxes and similar containers imported separately are to be classified under their appropriate Headings.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
98·01/02	Buttons and button moulds, studs, cuff-links and press fasteners; slide fasteners; blanks and parts of such articles	100%	..	..	..
98·03/09	Pens and pencils, all sorts, and parts thereof; crayons, chalks and similar writing or drawing materials; slates and boards; date, sealing or numbering stamps, and the like (including devices for printing or embossing labels); composing sticks and printing sets incorporating such composing sticks, all hand-operated; typewriter and similar ribbons and ink pads; sealing wax; copying pastes with a basis of gelatin	100%	..	..	..
98·10/11	Mechanical lighters and similar lighters, including chemical and electrical lighters and parts thereof, excluding flints and wicks; smoking pipes, cigar and cigarette holders and parts thereof	100%	..	..	..
98·12/14	Combs, hair-slides and the like; corset busks and similar supports for articles of apparel or clothing accessories; scent and similar sprays of a kind used for toilet purposes, and mounts and heads therefor	100%	..	..	..
98·15	Vacuum flasks and other vacuum vessels; parts thereof, other than glass inners	100%	..	..	..
98·16	Tailors' dummies and other lay figures; animated displays of a kind used for shop window dressing	100%	..	..	..

SECTION XXI

WORKS OF ART, COLLECTORS' PIECES, AND ANTIQUES

CHAPTER 99

Works of art, collectors' pieces, and antiques

NOTES

1. This Chapter does not cover:

(a) unused postage, revenue or similar stamps of current or new issue in India (Heading No. 49·07);

(b) theatrical scenery, studio back-cloths or the like, of painted canvas (Heading No. 59·01/15);

(c) pearls or precious or semi-precious stones falling within Heading No. 71·01 or 71·02;

(d) industrial drawings falling within Heading No. 49·04/06; or

(e) hand-painted or hand-decorated manufactured articles,

2. For the purposes of Heading No. 99·01/03, "original engravings, prints and lithographs" means impressions produced directly, in black and white or in colour, of one or of several plates wholly executed by hand by the artist, irrespective of the process or of the material employed by him, but not including any mechanical or photomechanical process; and "original sculptures and statuary" is to be taken not to apply to mass-produced reproductions or works of conventional craftsmanship of a commercial character.

3. (a) Subject to Notes 1 and 2 above, articles falling within the Headings of this Chapter are to be classified in whichever of those Headings is appropriate and not in any other Heading of this Schedule;

(b) Heading No. 99·06 is to be taken not to apply to articles falling within the preceding Headings of this Chapter.

4. Frames around paintings, drawings, pastels, engravings, prints or lithographs are to be treated as forming part of those articles, provided they are of a kind and of a value normal to those articles.

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
99·01/03	Paintings, drawings and pastels, executed entirely by hand; original engravings, prints and lithographs; original sculptures and statuary	100%	..	..	..
99·04/05	Postage, revenue and similar stamps (including stamp-postmarks and franked envelopes, letter cards and the like), used or if unused, not of current or new issue in India; collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological, ethnographic or numismatic interest	Free	..	..	..
99·06	Antiques of an age exceeding one hundred years	100%	..	..	..

SECTION XXII

CHAPTER 100

Passengers' baggage; personal importations by post or air; ships stores

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
100·01	All dutiable articles imported by a passenger as baggage, even if specified elsewhere, but excluding the following articles, namely, (i) motor vehicles, (ii) alcoholic drinks	100%	..	..	..

Heading No.	Sub-heading No. and description of article	Rate of duty			Duration when rates of duty are protective
		Standard	U.K.	Other Preferential Areas	
(1)	(2)	(3)	(4)	(5)	(6)
100.02	All dutiable articles, even if elsewhere specified, intended for personal use, imported by post or air, and exempt from any prohibition in respect of the import thereof under the Imports and Exports (Control) Act, 1947 (18 of 1947) but excluding alcoholic drinks :				
	(1) drugs and medicines	60%	..	..	..
	(2) others	100%	..	..	..
100.03	The following articles of stores on board a vessel or aircraft on which duty is leviable under the Customs Act, 1962 (52 of 1962), even if elsewhere specified, namely :				
	(1) prepared or preserved meat, fish and vegetables; dairy products; soups; lard; fresh fruits	30%	..	..	..
	(2) all other consumable stores excluding fuel, lubricating oil, alcoholic drinks and tobacco products	100%	..	..	..

THE SECOND SCHEDULE—EXPORT TARIFF

(See section 2)

General Explanatory Note

The abbreviation “%” in any column of this Schedule, in relation to the rate of duty, indicates that duty on the goods to which the entry relates shall be charged on the basis of the value of the goods as defined in section 14 of the Customs Act, 1962 (52 of 1962), the duty being equal to such percentage of the value as is indicated in that column.

Heading No.	Description of articles	Rate of duty
(1)	(2)	(3)
1.	Coffee	[Rs. 300 per quintal] 4 50 paise per kilogram.
2.	Black pepper	Rs. 1.25 per kilogram.
3.	De-oiled groundnut oilcakes	Rs. 125 per tonne.
4.	De-oiled groundnut meal (solvent extracted variety)	Rs. 125 per tonne.
5.	Tobacco unmanufactured	75 paise per kilogram, or, 20% whichever is lower.
6.	Sillimanite	20%
7.	Kyanite	Rs. 40 per tonne.
8.	Mica	40%
9.	Steatite (Talc)	20%
10.	Manganese ore	Rs. 20 per tonne.

2/ [Mica, including fabricated mica]

1 Subs by Act 66 of 1976, S. 34 and Sch. III.
2 Subs. by G.S.R. 745(E), dt. 2.8.1976.

Heading No.	Description of articles	Rate of duty
(1)	(2)	(3)
11.	Iron ore—	
	(1) Lumpy iron ore	Rs. 10.50 per tonne.
	(2) Iron ore fines (including blue dust)	Rs. 4 per tonne.
12.	Chrome concentrates	Rs. 13 per tonne.
13.	Manganese dioxide	20%
14.	Hides, skins and leathers, tanned and untanned, all sorts, but not including manufactures of leather	20% 25% ⁵
15.	Raw wool	25%
16.	Raw cotton	Rs. 1,000 per tonne.
17.	Cotton waste, all sorts	40%
18.	Jute manufactures (including manufactures of Binjlipatam Jute or of mesta fibre) when not in actual use as covering, receptacles or bindings, for other goods—	
	(1) Not elsewhere specified	Rs. 150 per tonne.
	(2) Hessian cloth and bags—	
	(i) carpet backing	Rs. 700 per tonne
	(ii) other hessian cloth (including narrow backing cloth) and bags	Rs. 600 per tonne.
	(3) Jute canvas, jute webbings, jute tarpaulin cloth and manufactures thereof	Rs. 200 per tonne.
	(4) Sacking (cloth, bags, twist, yarn, rope and twine)	Rs. 150 per tonne.
20.	Groundnut -	15%
	(i) Groundnut kernel	Rs. 800 per tonne
	(ii) Groundnut in shell	Rs. 600 per tonne.]
21.	Animal food	Rs. 125 per tonne.]
22.	Cardamom	Rs. 50 per kilogram]

✓ Ins. by Act 66 of 1976, S. 34 and Sch. III.
 ✓ Subs. by G.S.R. 741 (E), dt. 2.8.1976.
 ✓ Ins. by G.S.R. 743 (E), dt. 2.8.1976.
 ✓ Ins. by G.S.R. 13 (E), dt. 12.1.1977.

THE PUBLIC FINANCIAL INSTITUTIONS LAWS
(AMENDMENT) ACT, 1975

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title and commencement.

CHAPTER II

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964

2. Amendment of the long title.
3. Amendment of section 2.
4. Amendment of section 3.
5. Substitution of new sections for section 4.
6. Amendment of section 5.
7. Substitution of new section for section 6.
8. Insertion of new section 6A.
9. Amendment of section 7.
10. Amendment of section 8.
11. Amendment of section 9.
12. Amendment of section 16.
13. Amendment of section 18.
14. Amendment of section 22.
15. Amendment of section 23.
16. Amendment of section 26.
17. Amendment of section 29.
18. Amendment of section 37.
19. Insertion of new section 39.

