

## Finance Act 1997

### Section 67 - (2) The Commissioner shall, on an application made by the declarant, grant a certificate to him setting forth the

1996. Section 42 - Amendment Of Section 139 In section 139 of the Income-tax Act, in sub-section (1), - (i) the following proviso shall be inserted, namely :- "Provided that a person, not furnishing return under this sub-section and residing in such area as may be specified by the Board in this behalf by a notification in the Official Gazette, and who at any time during the previous year fulfils any two of the following conditions, namely :- (i) is in occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise, as may be specified by the Board in this behalf; or (ii) is the owner or the lessee of motor vehicle; or (iii) is a subscriber to a telephone; or (iv) has incurred expenditure for himself or any other person on travel to any foreign country, shall furnish a return, of his income during the previous year, on or before the due date in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed."; (ii) after Explanation 2, the following Explanation shall be inserted, namely :- 'Explanation 3. - For the purposes of this sub-section, the expression "motor vehicle" shall have the meaning assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).'

Section 43 - Amendment Of Section 143 In section 143 of the Income-tax Act, in sub-section (1), in clause (a) with effect from the 1st day of April, 1998, - (i) for the second proviso, the following proviso shall be substituted, namely :- "Provided further that an intimation shall be sent to the assessee whether or not any adjustment has been made under the first proviso and notwithstanding that no tax or interest is due from him;". (ii) in the third proviso, the words "for any tax or interest due" shall be omitted.

Section 44 - Amendment Of Section 167A In section 167A of the Income-tax Act, for the words "maximum marginal rate", the words "rate as specified in the Finance Act of the relevant year" shall be substituted with effect from the 1st day of April, 1998.

Section 45 - Amendment Of Section 172 In section 172 of the Income-tax Act, after sub-section (7), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1976, namely :- "(8) For the purposes of this section, the amount referred to in sub-section (2) shall include the amount paid or payable by way of demurrage charge or handling charge or any other amount of similar nature."

Section 46 - Amendment Of Section 193 In section 193 of the Income-tax Act, in the proviso, with effect from the 1st day of June, 1997, - (a) clause (iiia) shall be omitted; (b) for clause (iv), the following clause shall be substituted, namely :- "(iv) any interest payable on any security of the Central Government or a State Government."

Section 47 - Amendment Of Section 194 In section 194 of the Income-tax Act, after the proviso, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided further that no such deduction shall be made in respect of any dividends referred to in section 115-O."

Section 48 - Amendment Of Section 194B In section 194B of the Income-tax Act, after the proviso, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided further that in a case where the winnings are wholly in kind or partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the winnings, the person responsible for paying shall, before releasing the winnings, ensure that tax has been paid in respect of the winnings."

Section 49 - Amendment Of Section 195 In section 195 of the Income-tax Act, in sub-section (1), after the first proviso, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided further that no such deduction shall be made in respect of any dividends referred to in section 115-O".

Section 50 - Amendment Of Section 196C In section 196C of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided that no such deduction shall be made in respect of any dividends referred to in section 115-O."

Section 51 - Amendment Of Section 196D In section 196D of the Income-tax Act, in sub-section (1), the following proviso shall be inserted with effect from the 1st day of June, 1997, namely :- "Provided that no such deduction shall be made in respect of any dividends referred to in section 115-O."

Section 52 - Amendment Of Section 206 Section 206 of the Income-tax Act shall be renumbered as sub-section (1) of that

section and after sub-section (1) as so renumbered, the following sub-sections shall be inserted, namely:- "(2) Notwithstanding anything contained in any other law for the time being in force, a return filed on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media as may be specified by the Board (hereinafter referred to as the computer media) shall be deemed to be a return for the purposes of this section and the rules made thereunder and shall be admissible in any proceedings thereunder, without further proof of production of the original, as evidence of any contents of the original or of any fact stated therein. (3) A return filed under sub-section (2) shall fulfil the following conditions, namely :- (a) while receiving returns on computer media, necessary checks by scanning the documents filed on computer media will be carried out and the media will be duly authenticated by the Assessing Officer; and (b) the Assessing Officer shall also take due care to preserve the computer media by duplicating, transferring, mastering or storage without loss of data.".

