Finance Act, 1984

Chapter III - Direct Taxes

In section 10 of the Income-tax Act, in clause (30), after the words "tea bushes", the words "or for rejuvenation or consolidation of areas used for cultivation of tea" shall be inserted with effect from the 1st day of April, 1985.

Section 4 - Amendment Of Section 11

In section 11 of the Income-tax Act, in sub-section (5), after clause (x) and the Explanation thereto, the following clause shall be inserted with effect from the 1st day of April, 1985, namely :-

"(xi) deposits with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 (10 of 1964);".

Section 5 - Amendment Of Section 33B

In section 33B of the Income-tax Act, before the Explanation, the following proviso shall be inserted with effect from the 1st day of April, 1985, namely :-

"Provided that no deduction under this section shall be allowed in relation to the assessment year commencing on the 1st day of April, 1985 or any subsequent assessment year.".

Section 6 - Amendment Of Section 35

In section 35 of the Income-tax Act, -

(a) in sub-section (2), in clause (ia), -

(i) before the Explanation, the following proviso shall be inserted, namely :-

"Provided that no deduction shall be admissible under this clause in respect of any expenditure incurred on the acquisition of any land, whether the land is acquired as such or as part of any property, after the 29th day of February, 1984.";

(ii) the Explanation shall be numbered as Explanation 1 and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely :-

'Explanation 2 : For the purposes of this clause, -

(a) "land" includes any interest in land; and

(b) the acquisition of any land shall be deemed to have been made by the assessee on the date on which the instrument of transfer of such land to him has been registered under the Registration Act, 1908 (16 of 1908), or where he has taken or retained the possession of such land or any part thereof in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882 (4 of 1882), the date on which he has so taken or retained possession of such land or part;';

(b) in sub-section (2A), for the words "Where the assessee pays any sum", the words, figures and letters "Where, before the 1st day of March, 1984, the assessee pays any sum" shall be substituted;

(c) in sub-section (2B), in clause (a), for the words "Where, an assessee has incurred any expenditure", the words, figures and letters "Where, before the 1st day of March, 1984, an assessee has incurred any expenditure" shall be substituted.

Section 7 - Amendment Of Section 35C

In section 35C of the Income-tax Act, in sub-section (1), in clause (a), after the words, figures and letters "after the 29th day of February, 1968", the words, figures and letters "but before the 1st day of March, 1984" shall be inserted.

Section 8 - Amendment Of Section 36

In section 36 of the Income-tax Act, in sub-section (1), in clause (iia), after the words "payment of any salary", the words, figures and letters "for any period of employment before the 1st day of March, 1984" shall be inserted.

Section 9 - Amendment Of Section 40

In section 40 of the Income-tax Act, in clause (c), with effect from the 1st day of April, 1985, -

(a) in sub-clause (A), for the words "seventy-two thousand rupees", the words "one hundred and two thousand rupees" shall be substituted;

(b) in sub-clause (B), for the words "six thousand rupees", the words "eight thousand five hundred rupees" shall be substituted.

Section 10 - Amendment Of Section 40A

In section 40A of the Income-tax Act, -

(a) in sub-section (5), with effect from the 1st day of April, 1985, -

(1) in clause (a), in the first proviso, for the words "seventy-two thousand rupees", the words "one hundred and two thousand rupees" shall be substituted;

(2) in clause (c), in sub-clause (i), -

(i) for the words "five thousand rupees", the words "seven thousand five hundred rupees" shall be substituted;

(ii) for the words "sixty thousand rupees" the words "ninety thousand rupees" shall be substituted;

(iii) after the proviso, the following proviso shall be inserted, namely :-

'Provided further that in relation to any month or part thereof comprised in any such previous year as is relevant to the assessment year commencing on the 1st day of April, 1985, or any subsequent assessment year, the reference to "five thousand rupees" in the preceding proviso shall be construed as a reference to "seven thousand five hundred rupees".';