CHAPTER III

AMENDMENT TO THE RESERVE BANK OF INDIA ACT, 1934

20. Amendment of section 54AA.

CHAPTER IV

EXTENSION OF THE INDUSTRIAL FINANCE CORPORATION ACT, 1948 TO KOHIMA
AND MOKOKCHUNG DISTRICTS

21. Extension of Act 15 of 1948 to Kohima and Mokokchung districts
in Nagaland.

CHAPTER V

SECTIONS

AMENDMENT TO THE INDUSTRIAL FINANCE CORPORATION ACT, 1948

22. Amendment of section 10A.
23. Amendment of section 42.

CHAPTER VI

AMENDMENTS TO THE STATE FINANCIAL CORPORATIONS ACT, 1951

24. Amendment of section 3A.
25. Amendment of section 4.
26. Amendment of section 4A.
27. Insertion of new sections 4B and 4C.
28. Amendment of section 5.
29. Amendment of section 7.
30. Amendment of section 8.
31. Amendment of section 10.
32. Amendment of section 17.
33. Amendment of section 18.
34. Amendment of section 23.
35. Amendment of section 25.
36. Amendment of section 35A.
37. Amendment of sections 37A, 39, 46A and 48.
38. Amendment of section 38.
39. Insertion of new section 49.

CHAPTER VII

AMENDMENTS TO THE LIFE INSURANCE CORPORATION ACT, 1956

40. Amendment of section 4.
41. Insertion of new section 6A.
42. Amendment of section 19.
43. Amendment of section 48.

CHAPTER VIII

AMENDMENTS TO THE UNIT TRUST OF INDIA ACT, 1963

44. Amendment of section 2.
45. Amendment of section 3.
46. Insertion of new sections 4A and 4B.
47. Amendment of section 10.
48. Insertion of new section 10A.
49. Amendment of section 11.
50. Amendment of section 12.
51. Amendment of section 13.
52. Amendment of sections 14, 15, 18, 25, 27, 30, 41 and 43.
53. Insertion of new section 19A.
54. Amendment of section 20A.
55. Substitution of new section for section 29.
56. Amendment of section 31.
57. Amendment of section 37.
58. Insertion of new section 45.

THE PUBLIC FINANCIAL INSTITUTIONS LAWS
(AMENDMENT) ACT, 1975

No. 52 OF 1975

[20th August, 1975.]

An Act further to amend the Industrial Development Bank of India Act, 1964, the Reserve Bank of India Act, 1934, the Industrial Finance Corporation Act, 1948, the State Financial Corporations Act, 1951, the Life Insurance Corporation Act, 1956 and the Unit Trust of India Act, 1963.

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

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Public Financial Institutions Laws (Amendment) Act, 1975.

Short title and commencement.

(2) It shall come into force on such ¹date as the Central Government may, by notification in the Official Gazette, appoint, (and different dates may be appointed for different provisions of this Act; and references in any provision to the commencement of this Act shall be construed as references to the commencement of that provision.)

CHAPTER II

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964

18 of 1964,

~~2. In the Industrial Development Bank of India Act, 1964 (hereinafter in this Chapter referred to as the Development Bank Act), in the long title, after the words "Industrial Development Bank of India", the words "as the principal financial institution for co-ordinating, in conformity with national priorities, the working of institutions engaged in financing, pro-~~

Amendment of the long title. (2) xxx

4 16-2-1976 :- Vide Notifn. No. S.O. 110 (E), dt. 13-2-1976.
2 sections 2 to 20 repealed by Act 38 of 1978, S. 2 + Sch. I

moting or developing industry, for assisting the development of such institutions" shall be inserted.

Amend-
ment of
section 2.

3. In section 2 of the Development Bank Act,—

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

'(c) "industrial concern" means any concern engaged or to be engaged in,—

(i) the manufacture, preservation or processing of goods;

(ii) shipping;

(iii) mining;

(iv) the hotel industry;

(v) the transport of passengers or goods by road or by water or by air;

(vi) the generation or distribution of electricity or any other form of power;

(vii) the maintenance, repair, testing or servicing of machinery of any description or vehicles or vessels or motor boats or trailers or tractors;

(viii) assembling, repairing or packing any article with the aid of machinery or power;

(ix) the development of any contiguous area of land as an industrial estate;

(x) fishing or providing shore facilities for fishing or maintenance thereof;

(xi) providing special or technical knowledge or other services for the promotion of industrial growth; or

(xii) the research and development of any process or product in relation to any of the matters aforesaid.

Explanation.—The expression "processing of goods" includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation.;

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

'(da) "nationalised bank" means a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;'

5 of 1970.

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

'(ga) "State Bank" means the State Bank of India constituted under the State Bank of India Act, 1955;

23 of 1955.

'(gb) "subsidiary bank" has the meaning assigned to it in the State Bank of India (Subsidiary Banks) Act, 1959;'

38 of 1959.

52 of 1963.

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

‘(j) “Unit Trust” means the Unit Trust of India established under section 3 of the Unit Trust of India Act, 1963.’

4. In section 3 of the Development Bank Act, in sub-section (3), for the words “Reserve Bank”, the words “Central Government” shall be substituted.

Amend-
ment of
section 3.

5. In the Development Bank Act, for section 4, the following sections shall be substituted, namely:—

Substitu-
tion of
new sec-
tions for
section 4.

4. The authorised capital of the Development Bank shall be one hundred crores of rupees:

Authoris-
ed capital.

Provided that the Central Government may, by notification in the Official Gazette increase the said capital up to two hundred crores of rupees.

4A. (1) The issued capital of the Development Bank which has been subscribed by the Reserve Bank as on the date immediately preceding the commencement of section 5 of the Public Financial Institutions Laws (Amendment) Act, 1975 (hereinafter referred to as the “appointed day”), shall, on such commencement, stand transferred to, and vested in, the Central Government.

Transfer
of capital
to Central
Govern-
ment,

(2) Any further issue of capital made by the Development Bank after the appointed day shall be wholly subscribed by the Central Government.

4B. The Reserve Bank shall be given by the Central Government, in cash, for the transfer to, and vesting in, the Central Government of the issued capital of the Development Bank which has been subscribed by the Reserve Bank, an amount equal to the face value of the said subscribed capital.’

Payment
of amount.

6. In section 5 of the Development Bank Act,—

Amend-
ment of
section 5.

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

“(2) Save as otherwise provided in regulations made under this Act,—

(a) the chairman, if he is a whole-time director or if he is holding offices both as the chairman and the managing director, or

(b) the managing director, if the chairman is not a whole-time director, or, if the chairman being a whole-time director, is absent,

shall also have powers of general superintendence, direction and management of the affairs and business of the Development Bank and may also exercise all powers and do all acts and things which may be exercised or done by the Development Bank.”;

(b) after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) In the discharge of its functions under this Act, the Development Bank shall be guided by such directions in matters

of policy involving public interest as the Central Government may give to it in writing.”.

Substitution of new section for section 6.

Constitution of Board.

7. For section 6 of the Development Bank Act, the following section shall be substituted, namely:—

“6. (1) The Board shall consist of the following, namely:—

(a) a chairman and a managing director appointed by the Central Government:

Provided that the same person may be appointed to function both as chairman and as managing director;

(b) a Deputy Governor of the Reserve Bank nominated by that Bank;

(c) not more than twenty directors nominated by the Central Government of whom—

(i) two directors shall be officials of the Central Government;

(ii) not more than five directors shall be from financial institutions;

(iii) two directors shall be from amongst the employees of the Development Bank and the financial institutions, and of such directors, one shall be from amongst the officer employees and the other from amongst the workmen employees, selected in such manner as may be prescribed;

(iv) not more than six directors shall be from the State Bank, the nationalised banks and the State Financial Corporations;

(v) not less than five directors shall be persons who have special knowledge of, and professional experience in, science, technology, economics, industry, industrial co-operatives, law, industrial finance, investment, accountancy, marketing or any other matter, the special knowledge of, and professional experience in, which would, in the opinion of the Central Government, be useful to the Development Bank.

(2) The chairman and the managing director shall hold office for such term not exceeding five years as the Central Government may specify in this behalf and any person so appointed shall be eligible for re-appointment.

(3) The chairman and the managing director shall receive such salary and allowances as may be determined by the Central Government.

(4) A nominated director shall hold office during the pleasure of the authority nominating him.

(5) The Board shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(6) The chairman or, if for any reason he is unable to attend a meeting of the Board, the managing director or, in the event of both

the chairman and the managing director being unable to attend a meeting, any other director nominated by the chairman in this behalf and in the absence of such nomination any director elected by the directors present from among themselves, shall preside at the meeting.

(7) All questions which come up before any meeting of the Board shall be decided by a majority of votes of the directors present and voting, and in the event of an equality of votes, the chairman, or in his absence, the managing director, or in the absence of both the chairman and the managing director, the person presiding, shall have a second or casting vote.

(8) Save as provided in sub-section (7), every director of the Board shall have one vote."

8. In the Development Bank Act, after section 6, the following section shall be inserted, namely:—

Insertion
of new
section 6A.