**Section 53 - Amendment Of Section 271C** In section 271C of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted with effect from the 1st day of June, 1997, namely :- "(1) If any person fails to - (a) deduct the whole or any part of the tax as required by or under the provisions of Chapter XVII-B; or (b) pay the whole or any part of the tax as required by or under, - (i) sub-section (2) of section 115-O; or (ii) second proviso to section 194B, then, such person shall be liable to pay, by way of penalty, a sum equal to the amount of tax which such person failed to deduct or pay as aforesaid.".

**Section 54 - Insertion Of New Section 271F** After section 271E of the Income-tax Act, the following section shall be inserted, namely :- "271F. Penalty for failure to furnish return of income. - If a person who is required to furnish a return of his income as required by the proviso to sub-section (1) of section 139 fails to furnish such return on or before the due date, he shall be liable to pay by way of penalty, a sum of five hundred rupees."

**Section 55 - Amendment Of Section 273B** In section 273B of the Income-tax Act, after the word, figures and letter "section 271E", the word, figures and letter "section 271F" shall be inserted.

**Section 56 - Substitution Of New Section For Section 276B** For section 276B of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 1997, namely :- "276B. Failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B. - If a person fails to pay to the credit of the Central Government, - (a) the tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or (b) the tax payable by him, as required by or under, - (i) sub-section (2) of section 115-O; or (ii) second proviso to section 194B, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine."

**Section 57 - Amendment Of Section 281B** In section 281B of the Income-tax Act, in sub-sections (1) and (2), for the words "Chief Commissioner or Commissioner", the words "Chief Commissioner, Commissioner, Director-General or Director" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of October, 1996.

**Section 58 - Amendment Of Schedule IV** In Schedule IV to the Income-tax Act, in Part A, in rule 6, in clause (a), for the word "ten", the word "twelve" shall be substituted with effect from the 1st day of April, 1998.'

**Section 59 - Amendment Of Section 4** In section 4 of the Interest-tax Act, 1974 (45 of 1974) (hereinafter referred to as the Interest-tax Act), in sub-section (2), the following proviso shall be inserted with effect from the 1st day of April, 1998, namely :- "Provided that the rate at which interest-tax shall be charged in respect of any chargeable interest accruing or arising after the 31st day of March, 1997, shall be two per cent. of such chargeable interest."

**Section 60 - Amendment Of Section 21** In section 21 of the Interest-tax Act, after the figures and brackets "2(44)", the figures ", 119" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1991.

**Section 61 - Amendment Of Section 4 Of Act 35 Of 1987** EXPENDITURE-TAX In section 4 of the Expenditure-tax Act, 1987, clause (a), after the proviso, the following proviso shall be inserted with effect from the 1st day of April, 1998, namely :- "Provided further that nothing in this clause shall apply in the case of a hotel referred to in clause (iia) of sub-section (5) of section 80-IA of the Income-tax Act, 1961 (43 of 1961) during the period beginning on the 1st day of April, 1998, and ending on the 31st day of March, 2008.". (1) This Scheme may be called the Voluntary Disclosure of Income Scheme, 1997. (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**Section 63 - Definitions** In this Scheme, unless the context otherwise requires, - (a) "declarant" means a person making the declaration under sub-section (1) of section 64; (b) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961); (c) "Wealth-tax Act" means the Wealth-tax Act, 1957 (27 of 1957); (d) all other words and expressions used in this Scheme but not defined and defined in the Income-tax Act or the Wealth-tax Act shall have the meanings respectively assigned to them in those Acts.

