Finance (No. 2) Act 1977

Chapter V - Miscellaneous

In the Khadi and Village Industries Commission Act, 1956, in Chapter V, before section 25, the following section shall be inserted and shall be deemed to have been inserted w.e.f. the 1st day of April, 1962, namely :-

"24A. Exemption from liability to pay income-tax. -Notwithstanding anything contained in the Income-tax Act, 1961 (43 of 1961) the Commission shall not be liable to pay income-tax on its income, profits or gains.".

Section 35 - Amendment of Act 21 of 1973

In section 23 of the Finance Act, 1973, the words "four previous" year, the words "six previous years" shall be substituted.

Section 36 - Amendment of Act 38 of 1974

In the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974, -

(a) in section 3, -

(i) in sub-section (1), for the words, figures and letters "for the assessment year commencing on the 1st day of April, 1975, the assessment year commencing on the 1st day of April, 1976 and the assessment year commencing on the 1st day of April, 1977.", the words, figures, letters and brackets "for the assessment year commencing on the 1st day of April, 1975 and every subsequent assessment year (not being an assessment year commencing on or after the 1st day of April, 1980)." shall be substituted;

(ii) after sub-section (2), the following sub-section shall be inserted w.e.f. the 1st day of Sept., 1977, namely :-

"(3) Notwithstanding anything contained in sub-section (1), -

(a) an individual specified in sub-cl. (i) of cl. (a) of sub-section (2), or

(b) any person specified in cl. (b) of sub-section (2) who is assessable under the Income-tax Act in respect of the total income of the individual aforesaid, shall not be liable to make any compulsory deposit for any assessment year where, in either case, such individual is more than seventy years of age on the first day of the financial year immediately preceding that assessment year.";

(b) in section 4, in sub-section (1), for clause (ii), the following clause shall be substituted, namely :

"(ii) for the assessment year commencing on the 1st day of April, 1977 and every subsequent assessment year (not being an assessment year commencing on or after the 1st day of April, 1980), at the rates specified in Paragraph B of the Schedule.".

Section 37 - Amendment of Act 47 of 1974

In the Oil Industry (Development) Act, 1974, in Chapter V, before section 23, the following section shall be inserted and shall be deemed always to have been inserted, namely :-

"22A. Exemption from liability to pay income-tax. -Notwithstanding anything contained in the Income-tax Act, 1961 (43 of 1961) the Board shall not be liable to pay any income-tax on its income, profits or gains.".

Section 38 - Amendment of Act 8 of 1976

In the Voluntary Disclosure of Income and Wealth Act, 1976, with effect from the 1st day of April, 1976, -

(a) in section 14, -

(i) in sub-section (5), in the Explanation, for the words "For the purposes of this sub-section", the words, brackets, figure and letter "For the purposes of this sub-section (5A)" shall be deemed to have been substituted;

(ii) after sub-section (5), the following sub-sections shall be deemed to have been inserted, namely :-

"(5A) A declarant who has not paid, in accordance with the provisions of section 5, the tax chargeable in respect of the income of the previous year or years for which the declaration has been made shall, notwithstanding anything contained in sub-section (5), be entitled to the immunity provided under sub-section (1) if, before the 1st day of January, 1978, the declarant -

(i) pays the amount of such tax remaining unpaid; and

(ii) pays simple interest at the rate of twelve per cent. per annum on the amount of such tax remaining unpaid on the 31st day of March, 1976, from the 1st day of April, 1976 to the date of payment of such tax.