"6A. Each of the institutions specified in this section, and no other institution, shall be regarded, for the purposes of this Chapter, as a financial institution, namely:—

Financial
Institution.

(i) the Industrial Credit and Investment Corporation of India Limited, formed and registered under the Indian Companies Act, 1913;

7 of 1913.

(ii) the Industrial Finance Corporation of India, established under section 3 of the Industrial Finance Corporation Act, 1948;

15 of 1948.

(iii) the Industrial Reconstruction Corporation of India Limited, formed and registered under the Companies Act, 1956;

1 of 1956.

(iv) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;

31 of 1956.

(v) the Unit Trust; and

(vi) such other institution as the Central Government may, by notification in the Official Gazette, specify in this behalf."

9. In section 7 of the Development Bank Act, for sub-section (1), the following sub-section shall be substituted, namely:—

Amend-
ment of
section 7.

"(1) The Board shall constitute an Executive Committee consisting of—

(a) the chairman;

(b) the managing director;

(c) the director nominated by the Reserve Bank under clause (b) of sub-section (1) of section 6;

(d) eight of the directors nominated by the Central Government of whom—

(i) two shall be directors nominated under sub-clause (i) of clause (c) of sub-section (1) of section 6; and

(ii) six shall be directors nominated under sub-clause (ii) or sub-clause (v) of clause (c) of sub-section (1) of section 6.”.

Amend-
ment of
section 8.

10. In section 8 of the Development Bank Act, for the proviso, the following proviso shall be substituted, namely:—

“Provided that no fees shall be payable to the chairman, if he is appointed whole-time, or to the managing director or to any other director or member who is an official of the Government, or to a Deputy Governor of the Reserve Bank or to any official of the Development Bank.”.

Amend-
ment of
section 9.

11. In section 9 of the Development Bank Act, in sub-section (1),—

(a) for the words “The Development Bank may”, the words “The Development Bank shall function as the principal financial institution for co-ordinating the working of institutions engaged in financing, promoting or developing industry and for assisting the development of such institutions in such manner as it may deem appropriate and may” shall be substituted;

(b) in clause (a), the brackets and words “(including concerns engaged or to be engaged in the development of any contiguous area of land as an industrial estate)”, wherever they occur, shall be omitted;

(c) in clause (ka), in sub-clause (ii), for the words “on the recommendation of”, the words “in consultation with” shall be substituted;

(d) in clause (m), the words “on the recommendation of the Reserve Bank,” shall be omitted.

Amend-
ment of
section 16.

12. In section 16 of the Development Bank Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Where the Development Bank considers it necessary or desirable so to do, it may, subject to the provisions of sub-sections (2) and (3), disburse or spend from the Development Assistance Fund any amount for one or more of the purposes specified in clause (l) or clause (m) of sub-section (1) of section 9.”.

Amend-
ment of
section 18.

13. In section 18 of the Development Bank Act,—

(a) in sub-section (3), for the words “Reserve Bank”, the words “Central Government” shall be substituted;

(b) in sub-section (5),—

(i) the words “and the Reserve Bank” shall be omitted;

(ii) for the words “the Development Bank shall cause to be published in the Official Gazette copies of the said balance-sheet, accounts and reports”, the words “the Central Government shall, as soon as may be after they are received by it, cause the same to be laid before each House of Parliament” shall be substituted.

14. In section 22 of the Development Bank Act, in sub-section (2), for the words "Reserve Bank", the words "Central Government" shall be substituted. Amendment of section 22.
15. In section 23 of the Development Bank Act,— Amendment of section 23.
- (a) for the words "Reserve Bank", wherever they occur, the words "Central Government" shall be substituted;
- (b) in sub-section (5), for the words "the Development Bank shall cause to be published in the Official Gazette copies of the said balance-sheet, accounts and reports", the words "the Central Government shall, as soon as may be after they are received by it, cause the same to be laid before each House of Parliament" shall be substituted.
16. In section 26 of the Development Bank Act, after sub-section (2), the following sub-sections shall be inserted, namely:— Amendment of section 26.
- "(3) Every member of the staff—
- (a) whose services are being, immediately before the appointed day, utilised by the Development Bank under sub-section (2), or
- (b) whose services, having been made available to the Development Bank, stand immediately before the appointed day, deputed by that Bank to any other organisation,
- shall, on and from the appointed day, be deemed to be appointed by the Development Bank under sub-section (1) on the same salary, emoluments and other terms and conditions of service to which he was entitled immediately before the appointed day:
- Provided that every member of the staff aforesaid other than those recruited specifically for utilisation in the Development Bank, may, before the expiry of a period of eighteen months from the appointed day, elect to go back to the Reserve Bank by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, the Reserve Bank shall, before the expiration of a period of thirty months from the appointed day, take back such member of the staff and on such member being taken back by the Reserve Bank, he shall become a member of the staff of the Reserve Bank and shall cease to be a member of the staff of the Development Bank.
- (4) If on the appointed day or at any time thereafter any of the functions of the Reserve Bank is transferred to the Development Bank, it shall be lawful for the Development Bank to appoint, with the previous approval of the Reserve Bank, such of the members of the staff of the Reserve Bank whose services were, immediately before the transfer aforesaid, being utilised by the Reserve Bank in connection with any of the said functions, and every member of the staff so appointed shall be released by the Reserve Bank and be deemed to be appointed by the Development Bank under sub-section (1) on the same salary, emoluments and other terms and conditions of service to which he was entitled immediately before the date of his appointment:

Provided that every member of the staff aforesaid may, before the expiry of a period of eighteen months from the appointed day, elect to go back to the Reserve Bank by exercising an option in writing to that effect, the option once exercised being final and on the exercise of such option, the Reserve Bank shall, before the expiration of a period of thirty months from the appointed day, take back such member of the staff and on such member being taken back by the Reserve Bank he shall become a member of the staff of the Reserve Bank and shall cease to be a member of the staff of the Development Bank.

(5) Notwithstanding anything contained elsewhere in this Act or in any other law or in any contract, for the time being in force, for a temporary period, not being a period exceeding eighteen months from the appointed day or the date notified under section 4A of the Unit Trust of India Act, 1963, whichever is earlier, if the Reserve Bank in consultation with the Development Bank or the Unit Trust considers it necessary, in the interest of any of the said institutions to promote any member of the staff of any of the said institutions to a post in either of the other two institutions, it shall be lawful, for the Reserve Bank to transfer on promotion any such member of staff to that other institution and on such transfer each such member of the staff shall be deemed to be a member of the staff of the other institution to which he is so transferred and shall be entitled to the same salary, emoluments and other conditions of service to which he was entitled immediately before the date of such transfer, including benefits, if any, arising directly out of such promotion:

52 of 1963.

Provided that every member of the staff aforesaid may, before the expiry of a period of eighteen months from the appointed day or the date notified under section 4A of the Unit Trust of India Act, 1963, whichever is earlier, elect to go back to the institution from which he was so transferred by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, that institution shall, before the expiration of a period of thirty months from the appointed day or the date notified under section 4A of the Unit Trust of India Act, 1963, whichever is earlier, take back such member of the staff and on such member being taken back by that institution, he shall become a member of its staff and shall cease to be a member of the staff of the institution to which he was earlier transferred.

52 of 1963.

(6) Notwithstanding anything contained in any other law or in any agreement, for the time being in force, no member of the staff shall be entitled to claim any compensation for, or in relation to any matter concerning, his transfer, appointment, or as the case may be, return, under sub-sections (3) to (5) and no claim in respect thereof shall be entertained by any court, tribunal or other authority."

Amend-
ment of
section 29.

17. In section 29 of the Development Bank Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) The Development Bank may, for the purpose of the efficient discharge of its functions under this Act, collect from or furnish to the Central Government, the State Bank, any subsidiary bank, nationalised bank or other scheduled bank, State Co-operative

Bank, State Financial Corporation or such other financial institution, as may be notified by the Central Government in this behalf, credit information or other information as it may consider useful for the purpose, in such manner and at such times, as it may think fit.

Explanation.—For the purpose of this sub-section, the expression “credit information” shall have the same meaning as in clause (c) of section 45A of the Reserve Bank of India Act, 1934, subject to the modification that “banking company” referred to therein shall mean the State Bank, any subsidiary bank, nationalised bank or other scheduled bank, State Co-operative Bank, State Financial Corporation or other financial institution as aforesaid.’

2 of 1934.

18. In section 37 of the Development Bank Act,—

(a) in sub-section (1), for the words “Reserve Bank”, the words “Central Government” shall be substituted;

Amend-
ment of
section 37.

