

Finance Act, 1985

Chapter III - Direct Taxes Income-tax

In section 2 of the Income-tax Act, in clause (18), after sub-clause (ab), the following sub-clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1984, namely :-

"(ac) if it is a mutual benefit finance company, that is to say, a company which carries on, as its principal business, the business of acceptance of deposits from its members and which is declared by the Central Government under section 620A of the Companies Act, 1956 (1 of 1956), to be a Nidhi or Mutual Benefit Society; or".

Section 4 - Amendment Of Section 10

In section 10 of the Income-tax Act :-

(a) in clause (10B), for the portion beginning with the words "at the time of his retrenchment", and ending with the words "whichever is less", the following shall be substituted with effect from the 1st day of April, 1986, namely :-

"at the time of his retrenchment :

Provided that the amount exempt under this clause shall not exceed -

(i) an amount calculated in accordance with the provisions of clause (b) of section 25F of the Industrial Disputes Act, 1947 (14 of 1947); or

(ii) fifty thousand rupees,

whichever is less :

Provided further that the preceding proviso shall not apply in respect of any compensation received by a workman in accordance with any scheme which the Central Government may, having regard to the need for extending special protection to the workmen in the undertaking to which such scheme applies and other relevant circumstances, approve in this behalf.;"

(b) in clause (15), after sub-clause (iii), the following sub-clause shall be inserted, namely :-

'(iiia) interest payable to any bank incorporated in a country outside India and authorised to perform central banking functions in that country on any deposits made by it, with the approval of the Reserve Bank of India, with any schedule bank.

Explanation : For the purposes of this sub-clause, "scheduled bank" shall have the meaning assigned to it in the Explanation to clause (iii) of sub-section (5) of section 11;";

(c) in clause (26A), for the figures, letters and words "1st day of April, 1986", the figures letters and words "1st day of April, 1989" shall be substituted.

Section 5 - Amendment Of Section 16

In section 16 of the Income-tax Act, in clause (i), with effect from the 1st day of April, 1986, -

- (a) the Explanation shall be numbered as Explanation 1;
- (b) after Explanation 1 as so numbered, the following Explanation shall be inserted, namely :-

"Explanation 2 : For the purposes of the proviso to this clause, the use of any vehicle referred to therein for journey by the assessee from his residence to his office or other place of work, or from such office or place to his residence, shall not be regarded as the use of such vehicle otherwise than wholly and exclusively in the performance of his duties;"

Section 6 - Amendment Of Section 17

In section 17 of the Income-tax Act, -

- (a) in clause (2), in paragraph (c) of sub-clause (iii), for the portion beginning with the words 'under the head "Salaries"', and ending with the words "eighteen thousand rupees;", the following shall be substituted with effect from the 1st day of April, 1986, namely :-

'under the head "Salaries" (whether due from, or paid or allowed by, one or more employers), exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds twenty-four thousand rupees;';

- (b) in clause (2) [as amended by clause (ii) of section 7 of the Taxation Laws (Amendment) Act, 1984 (67 of 1984)], -
 - (a) in sub-clause (iv), the word "and" shall be inserted at the end;
 - (b) in sub-clause (v), the word "and" occurring at the end shall be omitted;
 - (c) sub-clause (vi) shall be omitted.
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Section 7 - Insertion Of New Section 33AB

After section 33A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1986, namely :-

'33AB. Tea development account. - (1) Where an assessee, carrying on business of growing and manufacturing tea in India, has, during the previous year, deposited with the National Bank any amount or amounts in an account (hereafter in this section referred to as the special account) maintained by the assessee with that Bank in accordance with a scheme (hereafter in this section referred to as the scheme) approved in this behalf by the Tea Board, the assessee shall, subject to the provisions of this section, be allowed a deduction of -

- (a) a sum equal to the amount or the aggregate of the amounts so deposited during the previous year, or
- (b) a sum equal to twenty per cent. of the profits of such business (computed under the head "Profits and gains of business or profession" before making any deduction under this section), whichever is less.

Explanation : In this section, -

(a) "National Bank" means the National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agricultural and Rural Development Act, 1981 (61 of 1981);

(b) "Tea Board" means the Tea Board established under section 4 of the Tea Act, 1953 (29 of 1953).