(b) in sub-section (6), for the words "sixty thousand rupees", the words "ninety thousand rupees" shall be substituted with effect from the 1st day of April, 1985;

(c) after sub-section (8), the following sub-sections shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1980, namely :-

"(9) No deduction shall be allowed in respect of any sum paid by the assessee as an employer towards the setting up or formation of, or as contribution to, any fund, trust, company, association of persons, body of individuals, society registered under the Societies Registration Act, 1860 (21 of 1860) or other institution for any purpose, except where such sum is so paid, for the purposes and to the extent provided by or under clause (iv) or clause (v) of sub-section (1) of section 36 or, as required by or under any other law for the time being in force.

(10) Notwithstanding anything contained in sub-section (9), where the Income-tax Officer is satisfied that the fund, trust, company, association of persons, body of individuals, society or other institution referred to in that sub-section has before the 1st day of March, 1984, bona fide laid out or expended any expenditure (not being in the nature of capital expenditure) wholly and exclusively for the welfare of the employees of the assessee referred to in sub-section (9) out of the sum referred to in that sub-section, the amount of such expenditure shall, in case no deduction has been allowed to the assessee in respect of such sum and subject to the other provisions of this Act, be deducted in computing the income referred to in section 28 of the assessee of the previous year in which such expenditure is so laid out or expended, as if such expenditure had been laid out or expended by the assessee.

(11) Where the assessee has, before the 1st day of March, 1984, paid any sum to any fund, trust, company, association of persons, body of individuals, society or other institution referred to in sub-section (9), then, notwithstanding anything contained in any other law or in any instrument, he shall be entitled -

(i) to claim that so much of the amount paid by him as has not been laid out or expended by such fund, trust, company, association of persons, body of individuals, society or other institution (such amount being hereinafter referred to as the unutilised amount be repaid to him, and where any claim is so made, the untilised amount shall be repaid, as soon as may be, to him;

(ii) to claim that any asset, being land, building, machinery, plant or furniture acquired or constructed by the fund, trust, company, association of persons, body of individuals, society or other institution out of the sum paid by the assessee, be transferred to him, and where any claim is so made, such asset shall be transferred, as soon as may be, to him.".

Section 11 - Insertion Of New Section 44AB

After section 44AA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1985, namely :-

'44AB. Audit of accounts of certain persons carrying on business or profession. - Every person, -

(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds forty lakh rupees in any previous year or years relevant to the assessment year commencing on the 1st day of April, 1985 or any subsequent assessment year; or

(b) carrying on profession shall, if his gross receipts in profession exceed ten lakh rupees in any previous year or years relevant to the assessment year commencing on the 1st day of April, 1985 or any subsequent assessment year,

get his accounts of such previous year or years audited by an accountant before the specified date and obtain before that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed :

Provided that in a case where such person is required by or under any other law to get his accounts audited by an accountant, it shall be sufficient compliance with the provisions of this section if such person gets the accounts of such business or profession audited under such law before the specified date and obtains before that date the report of the audit as required under such other law and a further report in the form prescribed under this section.

Explanation : For the purposes of this section, -

(i) "accountant" shall have the same meaning as in the Explanation below sub-section (2) of section 288;

(ii) "specified date", in relation to the accounts of the previous year or years relevant to an assessment year, means the date of the expiry of four months from the end of the previous year or, where there is more than one previous year, from the end of the previous year which expired last before the commencement of the assessment year, or the 30th day of June of the assessment year, whichever is later.'.

Section 12 - Amendment Of Section 80CC

In section 80CC of the Income-tax Act, in sub-section (3), for clause (c), the following clause shall be substituted, namely, -

"(c) the shares forming part of the issue are offered for subscription to the public and such offer for subscription is made by the company before the 1st day of April, 1987;".

Section 13 - Omission Of Section 80D

Section 80D of the Income-tax Act shall be omitted with effect from the 1st day of April, 1985.