**Section 64 - Charge Of Tax On Voluntarily Disclosed Income** (1) Subject to

the provisions of this Scheme, where any person makes, on or after the date of commencement of this Scheme but on or before the 31st day of December, 1997, a declaration in accordance with the provisions of section 65 in respect of any income chargeable to tax under the Income-tax Act for any assessment year - (a) for which he has failed to furnish a return under section 139 of the Income-tax Act; (b) which he has failed to disclose in a return of income furnished by him under the Income-tax Act before the date of commencement of this Scheme; (c) which has escaped assessment by reason of the omission or failure on the part of such person to make a return under the Income-tax Act or to disclose fully and truly all material facts necessary for his assessment or otherwise, then, notwithstanding anything contained in the Income-tax Act or in any Finance Act, income-tax shall be charged in respect of the income so declared (such income being hereinafter referred to as the voluntarily disclosed income) at the rates specified hereunder, namely :- (i) in the case of a declarant, being a company or a firm, at the rate of 35 per cent. of the voluntarily disclosed income; (ii) in the case of a declarant, being a person other than a company or a firm, at the rate of 30 per cent. of the voluntarily disclosed income. (2) Nothing contained in sub-section (1) shall apply in relation to - (i) the income assessable for any assessment year for which a notice under section 142 or section 148 of the Income-tax Act has been served upon such person and the return has not been furnished before the commencement of this Scheme; (ii) the income in respect of the previous year in which a search under section 132 of the Income-tax Act was initiated or requisition under section 132A of the Income-tax Act was made, or survey under section 133A of the Income-tax Act was carried out or in respect of any earlier previous year.

**Section 65 - Particulars To Be Furnished In Declaration** (1) A declaration under sub-section (1) of section 64 shall be made to the Commissioner and shall be in such form and shall be verified in such manner as may be prescribed. (2) The declaration shall be signed, - (a) where the declarant is an individual, by the individual himself; where such individual is absent from India, by the individual concerned or by some person duly authorised by him in this behalf; and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf; (b) where the declarant is a Hindu undivided family, by the karta, and where the karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family; (c) where the declarant is a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign the declaration or where there is no managing director, by any director thereof; (d) where the declarant is a firm, by the managing partner thereof, or where for any unavoidable reason such managing partner is not able to sign the declaration, or where there is no managing partner as such, by any partner thereof, not being a minor; (e) where the declarant is any other association, by any member of the association or the principal officer thereof; and (f) where the declarant is any other person, by that person or by some other person competent to act on his behalf. (3) Any person, who has made a declaration under sub-section (1) of section 64 in respect of his income or as a representative assessee in respect of the income of any other person, shall not be entitled to make any other declaration, under that sub-section in respect of his income or the income of such other person, and any such other declaration, if made, shall be deemed to be void.

**Section 66 - Time For Payment Of Tax** The tax payable under this Scheme in respect of the voluntarily disclosed income shall be paid by the declarant and the declaration shall be accompanied by proof of payment of such tax.

**Section 67 - Interest Payable By Declarant** (1) Notwithstanding anything contained in section 66, the declarant may file a declaration without paying the tax under that section and the declarant may file the declaration and the declarant may pay the tax within three months from the date of filing of the declaration with simple interest at the rate of two per cent. for every month or part of a month comprised in the period beginning from the date of filing the declaration and ending on the date of payment of such tax and file the proof of such payment within the said period of three months. (2) If the declarant fails to pay the tax in respect of the voluntarily disclosed income before the expiry of three months from the date of filing of the declaration, the declaration filed by him shall be deemed never to have been made under this Scheme.

**Section 68 - Voluntarily Disclosed Income Not To Be Included In The Total Income** (1) The amount of the voluntarily disclosed income shall not be included in the total income of the declarant for any assessment year under the Income-tax Act, if the following conditions are fulfilled, namely :- (i) the declarant credits such amount in the books of account, if any, maintained by him for any source of income or in any other record, and intimates the credit so made to the Assessing Officer; and (ii) the income-tax in respect of the voluntarily disclosed income is paid by the declarant within the time specified in section 66 or section

**Section 69 - Voluntarily Disclosed Income Not To Affect Finality Of Completed Assessments, Etc** The

declarant shall not be entitled, in respect of the voluntarily disclosed income or any amount of tax paid thereon, to reopen any assessment or reassessment made under the Income-tax Act or the Wealth-tax Act or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment or reassessment.

**Section 70 - Tax In Respect Of Voluntarily Disclosed Income Not Refundable** Any amount of tax paid in pursuance of a declaration made under sub-section (1) of section 64 shall not be refundable under any circumstances.