(5B) The provisions of the Income-tax Act and any rules made thereunder shall, so far as may be, apply to the interest payable under sub-section (5A) as if such interest were interest payable under sub-section (2) of section 220 of that Act.";

(iii) in sub-section (6), for the words, figures and brackets "in accordance with the provisions of section 5, read with sub-section (5) of this section", the words, figures, brackets and letter "in accordance with the provisions of section 5, read with sub-section (5) or, as the case may be, in accordance with the provisions of sub-section (5A)" shall be deemed to have been substituted;

(b) in section 15, -

(i) in sub-section (5), in the Explanation, for the words "For the purposes of this sub-section", the words, brackets, figure and letter "For the purposes of this sub-section and sub-section (5A)" shall be deemed to have been substituted;

(ii) after sub-section (5), the following sub-sections shall be deemed to have been inserted, namely :-

"(5A) A declarant -

(a) who has not paid in accordance with the provisions of section 5 the wealth-tax chargeable in respect of the net wealth for the assessment year or years for which the declaration has been made; or

(b) who has not invested in the securities referred to in sub-section (3) of section 3 within the time specified sub-section (4) of section 5 the sum specified in sub-section (6); or

(c) who has neither so paid such wealth-tax nor so invested such sum,

shall, notwithstanding anything contained in sub-section (5), be entitled to the immunity provided under sub-section (1), if the declarant -

(i) in a case falling under clause (a), pays before the 1st day of January, 1978 (hereafter in this sub-section referred to as the said date) the amount of such wealth-tax remaining unpaid and also simple interest at the rate of twelve per cent. per annum on the amount of such wealth-tax remaining unpaid on the 31st day of March, 1976, from the 1st day of April, 1976 to the date of payment of such wealth-tax;

(ii) in a case falling under clause (b) invests before the said date in the securities aforesaid the sum specified in sub-section (6) or as the case may be the amount which falls short of the sum required to be invested :

(iii) in a case falling under clause (c), pays before the said date the amount of such wealth-tax remaining unpaid and also simple interest at the rate of twelve per cent. per annum on the amount of wealth-tax remaining unpaid on the 31st day of March, 1976, from the 1st day of April, 1976 to the date of payment of such wealth-tax and invests before the said date in the securities aforesaid the sum specified in sub-section (6) or, as the case may be, the amount which falls short of the sum required to be invested.

(2B) The provisions of the Wealth-tax Act and any rules made thereunder shall, so far as may be, apply to the interest payable under sub-section (5A) as if such interest were interest payable under sub-section (2) of section 31 of the Wealth-tax Act.";

(iii) in sub-section (7), for the words, figures and brackets "in accordance with the provisions of section 5, read with sub-section (5) of this section", the words, figures, brackets and letter "in accordance with the provisions of section 5, read with sub-section (5) or as the case may be; in accordance with the provisions of sub-section (5A)" shall be deemed to have been substituted.

Section 39 - Amendment of Income-Tax Act Etc.

To Provide For A New Appellate Authority Thereunder.

(1) The amendments directed in the First Schedule, being amendments to provide for a new appellate authority under the Income-tax Act, the Wealth-tax Act 1957 (27 of 1957), the Gift-tax Act, 1958 (18 of 1958), the Companies (Profits) Surtax Act, 1964 (7 of 1964), and the Interest-tax Act, 1974 (45 of 1974), and for matters connected therewith, shall be made in the said Acts.

(2) For the removal of doubts it is hereby declared that any action required to be taken, after the commencement of this section, in relation to any appeal disposed of by an Appellate Assistant Commissioner or a Commissioner before such commencement, under any Act referred to in sub-section (1), may be taken as if the amendments directed to be made in that Act by sub-section (1) had not been made.

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

Section 40 - Power To Exempt Feature Films, Etc., From Payment Of Excise Duty

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(1) The Central Government may, by notification in the Official Gazette, exempt retrospectively from a date not earlier than the 18th day of June, 1977, subject to such conditions as may be specified in the notification, cinematograph films, exposed, falling under Item No. 37 in the First Schedule to the Central Excises Act, from the whole or any part of the duty leviable thereon under that Act.

(2) The provisions of the Central Excises Act and the rules made thereunder shall apply in relation to any notification issued under sub-section (1) as they apply in relation to any notification issued under rule 8 of the said rules.

Section 41 - Repeal

Sections 2 and 4 of the Finance Act, 1977 (11 of 1977), are hereby repealed and shall be deemed never to have been enacted.