Section 14 - Amendment Of Section 80E

In section 80E of the Income-tax Act, in sub-section (1), after the words "he has paid", the words, figures and letters, "before the 1st day of March, 1984," shall be inserted.

Section 15 - Amendment Of Section 80L

In section 80L of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 1985, -

(a) after clause (ii), the following clause shall be inserted, namely :-

"(iia) interest on deposits under such National Deposit Scheme as may be framed by the Central Government and notified by it in this behalf in the Official Gazette;";

(b) in clause (iii), for the words "under any scheme", the words "under any other scheme" shall be substituted;

(c) the following provisos shall be inserted at the end, namely :-

"Provided that where the gross total income of the assessee includes any income by way of interest on any deposits referred to in clause (iia) or income in respect of units referred to in clause (v), there shall be allowed in computing the total income of the assessee a further deduction of an amount equal to so much of such income as has not been allowed by way of deduction under the foregoing provisions of this sub-section; so, however, that the amount of such further deduction shall not exceed three thousand rupees :

Provided further that where any income by way of interest on any deposits referred to in clause (iia) remains unallowed after the deduction under the foregoing provisions of this section, there shall be allowed in computing the total income of the assessee, an additional deduction of an amount equal to so much of such income as has remained unallowed; so, however, that the amount of such additional deduction shall not exceed two thousand rupees.".

Section 16 - Amendment Of Section 80M

In section 80M of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 1985, -

(a) for the words "an amount equal to -", the words "an amount equal to sixty per cent. of such income," shall be substituted;

(b) clauses (a) and (b) shall be omitted.

Section 17 - Amendment Of Section 80N

In section 80N of the Income-tax Act, for the words "a deduction of the whole of the income", the words "a deduction of an amount equal to fifty per cent. of the income" shall be substituted with effect from the 1st day of April, 1985.

Section 18 - Amendment Of Section 80-O

In section 80-O of the Income-tax Act, for the words "a deduction of the whole of the income", the words "a deduction of an amount equal to fifty per cent. of the income" shall be substituted with effect from the 1st day of April, 1985.

Section 19 - Amendment Of Section 80U

Section 80U of the Income-tax Act shall be numbered as sub-section (1) with effect from the 1st day of April, 1985, and, -

(a) in sub-section (1) as so numbered, in clause (ii), after the words and brackets "a permanent physical disability (other than blindness)", the words "being a permanent physical disability specified in the rules made in this behalf by the Board, and" shall be inserted with effect from the 1st day of April, 1985;

(b) after sub-section (1) as so numbered, the following sub-section shall be inserted with effect from the 1st day of April, 1985, namely :-

"(2) The Board shall, in making any rules for specifying any disability for the purposes of clause (ii) of sub-section (1), have regard to the nature of such disability and the effect which such disability is likely to have on the capacity of a person subject thereto, or suffering therefrom, to engage in a gainful employment or occupation.".

Section 20 - Amendment Of Section 161

In section 161 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted with effect from the 1st day of April, 1985, namely :-

'(1A) Notwithstanding anything contained in sub-section (1), where any income in respect of which the person mentioned in clause (iv) of sub-section (1) of section 160 is liable as representative assessee consists of, or includes, profits and gains of business, tax shall be charged on the whole of the income in respect of which such person is so liable at the maximum marginal rate :

Provided that the provisions of this sub-section shall not apply where such profits and gains are receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him.

Explanation : For the purposes of this sub-section, "maximum marginal rate" shall have the meaning assigned to it in Explanation 2 below sub-section (3) of section 164.'.