**Section 71 - Declaration Not Admissible In Evidence Against Declarant Notwithstanding anything contained in any other law for the time being in force,** nothing contained in any declaration made under sub-section (1) of section 64 shall be admissible in evidence against the declarant for the purpose of any proceeding relating to imposition of penalty or for the purposes of prosecution under the Income-tax Act or the Wealth-tax Act or the Foreign Exchange Regulation Act, 1973 (46 of 1973), or the Companies Act, 1956 (1 of 1956).

**Section 72 - Secrecy Of Declaration** (1) All particulars contained in a declaration made under sub-section (1) of section 64 shall be treated as confidential and, notwithstanding anything contained in any law for the time being in force, no court or any other authority shall be entitled to require any public servant or the declarant to produce before it any such declaration or any part thereof or to give any evidence before it in respect thereof. (2) No public servant shall disclose any particulars contained in any such declaration except to any officer employed in the execution of the Income-tax Act or the Wealth-tax Act, or to any officer appointed by the Comptroller and Auditor-General of India or the Board to audit income-tax receipts or refunds.

**Section 73 - Exemption From Wealth-Tax In Respect Of Assets Specified In Declaration** (1) Where the voluntarily disclosed income is represented by cash (including bank deposits), bullion, investment in shares, debts due from other persons, commodities or any other assets specified in the declaration made under sub-section (1) of section 64 - (a) in respect of which the declarant has failed to furnish a return under section 14 of the Wealth-tax Act for the assessment year commencing on the 1st day of April, 1997, or any earlier assessment year or years, or (b) which have not been shown in the return of net wealth furnished by him for the said assessment year or years, or (c) which have been understated in value in the return of net wealth furnished by him for the said assessment year or years, then, notwithstanding anything contained in the Wealth-tax Act or any rules made thereunder, - (i) wealth-tax shall not be payable by the declarant in respect of the assets referred to in clause (a) or clause (b) and such assets shall not be included in his net wealth for the said assessment year or years; (ii) the amount by which the value of the assets referred to in clause (c) has been understated in the return of net wealth for the said assessment year or years, to the extent such amount does not exceed the voluntarily disclosed income utilised for acquiring such assets, shall not be taken into account in computing the net wealth of the declarant for the said assessment year or years. (iii) the value of the jewellery or bullion so declared shall be taken to be its market value as on the 1st day of April, 1987, where the disclosure is made in respect of an assessment year earlier than assessment year 1987-88, and for the purposes of this Chapter the expression "jewellery" shall have the same meaning assigned to it in Explanation 1 to clause (viii) of section 5 of the Wealth-tax Act. Explanation. - Where a declaration under sub-section (1) of section 64 is made by a firm, the assets referred to in clause (i) or, as the case may be, the amount referred to in clause (ii) shall not be taken into account in computing the net wealth of any partner of the firm or, as the case may be, in determining the value of the interest of any partner in the firm. (2) The provisions of sub-section (1) shall not apply unless the conditions specified in sub-section (1) of section 68 are fulfilled by the declarant.

**Section 74 - Applicability Of Certain Provisions Of Income-Tax Act And Of Chapter V Of Wealth-Tax Act** The provisions of Chapter XV of the Income-tax Act relating to liability in special cases and of section 189 of that Act or of Chapter V of the Wealth-tax Act relating to liability to assessment in special cases shall, so far as may be, apply in relation to proceedings under this Scheme as they apply in relation to proceeding under the Income-tax Act or, as the case may be, the Wealth-tax Act.

**Section 75 - Removal Of Doubts** For the removal of doubts, it is hereby declared that, save as otherwise expressly provided in the Explanation to sub-section (1) of section 73, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on any person other than the person making the declaration under this Scheme.

