

CHAPTER I
PRELIMINARY

1. Short title and commencement.— (i) This Act may be called the Finance Act, 1991.
(2) Save as otherwise provided in this Act, section 2 shall come into force on the 1st day of April, 1991.

2. [Repealed by Finance (No.2) Act (49 of 1991), S. 126 and shall be deemed as never to have been enacted.]

3. Auxiliary duties of customs.— (1) In the case of goods mentioned in the First Schedule to the Customs Tariff Act, 1975 or in that Schedule, as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to fifty per cent of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1992, and upon such cesser section 6 of the General Clauses Act, 1897, shall apply as if the said sub-section had been repealed by a Central Act.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.

4. Special duties of excise.— (1) In the case of goods chargeable with a duty of excise under the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), as amended from time to time, read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable (not being a notification providing for any exemption for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under the said Act, or the additional duty under section 3 of the Customs Tariff Act, 1975 already paid on the raw material or component parts used in the production or manufacture of such goods), there shall be levied and collected a special duty of excise equal to ten per cent of the amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1992, and upon such cesser section 6 of the General Clauses Act, 1897, shall apply as if the said sub-section had been repealed by a Central Act.

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

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

[THE] FINANCE (NO. 2) ACT, 1991
(ACT NO. 49 OF 1991)

[27th September, 1991]

An Act to give effect to the financial proposals of the Central Government for the financial year 1991-92.

BE it enacted by Parliament in the Forty-second Year of the Republic of India as follows :

CHAPTER I

PRELIMINARY

1. Short title and commencement.— (1) This Act may be called the Finance (No. 2) Act, 1991.

(2) Save as otherwise provided in this Act, Sections 2 to 119 and 126 (except Sections 45, 47, 62, 66, 67, 69, 75, 76, 78, 79, 87, 88 and 120) shall be deemed to have come into force on the 1st day of April, 1991.

CHAPTER II

RATES OF INCOME-TAX

2. Income-tax.— (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1991, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax as reduced by the rebate of income-tax calculated under Chapter VIII-A of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) shall be increased,—

- (a) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and
- (b) in the cases to which Paragraph E of that Part applies, by a surcharge, calculated in each case in the manner provided therein :—

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

- (i) in a case to which the said Sub-Paragraph I applies, twenty-two thousand rupees, and
- (ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees, then,—
- (a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after,—
 - (i) in a case to which the said Sub-Paragraph I applies, the first, twenty-two thousand rupees, and
 - (ii) in a case to which the said Sub-Paragraph II applies, the first twelve 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,—
 - (A) in a case to which the said Sub-Paragraph I applies, by a sum of twenty-two thousand rupees; and
 - (B) in a case to which the said Sub-Paragraph II applies, by a sum of twelve 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 of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that the amount of income-tax so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the Income-tax Act, shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or sub-section (1A) of Section 161 or Section 164 or Section 164A or Section 167B of the Income-tax Act apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be:

Provided that in respect of any income chargeable to tax under section 115B or section 115BB of the Income-tax Act,—

- (a) the Income-tax computed under Section 115B shall be increased by a surcharge calculated at the rate of fifteen per cent of such income-tax; and
- (b) the income-tax computed under Section 115BB shall be increased,—
 - (i) in the case of a person other than a company, being a resident in India, by a surcharge for purposes of the Union calculated at the rate of twelve per cent of such income-tax; and
 - (ii) in the case of a domestic company, by a surcharge calculated at the rate of fifteen per cent of such income-tax.

(4) In cases in which tax has to be deducted under Sections 193, 194, 194-A, 194-B, 194-BB, 194-D and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Para II of the First Schedule and shall be increased,—

- (a) in the cases to which the provisions of sub-item (a) of Item I of that Part apply, by a surcharge for purposes of the Union; and
- (b) in the cases to which the provisions of sub-item (a) of Item 2 of that Part apply, by a surcharge, calculated in each case in the manner provided therein.

(5) In cases in which tax has to be deducted under sections 194C, 194EE, 194G and 194H of the Income-tax Act, the deduction shall be made at the rates specified in those sections and shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such deduction;

Provided that in the case of an assessee, being a domestic company, the provisions of this sub-section shall have effect, as if for the words “twelve per cent.”, the words “fifteen per cent.”, had been substituted.

(6) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rate specified in that section and shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such collection;

Provided that in the case of a buyer, being a domestic company, the provisions of this sub-section shall have effect, as if for the words "twelve per cent.", the words "fifteen per cent." had been substituted.