Section 21 - Amendment Of Section 164

In section 164 of the Income-tax Act, with effect from the 1st day of April, 1985, -

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

"Provided further that where any income in respect of which the person mentioned in clause (iv) of sub-section (1) of section 160 is liable as representative assessee consists of, or includes, profits and gains of business, the preceding proviso shall apply only if such profits and gains are receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him.";

(b) to sub-section (2), the following proviso shall be added, namely :-

"Provided that in a case where the whole or any part of the relevant income is not exempt under section 11 or section 12 by virtue of the provisions contained in clause (c) or clause (d) of sub-section (1) of section 13, tax shall be charged on the relevant income or part of relevant income at the maximum marginal rate.";

(c) in sub-section (3), after the proviso and before Explanation 1, the following provisos shall be inserted, namely :-

"Provided further that where the relevant income consists of, or includes, profits and gains of business, the preceding proviso shall apply only if the income is receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him :

Provided also that in a case where the whole or any part of the relevant income is not exempt under section 11 or section 12 by virtue of the provisions contained in clause (c) or clause (d) of sub-section (1) of section 13, tax shall be charged on the relevant income or part of relevant income at the maximum marginal rate.".

Section 22 - Amendment Of Section 193

In section 193 of the Income-tax Act, in the proviso, after clause (iv), the following clause shall be inserted with effect from the 1st day of June, 1984, namely :-

"(v) any interest payable to an individual, who is resident in India, on debentures issued by a company in which the public are substantially interested, being debentures listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and any rules made thereunder, if -

(a) the interest is paid by the company by an account payee cheque; and

(b) the amount of such interest or, as the case may be, the aggregate of the amounts of such interest paid or likely to be paid during the financial year by the company to such individual does not exceed one thousand rupees.".

Section 23 - Amendment Of Section 194

In section 194 of the Income-tax Act, for the first proviso, the following proviso shall be substituted with effect from the 1st day of June, 1984, namely :-

"Provided that no such deduction shall be made in the case of a shareholder, being an individual, who is resident in India, of a company in which the public are substantially interested, if -

(a) the dividend is paid by such company by an account payee cheque; and

(b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder does not exceed one thousand rupees :".

Section 24 - Amendment Of Section 252

In section 252 of the Income-tax Act, -

(a) after sub-section (4), the following sub-section shall be inserted, namely :-

"(4A) The Central Government may appoint one of the Vice-Presidents of the Appellate Tribunal to be the Senior Vice-President thereof.";

(b) in sub-section (5), for the words "A Vice-President", the words "The Senior Vice-President or a Vice-President" shall be substituted.

Section 25 - Amendment Of Section 269C

In section 269C of the Income-tax Act, in sub-section (1), for the words "twenty-five thousand rupees", the words "one hundred thousand rupees" shall be substituted with effect from the 1st day of June, 1984.

Section 26 - Amendment Of Section 269F

In section 269F of the Income-tax Act, in sub-section (6), in clause (a), for the words "twenty-five thousand rupees", the words "one hundred thousand rupees" shall be substituted with effect from the 1st day of June, 1984.

Section 27 - Amendment Of Section 269P

In section 269P of the Income-tax Act, in sub-section (1), in the proviso, for the words "ten thousand rupees", the words "fifty thousand rupees" shall be substituted with effect from the 1st day of June, 1984.

Section 28 - Insertion Of New Section 269SS

In Chapter XXB of the Income-tax Act, -

(a) in the heading, for the words "MODE OF REPAYMENT", the words "MODE OF ACCEPTANCE, PAYMENT OR REPAYMENT" shall be substituted;

(b) before section 269T, the following section shall be inserted, namely :-

'269SS. Mode of taking or accepting certain loans and deposits. - No person shall, after the 30th day of June, 1984, take or accept from any other person (hereafter in this section referred to as the depositor) any loan or deposit otherwise than by an account payee cheque or account payee bank draft if, -

(a) the amount of such loan or deposit or the aggregate amount of such loan and deposit; or

(b) on the date of taking or accepting such loan or deposit, any loan or deposit taken or accepted earlier by such person from the depositor is remaining unpaid (whether repayment has fallen due or not), the amount or the aggregate amount remaining unpaid; or

(c) the amount or the aggregate amount referred to in clause (a) together with the amount or the aggregate amount referred to in clause (b), is ten thousand rupees or more :

Provided that the provisions of this section shall not apply to any loan or deposit taken or accepted from, or any loan or deposit taken or accepted by, -

(a) Government;

(b) any banking company, post office saving bank or co-operative bank;

(c) any corporation established by a Central, State or Provincial Act;

(d) any Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);

(e) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette.