(2) Where the amount or the aggregate of the amounts deposited by the assessee in the special account during the previous year exceeds the sum allowable as deduction under sub-section (1), the excess shall be treated, for the purposes of that sub-section, as a deposit made by the assessee in the next following previous year.

(3) Where any amount standing to the credit of the assessee in the special account is utilised by the assessee for the purposes of the business referred to in sub-section (1) in accordance with the scheme, -

(a) for acquiring any asset being building, machinery, plant or furniture the actual cost of such asset as determined under clause (1) of section 43 shall, for the purposes of this Act, be reduced by the amount so utilised;

(b) for incurring any expenditure for the purposes of such business, such expenditure shall be reduced by the amount so utilised and the resultant sum, if any, shall be taken into account for the purposes of this Act.

(4) Where any amount, standing to the credit of the assessee in the special account, which is released during any previous year by the National Bank for being utilised by the assessee for the purposes of the business referred to in sub-section (1) in accordance with the scheme is not so utilised, either wholly or in part, within that previous year, the whole of such amount or, as the case may be, part thereof which is not so utilised shall be deemed to be profits and gains of business and accordingly chargeable to income-tax as the income of that previous year.

(5) The provisions of this section shall apply in relation to the assessment year commencing on the 1st day of April, 1986, and the four assessment years next following that assessment year.'

Section 8 - Insertion Of New Section 35AB

After section 35A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1986, namely :-

'35AB. Expenditure on know-how. - (1) Subject to the provisions of sub-section (2), where the assessee has paid in any previous year any lump sum consideration for acquiring any know-how for use for the purposes of his business, one-sixth of the amount so paid shall be deducted in computing the profits and gains of the business for that previous year, and the balance amount shall be deducted in equal instalments for each of the five immediately succeeding previous years.

(2) Where the know-how referred to in sub-section (1) is developed in a laboratory, University or institution referred to in sub-section (2B) of section 32A, one-third of the said lump sum consideration paid in the previous year by the assessee shall be deducted in computing the profits and gains of the business for that year, and the balance amount shall be deducted in equal instalments for each of the two immediately succeeding previous years.

Explanation : For the purposes of this section, "know-how" means any industrial information or technique likely to assist in the manufacture or processing of goods or in the working of a mine, oil well or other sources of mineral deposits (including the searching for, discovery or testing of deposits or the winning of access thereto).'

Section 9 - Amendment Of Section 35CC

In section 35CC of the Income-tax Act, in sub-section (1), after the second proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 17th day of March, 1985, namely :-

"Provided also that no programme shall be approved under this section after the 16th day of March, 1985."

Section 10 - Amendment Of Section 36

In section 36 of the Income-tax Act, -

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

(i) to clause (vii), the following proviso shall be added, namely :-

"Provided that in the case of a bank to which clause (viia) applies, the amount of the deduction relating to any such debt or part thereof shall be limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account made under that clause;"

(ii) in clause (viia), -

(1) for the portion beginning with the words "in respect of any provision" and ending with the words "in the prescribed manner.", the following shall be substituted, namely :-

"in respect of any provision for bad and doubtful debts made by a scheduled bank [not being a bank approved by the Central Government for the purposes of clause (viiia) or a bank incorporated by or under the laws of a country out-side India] or a non-scheduled bank, an amount not exceeding ten per cent. of the total income (computed before making any deduction under this clause and Chapter VIA) or an amount not exceeding two per cent. of the aggregate average advances made by the rural branches of such bank, computed in the prescribed manner, whichever is higher.";

(2) in the Explanation, in clause (ii), for the words, brackets, letter and figure "at the end of clause (b) of sub-section (2)", the words, brackets, and figures "to clause (iii) of sub-section (5)" shall be substituted;

(iii) in clauses (viii) and (viiia), for the brackets, words, figures and letter "(computed before making any deduction under Chapter VIA)", the brackets, words, figures and letter "(computed before making any deduction under this clause and Chapter VIA)" shall be substituted;

(b) in sub-section (2), after clause (iv), the following clause shall be inserted, namely :-

"(v) where such debt or part of debt relates to advances made by a bank to which clause (viia) of sub-section (1) applies, no such deduction shall be allowed unless the bank has debited the

amount of such debt or part of debt in that previous year to the provision for bad and doubtful debts account made under that clause."