(7) Subject to the provisions of sub-section (8), 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 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 and such tax as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act shall be increased,—

- (a) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and
- (b) in the cases to which Paragraph E of that Part applies, by a surcharge, calculated in each case in the manner provided therein :

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or sub-section (1A) of section 161 or Section 164 or Section 164-A or Section 167-B of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be :

Provided further that in respect of any income chargeable to tax under section 115B of the Income-tax Act, the "advance tax" computed under the first proviso shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such "advance tax".

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

- (i) in a case to which the said Sub-Paragraph I applies, twenty-two thousand rupees, and
- (ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees,

then, in calculating income-tax under the first proviso to sub-section (5) of Section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of Section 174 or Section 175 or sub-section (2) of Section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

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

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

- (ii) in a case to which the said Sub-Paragraph II applies, the first twelve 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,—

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

(B) in a case to which the said Sub-Paragraph II applies, by a sum of twelve thousand rupees,

and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Sub-Paragraph I or, as the case may be, the said Sub-Paragraph II as if the net agricultural income as so increased were the total income; —

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

Provided that the amount of income-tax or "advance tax" so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act, shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

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

(a) "company in which the public are substantially interested" means a company within the meaning of clause (18) of section 2 of the Income-tax Act, and includes a subsidiary of such company if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year;

(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, 1991, 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 the Act;

(c) "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);

(d) "investment company" means a company whose gross total income (as defined in section 80B of the Income-tax Act) consists mainly of income which is chargeable under the heads "Income from house property", "Capital gains" and "Income from other sources", or of income by way of interest on securities;

(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) "trading company" means a company whose business consists mainly in dealing in goods or merchandise manufactured, produced or processed by a person other than that company and whose income attributable to such business included in its gross total income (as defined in section 80B of the Income-tax Act) is not less than fifty one per cent. of the amount of such gross total income;
- (h) 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

3 to 72. Of this Act amended the following sections of the Income-tax Act, which are being incorporated in the Principal Act and hence not printed hereat. Sections affected are : 2; 9; 10; 11; 12A; 13; 17; 29; 32; 35; 35AC (ins.); 36; 43D (ins.); 44D; 45; 47; 48; 49; 54H (ins.); 57; 71 (subst.); 74; 80CCA; 80G; 80GGA; 80HHC; 80HHD; 80HHE (ins.); 80I; 80IA (ins.); 80L; 80O; 80Q (ins.); 80QQA; 80U (subst.); 88; 90; 115A; 115AB (ins.); 119; 132; 139; 140A; 153; 155; 161; 193; 194; 194A; 194BB; 194EE (ins.); 194G and 194H (ins.); 195; 196A; 196B (ins.); 197A; Ss. 198 to 200, 202, 203; 203A and 205; 204; 206; 234C; 244A; 245BA; 245D; 254; 272A; 273A; 279; Twelfth Sec. (ins.); section 72, made consequential amendments in certain sections.

Wealth-tax

73. Amendment of section 5.— In section 5 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), in sub-section (1),—

- (a) for clause (xviiia), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1984, namely :—

“(xviiia) the amount standing to the credit of —

(a) an individual; or

(b) a Hindu undivided family; or

(c) an association of persons or body of individuals consisting, in either case, only of husband and wife governed by the system of community of property in force in the State of Goa and the union territories of Dadra and Nagar Haveli and Daman and Diu,

in any provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette”;

- (b) in clause (xxvb), for the words “the National Savings Scheme referred to in”, the words, brackets and figures “any scheme referred to in clause (i) of sub-section (1) of” shall be substituted with effect from the 1st day of October, 1991.

74. Amendment of section 16.— In section 16 of the Wealth-tax Act, with effect from the 1st day of October, 1991,—

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

“Provided that no notice under this sub-section shall be served on the assessee after the expiry of twelve months from the end of the month in which the return is

furnished.”;

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

“Explanation.— An intimation sent to the assessee under sub-section (1) or sub-section (IB) shall be deemed to be an order for the purposes of sub-section (1) of section 25”.

75. Amendment of section 17A.— In section 17A of the Wealth-tax Act, in Explanation 1, the following proviso shall be inserted at the end, namely :—

“Provided that where immediately after the exclusion of the aforesaid time or period, the period of limitation referred to in sub-sections (1), (2) and (3) available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly”.