(b) in sub-section (2), in clause (b), the words “constitution and” shall be omitted.

19. After section 38 of the Development Bank Act, the following section shall be inserted, namely:—

Insertion
of new
section 39.

“39. If any difficulty arises in giving effect to the provisions of this Act, as amended by the Public Financial Institutions Laws (Amendment) Act, 1975, the Central Government may, by order, do anything, not inconsistent with such provisions, for the purpose of removing the difficulty:

Power to
remove
difficulty.

Provided that no such order shall be made after the expiration of three years from the date of commencement of the said Amendment Act.”.

CHAPTER III

AMENDMENT TO THE RESERVE BANK OF INDIA ACT, 1934

2 of 1934.

20. In the Reserve Bank of India Act, 1934, in section 54AA, for sub-section (1), the following sub-section shall be substituted, namely:—

Amend-
ment of
section
54AA.

“(1) The Bank may, notwithstanding anything contained in any law, or in any agreement, for the time being in force, depute any member of its staff for such period as it may think fit,—

(a) to any institution which is wholly or substantially owned by the Bank;

(b) to the Development Bank, so, however, that no such deputation shall continue after the expiration of thirty months from the commencement of section 5 of the Public Financial Institutions Laws (Amendment) Act, 1975;

(c) to the Unit Trust, so, however, that no such deputation shall continue after the expiration of thirty months from the date notified by the Central Government under sub-section (1) of section 4A of the Unit Trust of India Act, 1963,

52 of 1963.

and thereupon the person so deputed shall, during the period of his deputation, render such service to the institution to which he is so deputed as that institution may require.”.

CHAPTER IV

EXTENSION OF THE INDUSTRIAL FINANCE CORPORATION ACT, 1948 TO
KOHIMA AND MOKOKCHUNG DISTRICTS

Extension
of Act 15
of 1948 to
Kohima
and
Mokok-
chung
districts
in Naga-
land.

21. The Industrial Finance Corporation Act, 1948, shall, as from the commencement of the Public Financial Institutions Laws (Amendment) Act, 1975, extend to the Kohima and Mokokchung districts in the State of Nagaland and shall come into force therein on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER V

AMENDMENT TO THE INDUSTRIAL FINANCE CORPORATION ACT, 1948

Amend-
ment of
section
10A.

~~22. In section 10A of the Industrial Finance Corporation Act, 1948~~ (hereinafter in this Chapter referred to as the Industrial Finance Corporation Act), in sub-section (2), for the words "three years", the words "four years" shall be substituted.

15 of 1948.

Amend-
ment of
section
42.

23. In section 42 of the Industrial Finance Corporation Act,—

(i) in sub-section (1), for "The Central Government may, in consultation with the Development Bank", substitute "the Central Government may, in consultation with the Development Bank and by notification in the Official Gazette,";

(ii) in sub-section (2), for "two successive sessions, and, if, before the expiry of the session in which it is so laid or the session immediately following," substitute "two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid."

CHAPTER VI

AMENDMENTS TO THE STATE FINANCIAL CORPORATIONS ACT, 1951

Amend-
ment of
section
3A.

24. In the State Financial Corporations Act, 1951 (hereinafter in this Chapter referred to as the State Financial Corporations Act), in sub-section (1) of section 3A, for the words "Reserve Bank", the words "Development Bank" shall be substituted.

63 of 1951.

Amend-
ment of
section 4.

25. In section 4 of the State Financial Corporations Act, in sub-section (1), for the words "five crores", the words "ten crores" shall be substituted.

Amend-
ment of
section
4A.

26. In section 4A of the State Financial Corporations Act,—

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

"(1) The State Government may, in consultation with the Development Bank, specify from time to time such part of the unissued capital of the Financial Corporation as shall be allocated for the issue of a special class of shares.";

(b) in sub-sections (2) and (3), for the words "Reserve Bank", wherever they occur, the words "Development Bank" shall be substituted.

4 sections 22 to 51 repealed by Act 38 of 1978, S. 2 & Sch. I

27. After section 4A of the State Financial Corporations Act, the following sections shall be inserted, namely:—

Insertion
of new
sections
4B and 4C.

“4B. On such date as the Central Government may, by notification in the Official Gazette, specify (hereinafter referred to as the specified date), all the shares of every Financial Corporation subscribed by the Reserve Bank as on the date immediately preceding the specified date, shall, stand transferred to, and vested in, the Development Bank.

Transfer
of share
capital to
Develop-
ment
Bank.

4C. The Reserve Bank shall be given by the Development Bank, in cash, for the transfer to, and vesting in, the Development Bank of the shares of every Financial Corporation which have been subscribed by the Reserve Bank, an amount equal to the face value of the shares of the Financial Corporation so subscribed.”.

Payment
of amount.

28. In section 5 of the State Financial Corporations Act, after the words “the Reserve Bank” the words “the Development Bank” shall be inserted.

Amend-
ment of
section 5.

29. In section 7 of the State Financial Corporations Act,—

Amend-
ment of
section 7.

(a) in sub-section (1), after the words “in consultation with”, the words “the Development Bank and” shall be inserted;

(b) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) No money shall be borrowed by the Financial Corporation from the Reserve Bank under sub-section (2), except with the previous approval of the Development Bank.”;

(c) in sub-section (3), after the words “in consultation with”, the words “the Development Bank and” shall be inserted;

(d) in sub-section (4), for the words “Reserve Bank”, the words “Development Bank” shall be substituted.

30. In section 8 of the State Financial Corporations Act, in sub-section (1), for the words “the State Government and the Reserve Bank”, the words “the State Government, the Development Bank and the Reserve Bank” shall be substituted.

Amend-
ment of
section 8.

31. In section 10 of the State Financial Corporations Act,—

Amend-
ment of
section 10.

(a) in clause (a),—

(i) for the word “three”, the word “four” shall be substituted;

(ii) after the words “by the State Government”, the words “of whom one director shall be a person who has special knowledge of or experience in small-scale industries” shall be inserted;

(iii) after the proviso, the following further proviso shall be inserted, namely:—

“Provided further that in the case of a Joint Financial Corporation, the director, who shall have special knowledge of, or experience in, small-scale industries, shall be nominated by that participating State which, according to the terms of agreement between the participating States, is entitled to make such nomination.”;

(b) in clause (c), for the words “one director”, the words “two directors” shall be substituted;

(c) in clause (f), for the words “Reserve Bank”, the words “Development Bank” shall be substituted.

Amend-
ment of
section 17.

32. In section 17 of the State Financial Corporations Act, in sub-section (1), in the proviso to clause (a), after the words “State Government”, the words “or the Development Bank” shall be inserted.

Amend-
ment of
section 18.

33. In section 18 of the State Financial Corporations Act, in sub-section (1), in clause (a),—

(a) for the words “two directors elected by the nominated directors, one from among the directors nominated by the State Government, and one”, the words “four directors elected by the nominated directors, of whom two shall be from among the directors nominated by the State Government and two” shall be substituted;

(b) in the proviso, for the words “one director elected”, the words “two directors elected” shall be substituted.

Amend-
ment of
section 23.

34. In section 23 of the State Financial Corporations Act, in the proviso, for the words “Reserve Bank”, the words “Development Bank” shall be substituted.

Amend-
ment of
section 25.

35. In section 25 of the State Financial Corporations Act, in sub-section (1), in clause (f), and in sub-section (3), for the words “Reserve Bank”, wherever they occur, the words “Development Bank” shall be substituted.

Amend-
ment of
section
35A.

36. In section 35A of the State Financial Corporations Act, in sub-section (1), after the proviso, the following further proviso shall be inserted, namely:—

‘Provided further that after the specified date this sub-section shall have effect as if for the words “the State Government, the Reserve Bank and the Development Bank”, the words “the State Government and the Development Bank” have been substituted except as regards all dividends accruing in respect of any completed accounting period prior to the specific date.’

Amend-
ment of
sections
37A, 39,
46A and
48,

37. In the State Financial Corporations Act, in sections 37A, 39, 46A and 48, for the words “Reserve Bank”, wherever they occur, the words “Development Bank” shall be substituted.

38. In the State Financial Corporations Act, in section 38,—

Amend-
ment of
section 38.

(a) for the words "to the State Government and to the Reserve Bank", wherever they occur, the words "to the State Government, the Development Bank and the Reserve Bank" shall be substituted;

(b) in sub-section (2) as so amended, for the words "the State Government or the Reserve Bank", the words "the State Government or the Development Bank or the Reserve Bank" shall be substituted.

39. After section 48 of the State Financial Corporations Act, the following section shall be inserted, namely:—

Insertion
of new
section 49.