**Section 76 - Power To Remove Difficulties** (1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty : Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force. (2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

**Section 77 - Power To Make Rules** (1) The Board may, by notification in the

Official Gazette, make rules for carrying out the provisions of this Scheme. (2) Without prejudice to the generality of the foregoing power, such rules may provide for the form in which a declaration may be made under sub-section (1) of section 64 and the manner in which these may be verified. (3) The Central Government shall cause every rule made under this Scheme to be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**Section 78 - Scheme Not To Apply To Certain Persons** The provisions of this Scheme shall not apply -

(a) to any person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) : Provided that - (i) such order of detention, being an order to which the provisions of section 9 or section 12A of the said Act do not apply, has not been revoked on the report of the Advisory Board under section 8 of the said Act or before the receipt of the report of the Advisory Board; or (ii) such order of detention, being an order to which the provisions of section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section 9, or on the report of the Advisory Board under section 8, read with sub-section (2) of section 9, of the said Act; or (iii) such order of detention, being an order to which the provisions of section 12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under section 8, read with sub-section (6) of section 12A, of the said Act; or (iv) such order of detention has not been set aside by a court of competent jurisdiction; (b) in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code (45 of 1860), the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985), the Terrorists and Disruptive Activities (Prevention) Act, 1987 (28 of 1987), the Prevention of Corruption Act, 1988 (49 of 1988) or for the purpose of enforcement of any civil liability. (c) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transaction in Securities) Act, 1992 (27 of 1992).

In the Finance Act, 1994, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, - (1) for section 65, the following section shall be substituted, namely :- '65. In this Chapter, unless the context otherwise requires, - (1) "advertisement" includes any notice, circular, label, wrapper, document, hoarding or any other audio or visual representation made by means of light, sound, smoke or gas; (2) "advertising agency" means any commercial concern engaged in providing any service connected with the making, preparation, display or exhibition of advertisement and includes an advertising consultant; (3) "air travel agent" means any person engaged in providing any service connected with the booking of passage for travel by air; (4) "Appellate Tribunal" means the Customs, Excise and Gold (Control) Appellate Tribunal constituted under section 129 of the Customs Act, 1962 (52 of 1962); (5) "assessee" means a person responsible for collecting the service tax and includes his agent; (6) "Board" means the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963); (7) "cab" means a motor cab or maxi cab; (8) "caterer" means any person who supplies, either directly or indirectly, any food, edible preparations, alcoholic or non-alcoholic beverages or crockery and similar articles or accoutrements for any purpose or occasion; (9) "Central Excise Officer" has the meaning assigned to it in clause (b) of section 2 of the Central Excise Act, 1944 (1 of 1994); (10) "clearing and forwarding agent" means any person who is engaged in providing any service, either directly or indirectly, connected with clearing and forwarding operations in any manner to any other person and includes a consignment agent; (11) "consulting engineer" means any professionally qualified engineer or an engineering firm who, either directly or indirectly, renders any advice, consultancy or technical assistance in any manner to a client in one or more disciplines of engineering; (12) "courier agency" means a commercial concern engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles; (13) "custom house agent" means a person licensed, temporarily or otherwise, under the regulations made under sub-section (2) of section 146 of the Customs Act, 1962 (52 of 1962); (14) "general insurance business" has the meaning assigned to it in clause (g) of section 3 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972); (15)