Section 11 - Amendment Of Section 37

In section 37 of the Income-tax Act, with effect from the 1st day of April, 1986, -

- (a) in sub-section (1), the words, figures and letters "and section 80VV" shall be omitted;
 - (b) sub-sections (3A), (3B), (3C) and (3D) shall be omitted.
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Section 12 - Amendment Of Section 40A

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

(a) in sub-section (5), in clause (b) of Explanation 2 [as amended by section 11 of the Taxation Laws (Amendment) Act, 1984 (67 of 1984)], -

- (i) in sub-clause (iv), the word "and" shall be inserted at the end;
- (ii) in sub-clause (v), the word "and" occurring at the end shall be omitted;
- (iii) sub-clause (vi) shall be omitted;

(b) sub-section (8) shall be omitted with effect from the 1st day of April, 1986;

(c) after sub-section (11), the following sub-section shall be inserted with effect from the 1st day of April, 1986, namely :-

"(12) No deduction shall be allowed in excess of ten thousand rupees for any assessment year in respect of any expenditure incurred by the assessee by way of fees or other remuneration paid to any person (other than an employee of the assessee), -

- (a) for services (not being services by way of preparation of return of income) in connection with any proceeding under this Act before any income-tax authority or the Commission constituted under section 245B or a competent authority within the meaning of clause (b) of section 269A or the Appellate Tribunal or any court;
 - (b) for services in connection with any other proceeding before any court, being a proceeding relating to tax, penalty, interest or any other matter under this Act; and
 - (c) for any advice in connection with tax, penalty, interest or any other matter under this Act."
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Section 13 - Amendment Of Section 44AB

In section 44AB [inserted by section 11 of the Finance Act, 1984 (21 of 1984)] of the Income-tax Act, in the proviso, the words "by an accountant" shall be omitted.

Section 14 - Amendment Of Section 54

In section 54 of the Income-tax Act, in sub-section (1), the words and figures "to which the provisions of section 53 are not applicable" shall be omitted.

Section 15 - Amendment Of Section 58

In section 58 of the Income-tax Act, in clause (a) of sub-section (1), after sub-clause (i), the following sub-clause shall be inserted with effect from the 1st day of April, 1986, namely :-

"(ia) any expenditure of the nature referred to in sub-section (12) of section 40A."

Section 16 - Amendment Of Section 80CC

In section 80CC of the Income-tax Act, in sub-section (3), in clause (a), -

(a) for the words "with the main object of carrying on the business of -", the words "and the issue is wholly and exclusively for the purposes of carrying on the business of -" shall be substituted;

(b) in the proviso, the words "formed and registered in India with the main object of" shall be omitted.

Section 17 - Omission Of Section 80F

Section 80F of the Income-tax Act shall be omitted with effect from the 1st day of April, 1986.

Section 18 - Amendment Of Section 80G

In section 80G of the Income-tax Act, -

(a) in sub-section (1), for clause (i), following clause shall be substituted with effect from the 1st day of April, 1986, namely :-

"(i) in a case where the aggregate of the sums specified in sub-section (2) includes any sum or sums of the nature specified in sub-clause (iiia) or in sub-clause (vii) of clause (a) thereof, an amount equal to the whole of the sum or, as the case may be, sums of such nature plus fifty per cent. of the balance of such aggregate; and";

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

"(iiic) the Indira Gandhi Memorial Trust, the deed of declaration in respect whereof was registered at New Delhi on the 21st day of February, 1985; or".

Section 19 - Substitution Of New Section For Section 80HHC

In the Income-tax Act, for section 80HHC, the following section shall be substituted with effect from the 1st day of April, 1986, namely :-

'80HHC. Deduction in respect of profits retained for export business. - (1) Where an assessee, being an Indian company or a person (other than a company) resident in India, is engaged in the business of export out of India of any goods or merchandise to which this section applies, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing

the total income of the assessee, a deduction of an amount, not exceeding fifty per cent. of the profits derived by the assessee from the export of such goods or merchandise :

Provided that an amount equal to the amount of the deduction claimed under this sub-section is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account to be utilised for the purposes of the business of the assessee.

(2) (a) This section applies to all goods or merchandise, other than those specified in clause (b), if the sale proceeds of such goods or merchandise exported out of India are receivable by the assessee in convertible foreign exchange.