Explanation : For the purposes of this section, -

(i) "banking company" shall have the meaning assigned to it in clause (a) of the Explanation to sub-section (8) of section 40A;

(ii) "co-operative bank" shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949 (10 of 1949);

(iii) "loan or deposit" means loan or deposit of money.'.

Section 29 - Amendment Of Section 269T

In section 269T of the Income-tax Act, in the Explanation, after clause (i), the following clause shall be inserted, namely :-

"(ia) "co-operative bank" shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949 (10 of 1949);'.

Section 30 - Insertion Of New Section 271B

In the Income-tax Act, after section 271A, the following section shall be inserted with effect from the 1st day of April, 1985, namely :-

"271B. Failure to get accounts audited. - If any person fails, without reasonable cause, to get his accounts audited in respect of any previous year or years relevant to an assessment year or obtain a report of such audit as required under section 44AB, the Income-tax Officer may direct that such person shall pay, by way of penalty, a sum equal to one-half per cent. of the total sales, turnover or gross receipts, as the case may be, in business, or of the gross receipts in profession, in such previous year or years or a sum of one hundred thousand rupees, whichever is less.".

Section 31 - Insertion Of New Section 276DD

In the Income-tax Act, after section 276D, the following section shall be inserted, namely :-

"276DD. Failure to comply with the provisions of section 269SS. - If a person, without reasonable cause or excuse, takes or accepts any loan or deposit in contravention of the provisions of section 269SS, he shall be punishable with imprisonment for a term which may extend to two years shall also be liable to fine equal to the amount of such loan or deposit.".

Section 32 - Amendment Of Section 281A

In section 281A of the Income-tax Act, -

(a) in sub-section (1), for the portion beginning with the words "the real owner of such property unless, -" and ending with the words "to the Income-tax Officer", the following shall be substituted, namely :-

"the real owner of such property unless notice in the prescribed form and containing the prescribed particulars in respect of the property has been given by the claimant within a period of one year from the date of acquisition of the property to the Commissioner";

(b) after sub-section (1), the following sub-sections shall be inserted, namely :-

"(1A) Where any such property is acquired by the claimant before the 1st day of March, 1984, the provisions of sub-section (1) shall be deemed to have been fulfilled if notice in the prescribed form and containing the prescribed particulars in respect of the property is given by the claimant, within a period of one year from the said date, to the Commissioner.

(1B) Notwithstanding anything contained in sub-section (1) or sub-section (1A), in relation to any suit relating to any immovable property of a value not exceeding fifty thousand rupees, the provisions of sub-section (1) or, as the case may be, sub-section (1A) shall be deemed to have been fulfilled if, at any time before the suit, notice in the prescribed form and containing the prescribed particulars in respect of the property has been given by the claimant to the Commissioner.";

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

"(2) The Commissioner shall, on an application made in the prescribed manner, by the claimant or any person acting on his behalf or claiming under him, and on payment of the prescribed fees, issue, for the purposes of a suit referred to in sub-section (1), a certified copy of any notice given by the claimant under sub-section (1) or sub-section (1A) or sub-section (1B), within fourteen days from the date of receipt of the application.".

Section 33 - Consequential Amendments To The Income-Tax Act

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, 1985, namely :-

(a) in section 246, in sub-section (2), after clause (g), the following clause shall be inserted, namely :-

"(gg) an order imposing a penalty under section 271B;";

(b) In the Ninth Schedule for the brackets, words, figures and letters "[See section 32(1)(vi) and section 80M(1)(a)(i)]", the brackets, words and figures "[See section 32(1)(vi)]" shall be substituted.