"49. If any difficulty arises in giving effect to the provisions of this Act, as amended by the Public Financial Institutions Laws (Amendment) Act, 1975, the Central Government may, by order, do anything, not inconsistent with such provisions, for the purpose of removing the difficulty:

Power to
remove
difficulty.

Provided that no such order shall be made after the expiration of three years from the commencement of the said Amendment Act."

CHAPTER VII

AMENDMENTS TO THE LIFE INSURANCE CORPORATION ACT, 1956

31 of 1956.

40. In the Life Insurance Corporation Act, 1956 (hereinafter referred to as the Life Insurance Act), in section 4, in sub-section (1), for the word "fifteen", the word "sixteen" shall be substituted.

Amend-
ment of
section 4.

41. After section 6 of the Life Insurance Act, the following section shall be inserted, namely:—

Insertion
of new
section 6A.

"6A. (1) In entering into any arrangement, under section 6, with any concern, the Corporation may impose such conditions as it may think necessary or expedient for protecting the interest of the Corporation and for securing that the accommodation granted by it is put to the best use by the concern.

Power to
impose
condi-
tions, etc.

(2) Where any arrangement entered into by the Corporation under section 6 with any concern provides for the appointment by the Corporation of one or more directors of such concern, such provision and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the concern, and any provision regarding share qualification, age limit, number of director-ships, removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the Corporation in pursuance of the arrangement as aforesaid.

(3) Any director appointed as aforesaid shall—

(a) hold office during the pleasure of the Corporation and may be removed or substituted by any person by order in writing by the Corporation;

1 of 1956.

(b) not incur any obligation or liability, by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement."

Amend-
ment of
section 19.

42. In section 19 of the Life Insurance Act, in sub-section (2), for the words "seven members of whom not less than three", the words "eight members of whom not less than four" shall be substituted.

Amend-
ment of
section 48.

43. In section 48 of the Life Insurance Act, for sub-section (3), the following sub-section shall be substituted, namely:—

(3) Every rule made by the Central Government under this Act shall 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.

CHAPTER VIII

AMENDMENTS TO THE UNIT TRUST OF INDIA ACT, 1963

Amend-
ment of
section 2.

44. In section 2 of the Unit Trust of India Act, 1963 (hereinafter referred to as the Unit Trust Act), clause (cc) shall be re-lettered as clause (cb) and before clause (cb) as so re-lettered, the following clause shall be inserted, namely:—

52 of 1963.

(ca) "Development Bank" means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964;

18 of 1964.

Amend-
ment of
section 3.

45. In section 3 of the Unit Trust Act, in sub-section (2), for the words "Reserve Bank", the words "Development Bank" shall be substituted.

Insertion
of new
sections
4A and 4B.

46. After section 4 of the Unit Trust Act, the following sections shall be inserted, namely:—

Transfer
of initial
capital to
Develop-
ment
Bank.

"4A. On such date as the Central Government may, by notification in the Official Gazette, appoint (hereinafter referred to as the notified date), all the contributions made by the Reserve Bank to the initial capital of the Trust, as on the date immediately preceding the notified date, shall, stand transferred to, and vested in, the Development Bank.

- 4B. The Reserve Bank shall be given by the Development Bank, in cash, for the transfer to, and vesting in, the Development Bank of the contributions made to the initial capital of the Trust by the Reserve Bank, an amount equal to the contributions to the initial capital so transferred.”.
47. In section 10 of the Unit Trust Act,—
- (a) in clause (a), for the words “Reserve Bank”, the words “Central Government in consultation with the Development Bank” shall be substituted;
- (b) after clause (a), the following clause shall be inserted, namely:—
- “(aa) one trustee to be nominated by the Reserve Bank;”;
- (c) in clauses (b) and (f), for the words “Reserve Bank” wherever they occur, the words “Development Bank” shall be substituted.
48. After section 10 of the Unit Trust Act, the following section shall be inserted, namely:—
- “10A. Every person holding office, immediately before the notified date, as Chairman under clause (a) of section 10 or as trustee, not being an officer of the Reserve Bank, nominated under clause (b) of that section or as executive trustee appointed under clause (f) thereof shall, notwithstanding the amendment of this Act by the Public Financial Institutions Laws (Amendment) Act, 1975, continue, subject to the same conditions, to hold office for the unexpired portion of his term.”.
49. In section 11 of the Unit Trust Act, in sub-sections (1) and (2), after the words “Reserve Bank” wherever they occur, the words “or the Development Bank” shall be inserted and in sub-section (1) as so amended, before the words, brackets and letter “under clause (b)”, the words, brackets and letters “under clause (aa) or” shall be inserted.
50. In section 12 of the Unit Trust Act, in clause (d), for the words “Reserve Bank”, the words “Development Bank” shall be substituted.
51. In section 13 of the Unit Trust Act, after the words “of the Reserve Bank” at the two places where they occur, the words “or of the Development Bank” shall be inserted.
52. In the Unit Trust Act, in sections 14, 15, 18, 25, 27, 30, 41 and sub-section (1) of section 43, for the words “Reserve Bank” wherever they occur, the words “Development Bank” shall be substituted.

Payment
of amount.Amend-
ment of
section 10.Insertion
of new
section
10A.Transi-
tional
provision
for
continu-
ance of
Chairman
and
certain
trustees
of the
Board.Amend-
ment of
section 11.Amend-
ment of
section 12.Amend-
ment of
section 13.Amend-
ment of
sections
14, 15, 18,
25, 27, 30,
41 and 43.

Insertion
of new
section
19A.

53. After section 19 of the Unit Trust Act, the following section shall be inserted, namely:—

Power to
impose
condi-
tions, etc.

“19A. (1) In entering into any arrangement, under section 19, with any concern, the Trust may impose such conditions as it may think necessary or expedient for protecting the interest of the Trust and for securing that the accommodation granted by it is put to the best use by the industrial concern.

(2) Where any arrangement entered into by the Trust under section 19 with any concern provides for the appointment by the Trust of one or more directors of such concern, such provision and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the concern, and any provision regarding share qualification, age limit, number of director-ships, removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the Trust in pursuance of the arrangement as aforesaid.

1 of 1956.

(3) Any director appointed as aforesaid shall,—

(a) hold office during the pleasure of the Trust and may be removed or substituted by any person by order in writing by the Trust;

(b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement.”.

Amend-
ment of
section
20A.

54. In section 20A of the Unit Trust Act,—

(a) for the words “The Reserve Bank may”, the words “The Reserve Bank or the Development Bank may” shall be substituted;

(b) for the words “payable to the Reserve Bank”, the words “payable to the Reserve Bank or, as the case may be, the Development Bank” shall be substituted.

Substitu-
tion of
new section
for section
29.

55. In the Unit Trust Act, for section 29, the following section shall be substituted, namely:—

Furnish-
ing of
informa-
tion.

“29. The Reserve Bank or the Development Bank may, from time to time, call upon the Trust to furnish such information as either of the said banks may require, and the Trust shall be bound to furnish the same.”.

56. In section 31 of the Unit Trust Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

Amend-
ment of
section 31.

“(3) Every member of the staff of the Reserve Bank,—

(a) whose services are being, immediately before the notified date, utilised by the Trust under sub-section (2), or

(b) whose services, having been made available to the Trust, stand, immediately before the notified date, deputed by the Trust to any other organisation,

shall, on and from the notified date, be deemed to be appointed by the Trust under sub-section (1) on the same salary, emoluments and other terms and conditions of service to which he was entitled immediately before the notified date:

Provided that every member of the staff aforesaid may, before the expiry of a period of eighteen months from the notified date, elect to go back to the Reserve Bank by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, the Reserve Bank shall, before the expiration of a period of thirty months from the notified date, take back such member of the staff and on such member being taken back by the Reserve Bank, he shall become a member of the staff of the Reserve Bank and shall cease to be a member of the staff of the Trust.

(4) Notwithstanding anything contained elsewhere in this Act or in any other law or in any contract, for the time being in force, for a temporary period, not being a period exceeding eighteen months from the notified date or the date of commencement of section 5 of the Public Financial Institutions Laws (Amendment) Act, 1975, whichever is earlier, if the Reserve Bank, in consultation with the Trust or the Development Bank, considers it necessary in the interests of the said institutions, to promote any member of the staff of any of the said institutions to a post in either of the other two institutions, it shall be lawful for the Reserve Bank to transfer on promotion any such member of the staff to that other institution, and on such transfer each such member of the staff shall be deemed to be a member of the staff of the institution to which he is so transferred and shall be entitled to the same salary, emoluments and other terms and conditions of service to which he was entitled immediately before the date of such transfer including benefits, if any, arising directly out of such promotion:

Provided that every member of the staff aforesaid may, before the expiry of a period of eighteen months from the notified date or the date of commencement of section 5 of the Public Financial Institutions Laws (Amendment) Act, 1975, whichever is earlier, elect to go back to the institution from which he was so transferred by exercising an option in writing to that effect, the option once exercised being final, and on the exercise of such option, that institution shall, before the expiration of a period of thirty months from

the notified date or the date of commencement of section 5 of the Public Financial Institutions Laws (Amendment) Act, 1975, whichever is earlier, take back such member of the staff and on such member being taken back by that institution, he shall become a member of its staff and shall cease to be a member of the staff of the institution to which he was earlier transferred.