76. Amendment of section 18B.— In section 18B of the Wealth-tax Act, in sub-section (3), the following proviso shall be inserted at the end, namely :—

“Provided that where an order has been made in favour of any person under sub-section (1) on or before the 24th day of July, 1991, such person shall be entitled to further relief only once in relation to other assessment year or years if he makes an application to the wealth-tax authority referred to in sub-section (4) at any time before the 1st day of April, 1992”.

77. Amendment of section 22BA.— In section 22BA of the Wealth-tax Act, with effect from the 1st day of October, 1991;

(a) after sub-section (5), the following sub-section shall be inserted, namely :—

“(5A) Notwithstanding anything contained in the foregoing provisions of this section, the Chairman may, for the disposal of any particular case, constitute a Special Bench consisting of more than three Members”.

(b) in sub-section (6), the following shall be inserted at the end, namely :—

“and the Special Bench shall sit at a place to be fixed by the Chairman”.

78. Amendment of section 22D.— In section 22D of the Wealth-tax Act,—

(a) in sub-section (1), after the first proviso, the following proviso shall be inserted, namely :—

“Provided further that the Commissioner shall furnish the report within a period of one hundred and twenty days of the receipt of communication from the Settlement Commission in case of all applications made under section 22C on or after the date on which the Finance (No. 2) Act, 1991 receives the assent of the President and if the Commissioner fails to furnish the report within the said period, the Settlement Commission may make the order without such report”.

(b) sub-section (1A) shall be omitted.

79. Amendment of section 27.— In section 27 of the Wealth-tax Act, in sub-section (1), after the word and figures “section 26”, the words, brackets, letter and figures “or clause (e) of sub-section (1) of section 35” shall be inserted.

80. Amendment of section 34A.— In section 34A of the Wealth-tax Act, in sub-section (4B), in clause (a), the words “and a half shall be omitted with effect from the 1st day of October, 1991.

81. Amendment of section 35-I.— In section 35-I of the Wealth-tax Act,—

(a) for sub-sections (1) and (2), the following sub-sections shall be substituted, with effect from the 1st day of October, 1991, namely :—

“(1) A person shall not be proceeded against for an offence under this Act except with the previous sanction of the Commissioner or Commissioner (Appeals);

Provided that the Chief Commissioner or, as the case may be, Director General may issue such instructions or directions to the aforesaid wealth-tax authorities as he may deem fit for institution of proceedings under this sub-section.

(2) Any such offence may, either before or after the institution of proceedings, be computed by the Chief Commissioner or Director General”;

(b) after sub-section (2) as so substituted, the following Explanation shall be inserted and shall be deemed always to have been inserted, namely :—

“Explanation.— For the removal of doubts, it is hereby declared that the power of the Board to issue orders, instructions or directions under this Act shall include and shall be deemed always to have included the power to issue instructions or directions (including instructions or directions to obtain the previous approval of the Board) to other wealth-tax authorities for the proper composition of offences under this section.”

82. Amendment of section 37 A.— In section 37 A of the Wealth-tax Act, in sub-section (6A), for the words “Chief Commissioner or Commissioner”, wherever they occur, the words “Director or, as the case may be, Commissioner” shall be substituted with effect from the 1st day of October, 1991.

83. Amendment of Schedule III.— In Schedule III to the Wealth-tax Act, with effect from the 1st day of April, 1992,—

(a) in rule 9A,—

(i) after the words “at the option of the assessee”, the words “or a company” shall be inserted;

(ii) for the words “four assessment years”, wherever they occur the words “nine assessment years” shall be substituted;

(b) in rule 12,—

(i) after sub-rule (2), the following sub-rule shall be inserted, namely :—

“(3) For the purposes of sub-rule (2), the value of an asset disclosed in the balance sheet of the company shall be taken to be its value determined in accordance with the rules as applicable to that particular asset and, in the absence of any such rule, the value of such asset shall be its value as determined under rule 20”.

(ii) after sub-rule (4), the following sub-rule shall be inserted, namely :—

“(5) For the purpose of facilitating the valuation of unquoted equity shares under this rule and rule 13, the company concerned shall have such valuation made by its auditors appointed under section 224 of the Companies Act, 1956, and a certificate of the auditors relating to such valuation in the prescribed form shall be furnished to the Assessing Officer and the shareholders of the company; and the valuation made by the auditors shall be taken into account in the assessment of the shareholders of the company.”

Gift-tax

84 to 90.— [Incorporated in the Principal Act.]

Interest-tax

91 to 112.— [Incorporated in the Interest-tax Act, 1974.]