(b) This section does not apply to the following goods or merchandise, namely :-

(i) mineral oil; and

(ii) minerals and ores.

(3) For the purposes of sub-section (1), profits derived from the export of goods or merchandise out of India shall be, -

(a) in a case where the business carried on by the assessee consists exclusively of the export out of India of the goods or merchandise to which this section applies, the profits of the business as computed under the head "Profits and gains of business or profession";

(b) in a case where the business carried on by the assessee does not consist exclusively of the export out of India of the goods or merchandise to which this section applies, the amount which bears to the profits of the business (as computed under the head "Profits and gains of business or profession") the same proportion as the export turnover bears to the total turnover of the business carried on by the assessee.

Explanation : For the purposes of this section, -

(a) "convertible foreign exchange" means foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and any rules made there under;

(b) "export turnover" means the sale proceeds receivable by the assessee in convertible foreign exchange of any goods or merchandise to which this section applies and which are exported out of India, but does not include freight or insurance attributable to the transport of the goods or merchandise beyond the customs station as defined in the Customs Act, 1962 (52 of 1962).'

Section 20 - Amendment Of Section 80-I

In section 80-I of the Income-tax Act, -

(a) in sub-section (2), in clause (iii), for the words "four years", the words "nine years" shall be substituted;

(b) in sub-section (3), in clause (iii), for the words "four years", the words "nine years" shall be substituted;

(c) in sub-section (4), in clause (iv), for the words, figures and letters "before the 1st day of April, 1985", the words, figures and letters "before the 1st day of April, 1990" shall be substituted.

Section 21 - Omission Of Section 80JJ

Section 80JJ of the Income-tax Act shall be omitted with effect from the 1st day of April, 1986.

Section 22 - Omission Of Section 80N

Section 80N of the Income-tax Act shall be omitted with effect from the 1st day of April, 1986.

Section 23 - Amendment Of Section 80QQA

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

Section 24 - Omission Of Section 80V

Section 80V of the Income-tax Act shall be omitted with effect from the 1st day of April, 1986.

Section 25 - Omission Of Section 80VV

Section 80VV of the Income-tax Act shall be omitted with effect from the 1st day of April, 1986.

Section 26 - Amendment Of Section 115

In section 115 of the Income-tax Act, in clause (i), for sub-clause (a), the following sub-clause shall be substituted with effect from the 1st day of April, 1986, namely :-

"(a) on so much of the amount of such long-term capital gains as relate to buildings or lands or any rights in buildings or lands, at the rate of fifty per cent.; and".

Section 27 - Amendment Of Section 115E

In section 115E of the Income-tax Act, with effect from the 1st day of April, 1986, -

(a) in sub-section (1), the words "as increased by a surcharge for purposes of the Union at the rate of twelve and a half per cent. of such income-tax" shall be omitted;

(b) in sub-section (2), in clause (i), for the words "the aggregate of the income-tax and surcharge", the words "the income-tax" shall be substituted.

Section 28 - Amendment Of Section 136

In section 136 of the Income-tax Act, the words and figures "and every income-tax authority shall be deemed to be a Civil Court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974)" shall be inserted and shall be deemed to have been inserted at the end with effect from the 1st day of April, 1974.

Section 29 - Amendment Of Section 139

In section 139 of the Income-tax Act, -

(a) in sub-section (1A), in clause (b) [as substituted by sub-clause (i) of clause (a) of section 25 of the Taxation Laws (Amendment) Act, 1984 (67 of 1984)], for the words "eighteen thousand rupees", the words "twenty-four thousand rupees" shall be substituted with effect from the 1st day of April, 1986;

(b) in sub-section (9), in the Explanation, in clause (e), for the words "auditor's report", the words, figures and letter "auditor's report and where an audit of cost accounts of the assessee has been conducted under section 233B of the Companies Act 1956 (1 of 1956), also the report under that section" shall be substituted.

Section 30 - Substitution Of New Section For Section 167A

In the Income-tax Act, for section 167A, the following section shall be substituted, namely :-

"167A. Charge of tax where shares of members unknown. - Where the individual shares of the members of an association of persons (other than a company or co-operative society) in the whole or any part of the income of such association are indeterminate or unknown, tax shall be charged on the total income of the association at the maximum marginal rate.