(5) Notwithstanding anything contained in any other law or in any agreement, for the time being in force, no member of the staff shall be entitled to claim any compensation for, or in relation to, any matter concerning, his transfer, appointment or, as the case may be, return, under sub-sections (3) and (4), and no claim in respect thereof, shall be entertained by any court, tribunal or other authority."

Amend-
ment of
section 37.

57. In section 37 of the Unit Trust Act, for the words "the Reserve Bank" at the two places where they occur, the words "the Reserve Bank or the Development Bank" shall be substituted.

Insertion
of new
section 45.

58. After section 44 of the Unit Trust Act, the following section shall be inserted, namely:—

Power
to remove
difficulty.

"45. If any difficulty arises in giving effect to the provisions of this Act, as amended by the Public Financial Institutions Laws (Amendment) Act, 1975, the Central Government may, by order, do anything, not inconsistent with such provisions, for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiration of three years from the date of commencement of the said Amendment Act."

THE CONSTITUTION (THIRTY-FIFTH AMENDMENT)
ACT, 1974

[22nd February, 1975]

An Act further to amend the Constitution of India to give effect to the wishes of the people of Sikkim for strengthening Indo-Sikkim co-operation and inter-relationship.

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

1. (1) This Act may be called the Constitution (Thirty-fifth Amendment) Act, 1974.

Short title and Commencement.

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

2. After article 2 of the Constitution, the following article shall be inserted, namely:—

Insertion of new article 2A.

“2A. Sikkim, which comprises the territories specified in the Tenth Schedule, shall be associated with the Union on the terms and conditions set out in that Schedule.”

Sikkim to be associated with the Union.

3. In article 80 of the Constitution, in clause (1), for the words “The Council of States”, the words and figure “Subject to the provisions of paragraph 4 of the Tenth Schedule, the Council of States” shall be substituted.

Amendment of article 80.

4. In article 81 of the Constitution, in clause (1), for the words and figures “Subject to the provisions of article 331”, the words and figures “Subject to the provisions of article 331 and paragraph 4 of the Tenth Schedule” shall be substituted.

Amendment of article 81.

Addition
of Tenth
Schedule.

5. After the Ninth Schedule to the Constitution, the following Schedule shall be added, namely:—

'TENTH SCHEDULE

[Articles 2A, 80(1) and 81(1)]

PART A

TERRITORIES OF SIKKIM

1. **Sikkim.**—Sikkim comprises the following territories, namely:—

The territories which, immediately before the coming into force of the Government of Sikkim Act, 1974, were comprised in Sikkim.

PART B

TERMS AND CONDITIONS OF ASSOCIATION OF SIKKIM WITH THE UNION

2. **Responsibilities of the Government of India.**—(1) The Government of India—

(a) shall be solely responsible for the defence and territorial integrity of Sikkim and for the conduct and regulation of the external relations of Sikkim, whether political, economic or financial;

(b) shall have the exclusive right of constructing, maintaining and regulating the use of railways, aerodromes, landing grounds and air navigation facilities, posts, telegraphs, telephones and wireless installations in Sikkim;

(c) shall be responsible for securing the economic and social development of Sikkim and for ensuring good administration and for the maintenance of communal harmony therein;

(d) shall be responsible for providing facilities for students from Sikkim in institutions for higher learning in India and for the employment of people from Sikkim in the public services of India (including the All-India Services), at par with those available to citizens of India;

(e) shall be responsible for providing facilities for the participation and representation of the people of Sikkim in the political institutions of India.

(2) The provisions contained in this paragraph shall not be enforceable by any court.

3. **Exercise of certain powers by the President.**—The President may, by general or special order, provide—

(a) for the inclusion of the planned development of Sikkim within the ambit of the planning authority of India while that authority is preparing plans for the economic and social development of India, and for appropriately associating officials from Sikkim in such work;

(b) for the exercise of all or any of the powers vested or sought to be vested in the Government of India in or in relation to Sikkim under the Government of Sikkim Act, 1974.

4. Representation in Parliament.—Notwithstanding anything in this Constitution—

(a) there shall be allotted to Sikkim one seat in the Council of States and one seat in the House of the People;

(b) the representative of Sikkim in the Council of States shall be elected by the members of the Sikkim Assembly;

(c) the representative of Sikkim in the House of the People shall be chosen by direct election, and for this purpose, the whole of Sikkim shall form one parliamentary constituency to be called the parliamentary constituency for Sikkim:

Provided that the representative of Sikkim in the House of the People in existence at the commencement of the Constitution (Thirty-fifth Amendment) Act, 1974, shall be elected by the members of the Sikkim Assembly;

(d) there shall be one general electoral roll for the parliamentary constituency for Sikkim and every person whose name is for the time being entered in the electoral roll of any constituency under the Government of Sikkim Act, 1974, shall be entitled to be registered in the general electoral roll for the parliamentary constituency for Sikkim;

(e) a person shall not be qualified to be the representative of Sikkim in the Council of States or the House of the People unless he is also qualified to be chosen to fill a seat in the Sikkim Assembly and in the case of any such representative—

(i) clause (a) of article 84 shall apply as if the words “is a citizen of India, and” had been omitted therefrom;

(ii) clause (3) of article 101 shall apply as if sub-clause (a) had been omitted therefrom;

(iii) sub-clause (d) of clause (1) of article 102 shall apply as if the words “is not a citizen of India, or” had been omitted therefrom;

(iv) article 103 shall not apply;

(f) every representative of Sikkim in the Council of States or in the House of the People shall be deemed to be a member of the Council of States or the House of the People, as the case may be, for all the purposes of this Constitution except as respects the election of the President or the Vice-President

Provided that in the case of any such representative, clause (2) of article 101 shall apply as if for the words “a House of the Legislature of a State”, in both the places where they occur, and for the words “the Legislature of the State”, the words “the Sikkim Assembly” had been substituted;

(g) if a representative of Sikkim, being a member of the Council of States or the House of the People, becomes subject to any of the disqualifications for being a member of the Sikkim Assembly or for being the representative of Sikkim in the Council of States or the House of the People, his seat as a member of the Council of States or the House of the People, as the case may be, shall thereupon become vacant;

(h) if any question arises as to whether a representative of Sikkim, being a member of the Council of States or the House of the People, has become subject to any of the disqualifications mentioned in clause (g) of this paragraph, the question shall be referred for the decision of the President and his decision shall be final;

Provided that before giving any decision on any such question, the President shall obtain the opinion of the Election Commission and shall act according to such opinion;

(i) the superintendence, direction and control of the preparation of the electoral rolls for and the conduct of elections to Parliament under this paragraph of the representatives of Sikkim shall be vested in the Election Commission and the provisions of clauses (2), (3), (4) and (6) of article 324 shall, so far as may be, apply to and in relation to all such elections;

(j) Parliament may, subject to the provisions of this paragraph, from time to time by law make provision with respect to all matters relating to, or in connection with, such elections to either House of Parliament;

(k) no such election to either House of Parliament shall be called in question except by an election petition presented to such authority and in such manner as may be provided for by or under any law made by Parliament.

Explanation.—In this paragraph, the expression “the Sikkim Assembly” shall mean the Assembly for Sikkim constituted under the Government of Sikkim Act, 1974.

5. Schedule not to derogate from agreements, etc.—The provisions of this Schedule shall be in addition to, and not in derogation of, any other power, jurisdiction, rights and authority which the Government of India has or may have in or in relation to Sikkim under any agreement, grant, usage, sufferance or other lawful arrangement.

THE CONSTITUTION (THIRTY-SIXTH AMENDMENT)
ACT, 1975

[16th May, 1975]

An Act further to amend the Constitution of India.

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

1. (1) This Act may be called the Constitution (Thirty-sixth Amendment) Act, 1975.

Short title and commencement.

(2) It shall be deemed to have come into force on the date on which the Bill for this Act [introduced in the House of the People as the Constitution (Thirty-eighth Amendment) Bill, 1975], as passed by the House of the People, is passed by the Council of States.