Expenditure-tax**113 to 119.**— [Incorporated in the Principal Act]**CHAPTER IV****INDIRECT TAXES****Customs****120.** [Incorporated in the Principal Act]**121. Amendment of Act 51 of 1975.**— [Incorporated in the Principal Act]**Excise****122. Amendment of Act 5 of 1986.**— The Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act), shall be amended in the manner specified in the Fourth Schedule.**123. Amendment of Act 58 of 1957.**— The Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act), shall be amended in the manner specified in the Fifth Schedule**CHAPTER V****MISCELLANEOUS****124. Omission of Section 35 of Act 18 of 1964.**— [Incorporated in the Industrial Development Bank of India Act, 1964]**125. Amendment of Section 40 of Act 11 of 1983.**— Incorporated in the Finance Act, 1983. This section has been substituted by Finance Act, 1992.**THE FIRST SCHEDULE**

(See section 2)

PART I**INCOME-TAX****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 incorporate 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

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| (1) where the total income does not exceed Rs. 22,000 | Nil; |
| (2) where the total income exceeds Rs. 22,000 but does not exceed Rs. 30,000 | 20 per cent. of the amount by which the total income exceeds Rs. 22,000; |
| (3) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 1,600 plus 30 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 7,600 plus 40 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. 27,600 plus 50 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, —

- (i) in the case of every individual, Hindu undivided family or association of persons or body of individuals referred to in sections 88 and 88A having a total income exceeding seventy-five thousand

rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A, and the income-tax as so reduced,

- (ii) in the case of every person, other than those mentioned in item (i), having a total income exceeding seventy-five thousand rupees,

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

Provided that no such surcharge shall be payable by a non-resident.

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, 1991 exceeds Rs 22,000.—

Rates of Income-tax

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| (1) where the total income does not exceed Rs. 12,000 | Nil; |
| (2) where the total income exceeds Rs. 12,000 but does not exceed Rs. 20,000 | 25 per cent. of the amount by which the total income exceeds Rs. 12,000; |
| (3) where the total income exceeds Rs. 20,000 but does not exceed Rs. 40,000 | Rs. 2,000 plus 30 per cent. of the amount by which the total income exceeds Rupees 20,000; |
| (4) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000 | Rs. 8,000 plus 40 per cent. of the amount by which the total income exceeds Rupees 40,000; |
| (5) where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,00,000 | Rs. 16,000 plus 50 per cent. of the amount by which the total income exceeds Rupees 60,000; |
| (6) where the total income exceeds Rs. 1,00,000 | Rs. 36,000 plus 55 per cent. of the amount by which the total income exceeds Rupees 1,00,000; |

Surcharge on Income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A and the income-tax as so reduced be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax :

Provided that no such surcharge shall be payable by a non-resident.

Paragraph B

In the case of every co-operative society,—

Rates of Income-tax

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| (1) where the total income does not exceed Rs. 10,000. | 10 per cent. of the total income; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000. | Rs. 1,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 20,000. | Rs. 3,000 plus 35 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve 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

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| (1) where the total income does not exceed Rs. 15,000. | Nil; |
| (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000. | 6 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000. | Rs. 2,100 plus 12 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 8,100 plus 18 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve 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. 15,000. | Nil; |
| (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000. | 5 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000. | Rs. 1,750 plus 10 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 6,750 plus 15 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph E

In the case of a company,—

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,— | 40 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 trading company or an investment company 50 per cent. of the total income;
- (ii) in any other case. 45 per cent. of the total income;

II. In the case of a company other than a domestic company—

- (i) on so much of the total income as consists of—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

- (ii) on the balance, if any of the total income 65 per cent.;

Surcharge on income-tax

The amount of income-tax computed in accordance with the provisions of item I of this Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge calculated at the rate of fifteen 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, 194BB, 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 :—

	Rates of Income-tax
I. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than "Interest on Securities"	10 per cent.;
(ii) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(iii) on income by way of winnings from horse races	40 per cent.;
(iv) on income by way of insurance commission	10 per cent.;
(v) on income by way of interest payable on—	10 per cent.;
(A) any security, other than a tax-free security, of the Central or a State Government;	
(B) any debentures or other securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(C) any debentures issued by a company where such debent-	

tures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956, and any rules made thereunder.