Section 34 - Amendment Of Act 27 Of 1957

WEALTH-TAX

In the Wealth-tax Act, 1957, with effect from the 1st day of April, 1985, -

(a) in section 5, -

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

(1) In clause (iv), in the proviso, for the words "one hundred thousand rupees", at both the places where they occur, the words "two hundred thousand rupees" shall be substituted;

(2) after clause (xxv), the following clause shall be inserted, namely :-

"(xxva) any deposits under such National Deposit Scheme as may be framed by the Central Government and notified by it in this behalf in the Official Gazette;";

(3) after clause (xxvii), the following clause shall be inserted, namely :-

"(xxviia) any deposits with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 (18 of 1964);";

(ii) in sub-section (1A), -

(1) for the brackets and figures "(xxvi), (xxvii),", the brackets, figures and letters "(xxva), (xxvi), (xxvii), (xxviia)," shall be substituted;

(2) for the words "one hundred and sixty-five thousand rupees", at both the places where they occur, the words "two hundred and sixty-five thousand rupees" shall be substituted;

(3) after the proviso, the following provisos shall be inserted, namely :-

"Provided further that where the assets of the assessee include any assets, being units referred to in clause (xxv) or any deposits referred to in clause (xxva), 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, so much of the value of such assets as has not been excluded from the net wealth of the assessee under this sub-section; so, however, that the value of the assets excluded under this proviso shall not exceed thirty-five thousand rupees :

Provided also that where the value of any assets, being deposits referred to in clause (xxva), has not been excluded from the net wealth of the assessee under the foregoing provisions of this sub-section, so much of the value of such assets as has not been so excluded shall be excluded from the net wealth of the assessee; so, however, that the value of the assets so excluded under this proviso shall not exceed twenty-five thousand rupees.";

(iii) in sub-section (3), for the brackets and figures "(xxvi), (xxvii),", the brackets, figures and letters "(xxva), (xxvi), (xxvii), (xxviia)," shall be substituted;

(b) in section 21A, -

(1) for the portion beginning with the brackets, figure and words "(i) any part of such property" and ending with the words "beneficial to the revenue :", the following shall be substituted, namely :-

"(i) any part of such property or any income of such trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act] is used or applied, directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the Income-tax Act, or

(ii) any part of the income of the trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act], being a trust created on or after the 1st day of April, 1962, enures, directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the said Act, or

(iii) any funds of the trust are invested or deposited, or any shares in a company are held by the trust, in contravention of the provisions of clause (d) of sub-section (1) of section 13 of the Income-tax Act,

wealth-tax shall be leviable upon, and recoverable from, the trustee or manager (by whatever name called) in the like manner and to the same extent as if the property were held by an individual who is a citizen of India an resident in India for the purposes of this Act, but without excluding the value of any asset under sub-section (1) of section 5, and at the maximum marginal rate :";

(2) after the second proviso, the following proviso shall be inserted, namely :-

Provided also that, -

(a) in the case of any association referred to in clause (21) of section 10 of the Income-tax Act,

(i) the provisions of clause (i) and clause (ii) shall not apply; and

(ii) the other provisions of this section shall apply with the modifications that, -

(1) for the words, brackets, letter and figures "in contravention of the provisions of clause (d) of sub-section (1) of section 13 of the Income-tax Act", the words, brackets and figures "in contravention of the provisions contained in the proviso to clause (21) of section 10 of the Income-tax Act" had been substituted; and

(2) for the words "at the maximum marginal rate", the words and figures "at the rates specified in Part I of Schedule I in the case of an individual" had been substituted;

(b) in the case of any institution, fund or trust referred to in clause (22) or clause (22A) or clause (23B) or clause (23C) of section 10 of the Income-tax Act, the provisions of clauses (i) to (iii) shall not apply.';

(3) in the Explanation after clause (a), the following clause shall be inserted, namely :-

'(aa) "maximum marginal rate" means the rate of wealth-tax applicable in relation to the highest slab of wealth in the case of an individual as specified in Part I of Schedule I;'.