2. In the First Schedule to the Constitution, under the heading "I. THE STATES", after entry 21, the following entry shall be inserted, namely:—

Amendment of First Schedule.

"22. Sikkim

The territories which immediately before the commencement of the Constitution (Thirty-sixth Amendment) Act, 1975, were comprised in Sikkim."

4 26-4-1975:- The date on which the Bill, as passed by the House of People was passed by the Council of States.

Insertion
of new
article
371F.

Special
provisions
with res-
pect
to the
State of
Sikkim.

3. After article 371E of the Constitution, the following article shall be inserted, namely:—

“371F. Notwithstanding anything in this Constitution,—

(a) the Legislative Assembly of the State of Sikkim shall consist of not less than thirty members;

(b) as from the date of commencement of the Constitution (Thirty-sixth Amendment) Act, 1975 (hereafter in this article referred to as the appointed day)—

(i) the Assembly for Sikkim formed as a result of the elections held in Sikkim in April, 1974 with thirty-two members elected in the said elections (hereinafter referred to as the sitting members) shall be deemed to be the Legislative Assembly of the State of Sikkim duly constituted under this Constitution;

(ii) the sitting members shall be deemed to be the members of the Legislative Assembly of the State of Sikkim duly elected under this Constitution; and

(iii) the said Legislative Assembly of the State of Sikkim shall exercise the powers and perform the functions of the Legislative Assembly of a State under this Constitution;

(c) in the case of the Assembly deemed to be the Legislative Assembly of the State of Sikkim under clause (b), the references to the period of five years in clause (1) of article 172 shall be construed as references to a period of four years and the said period of four years shall be deemed to commence from the appointed day;

(d) until other provisions are made by Parliament by law, there shall be allotted to the State of Sikkim one seat in the House of the People and the State of Sikkim shall form one parliamentary constituency to be called the parliamentary constituency for Sikkim;

(e) the representative of the State of Sikkim in the House of the People in existence on the appointed day shall be elected by the members of the Legislative Assembly of the State of Sikkim;

(f) Parliament may, for the purpose of protecting the rights and interests of the different sections of the population of Sikkim make provision for the number of seats in the Legislative Assembly of the State of Sikkim which may be filled by candidates belonging to such sections and for the delimitation of the assembly constituencies from which candidates belonging to such sections alone may stand for election to the Legislative Assembly of the State of Sikkim;

(g) the Governor of Sikkim shall have special responsibility for peace and for an equitable arrangement for ensuring the social and economic advancement of different sections of the population of Sikkim and in the discharge of his special responsibility under this clause, the Governor of Sikkim shall, subject to such directions as the President may, from time to time, deem fit to issue, act in his discretion;

(h) all property and assets (whether within or outside the territories comprised in the State of Sikkim) which immediately before the appointed day were vested in the Government of Sikkim or in any other authority or in any person for the purposes of the Government of Sikkim shall, as from the appointed day, vest in the Government of the State of Sikkim;

(i) the High Court functioning as such immediately before the appointed day in the territories comprised in the State of Sikkim shall, on and from the appointed day, be deemed to be the High Court for the State of Sikkim;

(j) all courts of civil, criminal and revenue jurisdiction, all authorities and all officers, judicial, executive and ministerial, throughout the territory of the State of Sikkim shall continue on and from the appointed day to exercise their respective functions subject to the provisions of this Constitution;

(k) all laws in force immediately before the appointed day in the territories comprised in the State of Sikkim or any part thereof shall continue to be in force therein until amended or repealed by a competent Legislature or other competent authority;

(l) for the purpose of facilitating the application of any such law as is referred to in clause (k) in relation to the administration of the State of Sikkim and for the purpose of bringing the provisions of any such law into accord with the provisions of this Constitution, the President may, within two years from the appointed day, by order, make such adaptations and modifications of the law, whether by way of repeal or amendment, as may be necessary or expedient, and thereupon, every such law shall have effect subject to the adaptations and modifications so made, and any such adaptation or modification shall not be questioned in any court of law;

(m) neither the Supreme Court nor any other court shall have jurisdiction in respect of any dispute or other matter arising out of any treaty, agreement, engagement or other similar instrument relating to Sikkim which was entered into or executed before the appointed day and to which the Government of India or any of its predecessor Governments was a party, but nothing in this clause shall be construed to derogate from the provisions of article 143;

(n) the President may, by public notification, extend with such restrictions or modifications as he thinks fit to the State of Sikkim any enactment which is in force in a State in India at the date of the notification;

(o) if any difficulty arises in giving effect to any of the foregoing provisions of this article, the President may, by order, do anything (including any adaptation or modification of any other article) which appears to him to be necessary for the purpose of removing that difficulty:

Provided that no such order shall be made after the expiry of two years from the appointed day;

(p) all things done and all actions taken in or in relation to the State of Sikkim or the territories comprised therein during

the period commencing on the appointed day and ending immediately before the date on which the Constitution (Thirty-sixth Amendment) Act, 1975, receives the assent of the President shall, in so far as they are in conformity with the provisions of this Constitution as amended by the Constitution (Thirty-sixth Amendment) Act, 1975, be deemed for all purposes to have been validly done or taken under this Constitution as so amended.”.

Amend-
ment of
Fourth
Schedule.

4. In the Fourth Schedule to the Constitution, in the Table,—

(a) after entry 21, the following entry shall be inserted, namely:—

“22. Sikkim 1”;

(b) existing entries 22 to 25 shall be renumbered as entries 23 to 26 respectively;

(c) for the figures “231”, the figures “232” shall be substituted.

Conse-
quential
amend-
ments.

5. The following consequential amendments shall be made in the Constitution, namely:—

(a) article 2A shall be omitted;

(b) in article 80, in clause (1), the words and figure “Subject to the provisions of paragraph 4 of the Tenth Schedule,” shall be omitted;

(c) in article 81, in clause (1), the words and figure “and paragraph 4 of the Tenth Schedule” shall be omitted;

(d) the Tenth Schedule shall be omitted.

THE CONSTITUTION (THIRTY-SEVENTH AMENDMENT)
ACT, 1975

[3rd May, 1975.]

An Act further to amend the Constitution of India.

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

- | | |
|---|----------------------------|
| 1. This Act may be called the Constitution (Thirty-Seventh Amendment) Act, 1975. | Short title. |
| 2. In article 239A of the Constitution, in clause (1), for the words "Pondicherry and Mizoram", the words "Pondicherry, Mizoram and Arunachal Pradesh" shall be substituted. | Amendment of article 239A. |
| 3. In article 240 of the Constitution, in clause (1), in both the provisos, for the words "Pondicherry or Mizoram", the words "Pondicherry, Mizoram or Arunachal Pradesh" shall be substituted. | Amendment of article 240. |

THE CONSTITUTION (THIRTY-EIGHTH AMENDMENT)
ACT, 1975

[1st August, 1975.]

An Act further to amend the Constitution of India.

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

Short
title.

1. This Act may be called the Constitution (Thirty-eighth Amendment) Act, 1975.

Amend-
ment of
article
123.

2. In article 123 of the Constitution, after clause (3), the following clause shall be inserted, and shall be deemed always to have been inserted, namely:—

“(4) Notwithstanding anything in this Constitution, the satisfaction of the President mentioned in clause (1) shall be final and conclusive and shall not be questioned in any court on any ground.”.

Amend-
ment of
article
213.

3. In article 213 of the Constitution, after clause (3), the following clause shall be inserted, and shall be deemed always to have been inserted, namely:—

“(4) Notwithstanding anything in this Constitution, the satisfaction of the Governor mentioned in clause (1) shall be final and conclusive and shall not be questioned in any court on any ground.”.

4. In article 239B of the Constitution, after clause (3), the following clause shall be inserted, and shall be deemed always to have been inserted, namely:—

Amendment of article 239B.

“(4) Notwithstanding anything in this Constitution, the satisfaction of the administrator mentioned in clause (1) shall be final and conclusive and shall not be questioned in any court on any ground.”

5. In article 352 of the Constitution, after clause (3), the following clauses shall be inserted, and shall be deemed always to have been inserted, namely:—

Amendment of article 352.

“(4) The power conferred on the President by this article shall include the power to issue different Proclamations on different grounds, being war or external aggression or internal disturbance or imminent danger of war or external aggression or internal disturbance, whether or not there is a Proclamation already issued by the President under clause (1) and such Proclamation is in operation.

(5) Notwithstanding anything in this Constitution,—

(a) the satisfaction of the President mentioned in clause (1) and clause (3) shall be final and conclusive and shall not be questioned in any court on any ground;

(b) subject to the provisions of clause (2), neither the Supreme Court nor any other court shall have jurisdiction to entertain any question, on any ground, regarding the validity of—

(i) a declaration made by Proclamation by the President to the effect stated in clause (1); or

(ii) the continued operation of such Proclamation.”