- | | |
|--|---------------|
| (vi) on any other income (excluding interest payable on a tax-free security) | 20 per cent.; |
|--|---------------|
- (b) where the person is not resident in India—
- (i) in the case of a non-resident Indian—
- | | |
|---|---|
| (A) on investment income and long-term capital gains | 20 per cent.; |
| (B) on income by way of interest payable on a tax-free security | 15 per cent.; |
| (C) on income by way of winnings from lotteries and crossword puzzles | 40 per cent.; |
| (D) on income by way of winnings from horse races | 40 per cent.; |
| (E) on the whole of the other income | Income-tax at 30 per cent. of the amount of income; |
- or
- Income-tax in respect of the income at the rates prescribed in Sub-Paragraph 1 of Paragraph A of Part III of this Schedule, if such income had been the total income, which is higher;
- (ii) in the case of any other person,—
- | | |
|---|---|
| (A) on the income by way of interest payable on a tax-free security | 15 per cent.; |
| (B) on income by way of winnings from lotteries and crossword puzzles | 40 per cent.; |
| (C) on income by way of winnings from horse races | 40 per cent.; |
| (D) on the whole of the other income | income-tax at 30 per cent. of the amount of income, |
- or
- income-tax in respect of the income at the rates prescribed in Sub-Paragraph 1 of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;
2. In the case of a company—
- (a) where the company is a domestic company—
- | | |
|--|-----------------|
| (i) on income by way of interest other than "Interest on securities" | 20 per cent.; |
| (ii) on income by way of winnings from lotteries and crossword puzzles | 40 per cent.; |
| (iii) on income by way of winnings from horse races | 40 per cent.; |
| (iv) on any other income (excluding interest payable on a tax-free security) | 21.5 per cent.; |
- (b) where the company is not a domestic company—
- | | |
|---|---------------|
| (i) on income by way of dividends payable by any domestic company | 25 per cent.; |
|---|---------------|

- (ii) on income by way of winnings from lotteries and crossword puzzles 40 per cent.;
- (iii) on income by way of winnings from horse races 40 per cent.;
- (iv) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency 25 per cent.;
- (v) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the proviso to sub-section (1A) of Section 115A of the Income-tax Act, to the Indian concern. 30 per cent.;
- (vi) on income by way of royalty [not being royalty of the nature referred to in sub-item (b) (iii)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and which has been approved by the Central Government,—
 - (A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976. 50 per cent.
 - (B) where the agreement is made after the 31st day of March, 1976. 30 per cent.
- (vii) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with Government or the Indian concern and which has been approved by the Central Government,—
 - (A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 50 per cent.
 - (B) where the agreement is made after the 31st day of March, 1976 30 per cent.
- (viii) on income by way of interest payable on a tax-free security 44 per cent.
- (ix) on any other income 65 per cent.

Explanation.— For the purposes of this Part, “investment income”, “long term capital gains” and “non-resident Indian” shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

- (a) sub-item (a) of item 1 of this Part shall be increased by surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax, and
- (b) sub-item (a) of item 2 of this Part shall be increased by a surcharge, calculated at the rate of fifteen per cent. of such income-tax.

PART III

RATES FOR CALCULATING OR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD “SALARIES” AND COMPUTING “ADVANCE TAX”.

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of 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 in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, “advance tax” (not being “advance tax” in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or sub-section (1A) of section 161 or Section 164 or Section 164A or Section 167B of the

Income-tax Act at the rates as specified in the Chapter or Section or surcharge on such "advance tax" in respect of any income chargeable to tax under section 115(B), shall be calculated, charged, deducted or computed at the following rate or rates :

Paragraph A

Sub-Paragraph

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. 22,000 | Nil; |
| (2) where the total income exceeds Rs. 22,000 but does not exceed Rs. 30,000 | 20 per cent. of the amount by which the total income exceeds Rs. 22,000; |
| (3) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 1,600 plus 30 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 7,600 plus 40 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. 27,600 plus 50 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,—

- (i) in the case of every individual, Hindu undivided family or association of persons or body of individuals referred to in sections 88 and 88A having a total income exceeding seventy-five thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VII-A, and the income-tax as so reduced,
- (ii) in the case of every person, other than those mentioned in item (i), having a total income exceeding seventy-five thousand rupees,
be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax :

Provided that no such surcharge shall be payable by a non-resident.

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, 1992 exceeds Rs. 22,000,—

Rates of income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 12,000 | Nil; |
| (2) where the total income exceeds Rs. 12,000 but does not exceed Rs. 20,000 | 25 per cent. of the amount by which the total income exceeds Rs. 12,000; |
| (3) where the total income exceeds Rs. 20,000 but does not exceed Rs. 40,000 | Rs. 2,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (4) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000 | Rs. 8,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 40,000; |
| (5) where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,00,000 | Rs. 16,000 plus 50 per cent. of the amount by which the total income exceeds Rs. 60,000; |
| (6) where the total income exceeds Rs. 1,00,000 | Rs. 36,000 plus 55 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be reduced by the amount or rebate of income-tax calculated under Chapter VIII-A and the Income-tax as so reduced be increased by a surcharge for purposes of the Union calculated at the rate of eight per cent. of such income-tax :

Provided that no such surcharge shall be payable by a non-resident.