"goods" has the meaning assigned to it in clause (7) of section 2 of the Sale of Goods Act, 1930 (3 of 1930); (16) "goods carriage" has the meaning assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988); (17) "goods transport operator" means any commercial concern engaged in the transportation of goods but does not include a courier agency; (18) "insurer" means any person carrying on the general insurance business in India; (19) "mandap" means any immovable property as defined in section 3 of the Transfer of Property Act, 1882 (4 of 1882), and includes any furniture, fixtures, light fittings and floor coverings therein let out for consideration for organising any official, social or business function; (20) "mandap keeper" means a person who allows temporary occupation of a mandap for consideration for organising any official, social or business function; (21) "manpower recruitment agency" means any commercial concern engaged in providing any service, directly or indirectly, in any manner for recruitment of manpower, to a client; (22) "maxi cab" has the meaning assigned to it in clause (22) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988); (23) "motor cab" has the meaning assigned to it in clause (25) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988); (24) "outdoor caterer" means a caterer engaged in providing services in connection with catering at a place other than his own; (25) "pager" means an instrument, apparatus or appliance which is a non-speech, one way personal calling system with alert and has the capability of receiving, storing and displaying numeric or alpha-numeric messages; (26) "pandal or shamiana" means a place specially prepared or arranged for organising an official, social or business function; (27) "pandal or shamiana contractor" means a person engaged in providing any service, either directly or indirectly, in connection with the preparation, arrangement, erection or decoration of a pandal or shamiana and includes the supply of furniture, fixtures, lights and lighting fittings, floor coverings and other articles for use therein; (28) "person responsible for collecting the service tax" means a person who is required to collect service tax under this Chapter or is required to pay any other sum of money under this Chapter and includes every person in respect of whom any proceedings under this Chapter have been taken; (29) "policy-holder" has the meaning assigned to it in clause (2) of section 2 of the Insurance Act, 1938 (4 of 1938); (30) "prescribed" means prescribed by rules made under this Chapter; (31) "recognised stock exchange" has the meaning assigned to it in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956); (32) "rent-a-cab scheme operator" means a person who is the holder of a licence under the Rent a Cab Scheme, 1989 framed by the Central Government under the Motor Vehicles Act, 1988 (59 of 1988); (33) "securities" has the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956); (34) "service tax" means tax chargeable under the provisions of this Chapter; (35) "ship" means a sea-going vessel and includes a sailing vessel; (36) "shipping line" means any person who owns or charters a ship and includes an enterprise which operates or manages the business of shipping; (37) "steamer agent" means any person who undertakes, either directly or indirectly, - (a) to perform any service in connection with the ship's husbandry or dispatch including the rendering of administrative work related thereto; or (b) to book, advertise or canvass for cargo for or on behalf of a shipping line; or (c) to provide container feeder services for or on behalf of a shipping line; (38) "stock-broker" means a stock-broker who has either made an application for registration or is registered as a stock-broker in accordance with the rules and regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); (39) "sub-broker" means a sub-broker who has either made an application for registration or is registered as a sub-broker in accordance with the rules and regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); (40) "subscriber" means a person to whom a telephone connection or pager has been provided by the telegraph authority; (41) "taxable service" means any service provided, - (a) to an investor, by a stock-broker in connection with the sale or purchase of securities listed on a recognised stock exchange; (b) to a subscriber, by the telegraph authority in relation to a telephone connection; (c) to a subscriber, by the telegraph authority in relation to a pager; (d) to a policy holder, by an insurer carrying on general insurance business in relation to general insurance business; (e) to a client, by an advertising agency in relation to advertisements in any manner; (f) to a customer, by a courier agency in relation to door-to-door transportation of time-sensitive documents, goods or articles; (g) to a client, by a consulting engineer in relation to advice, consultancy or technical assistance in any manner in one or more disciplines of engineering; (h) to a client, by a custom house agent in relation to the entry or departure of conveyances or the import or export of goods; (i) to a shipping line, by a steamer agent in relation to a ship's husbandry or dispatch or any administrative work related thereto as well as the booking, advertising or canvassing of cargo, including container feeder services; (j) to a client, by a clearing and forwarding agent in