6. In article 356 of the Constitution, after clause (4), the following clause shall be inserted, and shall be deemed always to have been inserted, namely:—

Amendment of article 356.

“(5) Notwithstanding anything in this Constitution, the satisfaction of the President mentioned in clause (1) shall be final and conclusive and shall not be questioned in any court on any ground.”

7. In article 359 of the Constitution, after clause (1), the following clause shall be inserted, and shall be deemed always to have been inserted, namely:—

Amendment of article 359.

“(1A) While an order made under clause (1) mentioning any of the rights conferred by Part III is in operation, nothing in that Part conferring those rights shall restrict the power of the State as defined in the said Part to make any law or to take any executive action which the State would but for the provisions contained in that Part be competent to make or to take, but any law so made shall, to the extent of the incompetency, cease to have effect as soon as the order aforesaid ceases to operate, except as respects things done or omitted to be done before the law so ceases to have effect.”

8. In article 360 of the Constitution, after clause (4), the following clause shall be inserted, and shall be deemed always to have been inserted, namely:—

Amendment of article 360.

"(5) Notwithstanding anything in this Constitution,—

(a) the satisfaction of the President mentioned in clause (1) shall be final and conclusive and shall not be questioned in any court on any ground;

(b) subject to the provisions of clause (2), neither the Supreme Court nor any other court shall have jurisdiction to entertain any question, on any ground, regarding the validity of—

(i) a declaration made by Proclamation by the President to the effect stated in clause (1); or

(ii) the continued operation of such Proclamation."

THE CONSTITUTION (THIRTY-NINTH AMENDMENT)
ACT, 1975

[10th August, 1975.]

An Act further to amend the Constitution of India.

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

1. This Act may be called the Constitution (Thirty-ninth Amendment) Act, 1975. Short title.

2. For article 71 of the Constitution, the following article shall be substituted, namely:— Substitution of new article for article 71.

“71. (1) Subject to the provisions of this Constitution, Parliament may by law regulate any matter relating to or connected with the election of a President or Vice-President, including the grounds on which such election may be questioned: Matters relating to or Connected with the election of a President or Vice-President.

Provided that the election of a person as President or Vice-President shall not be called in question on the ground of the existence of any vacancy for whatever reason among the members of the electoral college electing him.

(2) All doubts and disputes arising out of or in connection with the election of a President or Vice-President shall be inquired into and decided by such authority or body and in such manner as may be provided for by or under any law referred to in clause (1).

(3) The validity of any such law as is referred to in clause (1) and the decision of any authority or body under such law shall not be called in question in any court.

(4) If the election of a person as President or Vice-President is declared void under any such law as is referred to in clause (1), acts done by him in the exercise and performance of the powers and duties of the office of President or Vice-President, as the case may be, on or before the date of such declaration shall not be invalidated by reason of that declaration."

Amendment of article 329.

3. In article 329 of the Constitution, for the words "Notwithstanding anything in this Constitution—", the words, figures and letter "Notwithstanding anything in this Constitution but subject to the provisions of article 329A—" shall be substituted.

Insertion of new article 329A.

4. In Part XV of the Constitution, after article 329, the following article shall be inserted, namely:—

Special provision as to elections to Parliament in the case of Prime Minister and Speaker.

"329A. (1) Subject to the provisions of Chapter II of Part V [except sub-clause (e) of clause (1) of article 102], no election—

(a) to either House of Parliament of a person who holds the office of Prime Minister at the time of such election or is appointed as Prime Minister after such election;

(b) to the House of the People of a person who holds the office of Speaker of that House at the time of such election or who is chosen as the Speaker for that House after such election;

shall be called in question, except before such authority [not being any such authority as is referred to in clause (b) of article 329] or body and in such manner as may be provided for by or under any law made by Parliament and any such law may provide for all other matters relating to doubts and disputes in relation to such election including the grounds on which such election may be questioned.

(2) The validity of any such law as is referred to in clause (1) and the decision of any authority or body under such law shall not be called in question in any court.

(3) Where any person is appointed as Prime Minister or, as the case may be, chosen to the office of the Speaker of the House of the People, while an election petition referred to in clause (b) of article 329 in respect of his election to either House of Parliament or, as the case may be, to the House of the People is pending, such election petition shall abate upon such person being appointed as Prime Minister or, as the case may be, being chosen to the office of the Speaker of the House of the People, but such election may be called in question under any such law as is referred to in clause (1).

(4) No law made by Parliament before the commencement of the Constitution (Thirty-ninth Amendment) Act, 1975, in so far as it

relates to election petitions and matters connected therewith, shall apply or shall be deemed ever to have applied to or in relation to the election of any such person as is referred to in clause (1) to either House of Parliament and such election shall not be deemed to be void or ever to have become void on any ground on which such election could be declared to be void or has, before such commencement, been declared to be void under any such law and notwithstanding any order made by any court, before such commencement, declaring such election to be void, such election shall continue to be valid in all respects and any such order and any finding on which such order is based shall be and shall be deemed always to have been void and of no effect.

(5) Any appeal or cross appeal against any such order of any court as is referred to in clause (4) pending immediately before the commencement of the Constitution (Thirty-ninth Amendment) Act, 1975, before the Supreme Court shall be disposed of in conformity with the provisions of clause (4).

(6) The provisions of this article shall have effect notwithstanding anything contained in this Constitution."

5. In the Ninth Schedule to the Constitution, after entry 86 and before the *Explanation*, the following entries shall be inserted, namely:—

Amendment
of the
Ninth
Schedule.

"87. The Representation of the People Act, 1951 (Central Act 43 of 1951), the Representation of the People (Amendment) Act, 1974 (Central Act 58 of 1974) and the Election Laws (Amendment) Act, 1975 (Central Act 40 of 1975).

88. The Industries (Development and Regulation) Act, 1951 (Central Act 65 of 1951).

89. The Requisitioning and Acquisition of Immovable Property Act, 1952 (Central Act 30 of 1952).

90. The Mines and Minerals (Regulation and Development) Act, 1957 (Central Act 67 of 1957).

91. The Monopolies and Restrictive Trade Practices Act, 1969 (Central Act 54 of 1969).

92. The Maintenance of Internal Security Act, 1971 (Central Act 26 of 1971).

93. The Coking Coal Mines (Emergency Provisions) Act, 1971 (Central Act 64 of 1971).

94. The Coking Coal Mines (Nationalisation) Act, 1972 (Central Act 36 of 1972).

95. The General Insurance Business (Nationalisation) Act, 1972 (Central Act 57 of 1972).

96. The Indian Copper Corporation (Acquisition of Undertaking) Act, 1972 (Central Act 58 of 1972).

97. The Sick Textile Undertakings (Taking Over of Management) Act, 1972 (Central Act 72 of 1972).

98. The Coal Mines (Taking Over of Management) Act, 1973 (Central Act 15 of 1973).

99. The Coal Mines (Nationalisation) Act, 1973 (Central Act 26 of 1973).

100. The Foreign Exchange Regulation Act, 1973 (Central Act 46 of 1973).

101. The Alcock Ashdown Company Limited (Acquisition of Undertakings) Act, 1973 (Central Act 56 of 1973).

102. The Coal Mines (Conservation and Development) Act, 1974 (Central Act 28 of 1974).

103. The Additional Emoluments (Compulsory Deposit) Act, 1974 (Central Act 37 of 1974).

104. The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (Central Act 52 of 1974).

105. The Sick Textile Undertakings (Nationalisation) Act, 1974 (Central Act 57 of 1974).

106. The Maharashtra Agricultural Lands (Ceiling on Holdings) (Amendment) Act, 1964 (Maharashtra Act XVI of 1965).

107. The Maharashtra Agricultural Lands (Ceiling on Holdings) (Amendment) Act, 1965 (Maharashtra Act XXXII of 1965).

108. The Maharashtra Agricultural Lands (Ceiling on Holdings) (Amendment) Act, 1968 (Maharashtra Act XVI of 1968).

109. The Maharashtra Agricultural Lands (Ceiling on Holdings) (Second Amendment) Act, 1968 (Maharashtra Act XXXIII of 1968).

110. The Maharashtra Agricultural Lands (Ceiling on Holdings) (Amendment) Act, 1969 (Maharashtra Act XXXVII of 1969).

111. The Maharashtra Agricultural Lands (Ceiling on Holdings) (Second Amendment) Act, 1969 (Maharashtra Act XXXVIII of 1969).

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