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. | 10 per cent. of the total income; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000. | Rs. 1,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 20,000 | Rs. 3,000 plus 35 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve 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. 15,000 | Nil; |
| (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000 | 6 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,100 plus 12 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 8,100 plus 18 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve 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. 15,000 | Nil; |
| (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000 | 5 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 1,750 plus 10 per cent. of the amount by which total income exceeds Rs. 50,000; |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 6,750 plus 15 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve 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.—

Rates 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, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph E

In the case of a company,—

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,— | 45 per cent. of the total income; |
| (2) where the company is not a company in which the public are substantially interested,— | 50 per cent. of the total income; |

II. In the case of a company other than a domestic company—

- (i) on so much of the total income as consists of—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976.

and where such agreement has, in either case, been approved by the Central Government

- (ii) on the balance, if any of the total income 65 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the provisions of item I of this Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge calculated at the rate of fifteen per cent. of such income tax.

PART IV

[See section 2 (9) (c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) 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 (1A) 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, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, 43A, 43B and 43C 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 (1A) of section 1 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 :

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 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 shares 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 a body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

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, 1991, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous year relevant to the assessment years commencing on the 1st day of April, 1983 or the 1st day of April, 1984 or the 1st day of April, 1985 or the 1st day of April,

1986, or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 is a loss, then, for the purposes of sub-section (2) of Section 2 of this Act.—

- (i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1984 or the 1st day of April, 1985, or the 1st day of April, 1986, or the 1st day of April, 1987, or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990.
- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, 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, 1985, or the 1st day of April, 1986, or the 1st day of April, 1987, or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990,
- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985, 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, 1986, or the 1st day of April, 1987, or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990.
- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, 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, 1987, or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990.
- (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, 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, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990.
- (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, 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, 1989, or the 1st day of April, 1990.
- (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 and
- (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990,

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, 1991.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1992 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 anyone or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1984 or the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 is a loss, then, for the purposes of sub-section (8) 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, 1984, 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, 1985, or the 1st day of April, 1986, or the 1st day of April, 1987, or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990, or the 1st day of April, 1991.
- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985, 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, 1986, or the 1st day of April, 1987, or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990 or the 1st day of April, 1991.

- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, 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, 1987 or the 1st day of April, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990, or the 1st day of April, 1991.
- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, 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, 1988, or the 1st day of April, 1989, or the 1st day of April, 1990, or the 1st day of April, 1991.
- (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, to the extent, if any, such loss has not been set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, or the 1st day of April, 1990, or the 1st day of April, 1991.
- (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, or the 1st day of April, 1991.
- (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991 and,
- (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing year on the 1st day of April, 1992.

(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 Assessing Officer under the provisions of these rules, or the rules contained in Part IV of the First Schedule to the Finance Act, 1983, or of the First Schedule to the Finance Act, 1984, or of the First Schedule to the Finance Act, 1985, or of the First Schedule to the Finance Act, 1986, or of the First Schedule to the Finance Act, 1987, or of the First Schedule to the Finance Act, 1988, or of the First Schedule to the Finance Act, 1989, or of the First Schedule to the Finance Act, 1990 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, 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 Assessing 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 121(a)]

[Incorporated in the Principal Act]

THE THIRD SCHEDULE

[See section 121(b)]

[Incorporated in the Principal Act]

THE FOURTH SCHEDULE

(See section 122)

PART I

In the Schedule to the Central Excise Tariff Act,—

(1) in chapter 24, in sub-heading Nos. 2404.31 and 2404.39, for the entry in column (4), the entry “Rs. 7.50 per thousand” shall be substituted;

(2) in Chapter 28, in sub-heading No. 2808.10 for the entry in column (4), the entry “15%” shall be substituted :

(3) in chapter 38, after Note 2, the following Note shall be inserted, namely :—

“3 This chapter does not cover products containing alcohol, opium, Indian hemp or other narcotic drugs, for the purposes of this Note. “Alcohol”, “Opium”, “Indian Hemp”, “Narcotic drugs” and “Narcotics” have the meanings assigned to them in section 2 of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (16 of 1955);