relation to clearing and forwarding operations in any manner; (k) to a client, by a manpower recruitment agency in relation to the recruitment of manpower in any manner; (l) to a customer, by an air travel agent in relation to the booking of passage for travel by air; (m) to a customer, by a goods transport operator in relation to carriage of goods by road in a goods carriage; (n) to a client, by an outdoor caterer; (o) to a client, by a pandal or shamiana contractor in relation to a pandal or shamiana in any manner and also includes the services, if any, rendered as a caterer; (p) to a client, by a mandap keeper in relation to use of a mandap in any manner including the facilities provided to the client in relation to such use and also the services, if any, rendered as a caterer; (q) to any person, by a tour operator in relation to a tour; (r) to any person, by a rent a cab scheme operator in relation to the renting of a cab; (42) "telegraph authority" has the meaning assigned to it in clause (6) of section 3 of the Indian Telegraph Act, 1885 (13 of 1885), and includes a person who has been granted a licence under the first proviso to sub-section (1) of section 4 of that Act; (43) "tour" means a journey from one place to another irrespective of the distance between such places; (44) "tour operator" means a person who holds a tourist permit granted under the rules made under the Motor Vehicles Act, 1988 (59 of 1988); (45) words and expressions used but not defined in this Chapter and defined in the Central Excise Act, 1944 (1 of 1944), or the rules made thereunder, shall apply, so far as may be, in relation to service tax as they apply in relation to duty of excise.', (2) for section 66, the following section shall be substituted, namely :- "66. Charge of service tax. - (1) On and from the date of commencement of this Chapter, there shall be charged a tax (hereinafter referred to as the service tax), at the rate of five per cent. of the value of the taxable services referred to in sub-clauses (a), (b) and (d) of clause (41) of section 65 which are provided to any person by the person responsible for collecting the service tax. (2) With effect from the date notified under section 85 of the Finance (No. 2) Act, 1996 (33 of 1996), there shall be charged a service tax at the rate of five per cent. of the value of the taxable services referred to in sub-clauses (c), (e) and (f) of clause (41) of section 65 which are provided to any person by the person responsible for collecting the service tax. (3) With effect from the date notified under section 84 of the Finance Act, 1997, there shall be charged a service tax at the rate of five per cent. of the value of the taxable services referred to in sub-clauses (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q) and (r) of clause (41) of section 65 which are provided to any person by the person responsible for collecting the service tax."; (3) in section 67, after clause (e), the following clauses shall be inserted, namely :- "(f) in relation to service provided by a consulting engineer to a client, shall be the gross amount charged by such engineer from the client for advice, consultancy or technical assistance in any manner in one or more disciplines of engineering; (g) in relation to service provided by a custom house agent to a client, shall be the gross amount charged by such agent from the client for services rendered in any manner in relation to the entry or departure of conveyances or in relation to the import or export of goods; (h) in relation to service provided by a steamer agent to a shipping line, shall be the gross amount charged by such agent from the shipping line for services in relation to a ship's husbandry or dispatch or any administrative work related thereto or in relation to the booking, advertising or canvassing of cargo, container feeder services, including the commission paid to such agent; (i) in relation to service provided by a clearing and forwarding agent to a client, shall be the gross amount charged by such agent from the client for services of clearing and forwarding operations in any manner; (j) in relation to service provided by a manpower recruitment agency to a client, shall be the gross amount charged by such agency from the client in relation to the recruitment of manpower in any manner; (k) in relation to service provided by an air travel agent to a customer, shall be the gross amount charged by such agent from the customer for services in relation to the booking of passage for travel by air excluding the airfare but including the commission, if any, received from the airline in relation to such booking; (l) in relation to service provided by good transport operator to a customer, shall be the gross amount charged by such operator for services in relation to carrying goods by road in a goods carriage and includes the freight charges but does not include any insurance charges; (m) in relation to service provided by an outdoor caterer to a client, shall be the gross amount charged by such caterer from the client for services in relation to such catering including the charges for food, edible preparations, alcoholic or non-alcoholic beverages or crockery and similar articles or accoutrements provided to such client for any purpose or on any occasion; (n) in relation to service provided by a pandal or shamiana contractor to a client, shall be the gross amount charged by such contractor from the client for services in relation to the setting up of a pandal or shamiana including the supply of furniture, fixtures, lights and lighting fittings, floor coverings and similar articles used therein and also the charges for catering, if any; (o) in relation to service provided by a mandap keeper to a client, shall be the gross amount

charged by such keeper from the client for the use of mandap including the facilities provided to the client in relation to such use and also the charges for catering, if any; (p) in relation to service provided by a tour operator to a client, shall be the gross amount charged by such operator from the client for services in relation to a tour and includes the charges for any accommodation, food or any other facilities provided in relation to such tour; (q) in relation to the service provided by a rent a cab scheme operator to any person, shall be the gross amount charged by such operator from such person for services in relation to the renting of a cab and includes such rental."; (4) for section 68, the following section shall be substituted, namely :- "68. Collection and recovery of service tax. - (1) Every person providing taxable service to any person shall collect the service tax at the rate specified in section

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