(4) in Chapter 39, in sub-heading Nos. 3923.19, 3923.90 and 3926.90, for the entry in column (4), the entry “40%” shall be substituted;

(5) in Chapter 44,—

(a) in Note 6, for the words “laminated wood or densified wood”, the words “or laminated wood” shall be substituted;

(b) in sub-heading No. 4410.10 for the entry in column (3), the entry “Flush Doors, Panel Doors and Similar Doors” shall be substituted;

(6) in Chapter 48, in sub-heading No. 4805.20, for the entry in column (4), the entry “15%” shall be substituted;

(7) in Chapter 50, in sub-heading No. 5002.00, for the entry in column (3), the entry “RAW SILK (NOT THROWN); SILK WASTE (INCLUDING YARN WASTE AND GARNETTED STOCK); OTHER SILK YARN INCLUDING WASTE YARN (HARD WASTE); SILK WORM GUT” shall be substituted;

(8) in chapter 52, in sub-heading Nos. 5204.21” and 5204.29, for the entry in column (4), the entry “Rs. 15 per kilogram” shall be substituted;

(9) in chapter 53, in sub-heading Nos. 5303.32 and 5303.39, for the entry in column (4), the entry “Rs. 15 per kilogram” shall be substituted;

(10) in Chapter 54, in sub-heading Nos. 5404.00, 5405.00, 5406.11, 5406.12 and 5407.00, for the entry in column (4) the entry “Rs. 50 per kilogram” shall be substituted;

(11) in Chapter 55,—

(a) in sub-heading Nos. 5501.10, 5501.20, 5501.30 and 5501.90, for the entry in column (4), the entry “Rs. 50 per kilogram” shall be substituted;

(b) in sub-heading No 5504.10, for the entry in column (4), the entry “Rs. 15 per kilogram” shall be substituted;

(c) in the portion occurring immediately after sub-heading No. 5504.10, for the entry in column (3), the entry “Yarn of polyester staple fibre” shall be substituted;

(d) in sub-heading Nos. 5504.21 and 5504.22, for the entry in column (4), the entry “Rs. 15 per kilogram” shall be substituted;

(e) in the portion occurring immediately after sub-heading No. 5504.29, for the entry in column (3), the entry “Yarn of acrylic or modacrylic staple fibre” shall be substituted;

(f) in sub-heading Nos. 5505.00, 5506.21 and 5506.29, for the entry in column (4), the entry “Rs. 15 per kilogram” shall be substituted;

(12) in Chapter 69,—

(a) in sub-heading No. 6901.00, in column (3), for the words “CONSTRUCTIONAL GOODS”, the

words "CONSTRUCTIONAL GOODS AND OTHER REFRACTORY CERAMIC GOODS SUCH AS" shall be substituted;

(b) in sub-heading No. 6908.90, for the entry in column (4), the entry "15%" shall be substituted;

(13) in Chapter 74, existing Note shall be renumbered as Note 1 and after Note 1 as so renumbered, the following Note shall be inserted, namely :—

(2) In relation to products of heading No. 74.11, the process of drawing or redrawing shall amount to "manufacture".

(14) in Chapter 76, in heading No. 76.06, in column (3), for the words "STRIP OF" the words "STRIP, OF" shall be substituted;

(15) in Chapter 85,—

(a) in sub-heading No. 8523.11, for the entry in column (4), the entry "25% plus Rs. 8 per square metre" shall be substituted;

(b) in sub-heading No. 8523.13, for the entry in column (4), the entry "25% plus Rs. 18 per square metre" shall be substituted;

(c) in sub-heading No. 8524.21, for the entry in column (4), the entry "30% plus Rs. 8 per square metre" shall be substituted;

(d) in sub-heading No. 8524.23, for the entry in column (4), the entry "30% plus Rs. 18 per square metre" shall be substituted;

(e) in sub-heading No. 8528.00, for the entry in column (4), the entry "50% plus Rs. 800 per set" shall be substituted;

(f) in sub-heading No. 8540.11, for the entry in column (4), the entry "Rs. 2,000 per tube" shall be substituted;

(g) in sub-heading No. 8540.12, for the entry in column (4), the entry "Rs. 500 per tube" shall be substituted.

(16) in Chapter 87,—

(a) for Note 4, the following Notes shall be substituted, namely :—

"4. For the purposes of heading Nos. 87.01 to 87.05, building a body or fabrication or mounting or fitting of structures or equipment on the chassis shall amount to 'manufacture' of a motor vehicle.

5. Heading No. 87.06 shall include chassis, whether or not fitted with a cab".

(b) existing Note 5 shall be renumbered as Note 6;

(c) in sub-heading No. 8703.00, for the entry in column (4), the entry "60%" shall be substituted.

(d) in sub-heading No. 8706.30, for the entry in column (4), the entry "60%" shall be substituted.

PART II

Heading No.	Sub-Heading No.	Description of goods	Rate of duty
(1)	(2)	(3)	(4)

In the Schedule to the Central Excise Tariff Act,—

(1) in Chapter 32,—

(a) for sub-heading Nos. 3206.11 and 3206.19 and the word "Pigments" occurring immediately before sub-heading No. 3206.11, the following shall be substituted, namely :—

"3206.10 -Pigments

10%

(b) after sub-heading No. 3212.10 and the entries relating thereto, the following shall be inserted, namely :—

"3212.20 -Aluminium paste

15%

(2) in Chapter 55, for heading 55.02 and the entries relating thereto, the following shall be substituted, namely :—

"55.02 5502.00 ARTIFICIAL STAPLE FIBRES AND TOW
INCLUDING TOPS THEREOF

Rs. 25 per
kilogram".

THE FIFTH SCHEDULE

(See section 123)

PART I

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

(1) sub-heading No. 1701.20 and the entries relating thereto shall be omitted;

(2) in sub-heading Nos. 2404.31 and 2404.29, for the entry in column (4), the entry "Rs. 2.50 per thousand" shall be substituted.

PART II

Heading No.	Sub-Heading No.	Description of goods	Rate of duty
(1)	(2)	(3)	(4)

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

(a) for heading Nos. 54.10 and 54.11 and the entries relating thereto, the following shall be substituted, namely :—

54.10	5410.00	FABRICS OF MAN-MADE FILAMENT YARN (INCLUDING FABRICS OBTAINED FROM MATERIALS OF HEADING NOS. 54.06 AND 54.07 BUT EXCLUDING FABRICS COVERED UNDER HEADING NO. 54.12).— (a) WOVEN ON LOOMS OTHER THAN HANDLOOMS, AND (b) SUBJECTED TO THE PROCESS OF BLEACHING, DYEING, PRINTING, SHRINK-PROOFING, TENTERING, HEAT-SETTING, CREASE RESISTANT PROCESSING OR ANY OTHER PROCESS OR ANY TWO OR MORE OF THESE PROCESSES, WITHOUT THE AID OF POWER OR STREAM	20% plus Rs. 5 per square metre";
54.11	5411.00	FABRICS OF MAN-MADE FILAMENT YARN (INCLUDING FABRICS OBTAINED FROM MATERIALS OF HEADING NOS. 54.06 AND 54.07 BUT EXCLUDING FABRICS COVERED UNDER HEADING NO. 54.12).— (a) WOVEN ON HANDLOOMS, AND (b) SUBJECTED TO THE PROCESS OF BLEACHING, DYEING, PRINTING, SHRINK-PROOFING, TENTERING, HEAT-SETTING, CREASE RESISTANT PROCESSING OR ANY OTHER PROCESS OR ANY TWO OR MORE OF THESE PROCESSES	20% plus Rs. 5 per square metre";

(b) for heading Nos. 55.09 and 55.10 and the entries relating thereto, the following shall be substituted, namely :—

"55.09 5509.00

FABRICS OF MAN-MADE STAPLE FIBRES (EXCLUDING FABRICS COVERED UNDER HEADING NOS. 55.11 AND 55.12),—

20% plus Rs. 5 per square metre";

(a) WOVEN ON LOOMS OTHER THAN HANDLOOMS, AND

20% plus Rs. 5 per square metre";

(b) SUBJECTED TO THE PROCESS OF BLEACHING, DYEING, PRINTING, SHRINK-PROOFING, TENTERING, HEAT-SETTING, CREASE RESISTANT PROCESSING OR ANY OTHER PROCESS OR ANY TWO OR MORE OF THESE PROCESSES, WITHOUT THE AID OF POWER OR STEAM

55.10 5510.00

FABRICS OF MAN-MADE STAPLE FIBRES (EXCLUDING FABRICS COVERED UNDER HEADING NOS. 55.11 AND 55.12),—

(a) WOVEN ON HANDLOOMS, AND

(b) SUBJECTED TO THE PROCESS OF BLEACHING, DYEING, PRINTING, SHRINK-PROOFING, TENTERING, HEAT-SETTING, CREASE RESISTANT PROCESSING OR ANY OTHER PROCESS OR ANY TWO OR MORE OF THESE PROCESSES