Explanation : For the purposes of this section, -

(a) "maximum marginal rate" shall have the meaning assigned to it in Explanation 2 below sub-section (3) of section 164;

(b) the individual shares of the members of an association of persons in the whole or any part of the income of such association shall be deemed to be indeterminate or unknown if such shares (in relation to the whole or any part of such income) are indeterminate or unknown on the date of formation of such association or at any time thereafter.'.

Section 31 - Insertion Of New Section 180A

After section 180 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1986, namely :-

'180A. Consideration for know-how. - Where the time taken by an individual, who is resident in India, for developing any know-how is more than twelve months, he may elect that the gross amount of any lump sum consideration received or receivable by him during the previous year for allowing use of such know-how shall be treated for the purposes of charging income-tax for that year and for each of the two immediately preceding previous years as if one-third thereof were included in his income chargeable to tax for each of those years respectively and if he so elects, notwithstanding anything contained in any other provision of this Act, -

(a) such gross amount shall be so treated, and

(b) the assessments for each of the two preceding previous years shall, if made, be accordingly rectified under section 154, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the assessment relating to the previous year in which the amount was received or receivable by such individual is made.

Explanation : For the purposes of this section, the expression "know-how" has the meaning assigned to it in section 35AB.'.

Section 32 - Amendment Of Section 208

In section 208 of the Income-tax Act, in sub-section (2), in clauses (c) and (d), for the letters and figures "Rs. 15,000", the letters and figures "Rs. 18,000" shall be substituted.

Section 33 - Amendment Of Section 245D

In section 245D of the Income-tax Act, in sub-section (2A), after the words, brackets and figure "order under sub-section (1)", the words "allowing the application to be proceeded with" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1984.

Section 34 - Amendment Of Section 273A

In section 273A of the Income-tax Act, Explanation 2 below sub-section (1) shall be omitted.

Section 35 - Amendment Of Section 278A

In section 278A of the Income-tax Act, after the words, figures and letters "section 276CC", the words, figures and letters "or section 276DD" shall be inserted.

Section 36 - Consequential Amendments

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, 1986, namely :-

(a) in section 80A, -

(i) in sub-section (1), for the figures and letters "80VV", the figures and letter "80U" shall be substituted;

(ii) in sub-section (3), the words, figures and letters "or section 80JJ" shall be omitted;

(b) in section 80-O, for the Explanation, the following Explanation shall be substituted, namely :-

'Explanation : For the purposes of this section, -

(i) "convertible foreign exchange" means foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the law for the time being in force for regulating payments and dealings in foreign exchange;

(ii) any income used by the assessee outside India in the manner permitted by the Reserve Bank of India shall be deemed to have been brought into India in accordance with the law for the time being in force for regulating payments and dealings in foreign exchange, on the date on which such permission is given.';

(c) in section 80P, in sub-section (3), the words, figures and letters "or section 80JJ" shall be omitted and for the words, figures and letters "section 80J and section 80JJ", the words, figures and letter "and section 80J" shall be substituted;

(d) in section 80VVA, in sub-section (2), -

(i) after clause (xiii), the following clause shall be inserted, namely :-

"(xiiia) section 33AB;";

(ii) clause (xxiii) shall be omitted;

(iii) clause (xxvi) shall be omitted;

(e) in section 155, sub-section (11) shall be omitted;

(f) in section 269SS, in the Explanation, for clause (i), the following clause shall be substituted, namely :-

'(i) "banking company" means a company to which the Banking Regulation Act, 1949 (10 of 1949), applies and includes any bank or banking institution referred to in section 51 of that Act;';

(g) in section 269T, in the Explanation, for clause (i), the following clause shall be substituted, namely :-

'(i) "banking company" shall have the meaning assigned to it in clause (i) of the Explanation to section 269SS;';

(h) the Tenth Schedule shall be omitted.

Section 37 - Amendment Of Section 5

In section 5 of the Wealth-tax Act, 1957 (27 of 1957) (hereinafter referred to as the Wealth-tax Act), -

(a) in sub-section (1), with effect from the 1st day of April, 1986, -

(i) the following proviso shall be added to clause (i), namely :-

"Provided that nothing contained in this clause shall apply to any property forming part of any business, not being a business referred to in clause (a) or clause (b) of sub-section (4A) of section 11 of the Income-tax Act in respect of which separate books of account are maintained or a business carried on by an institution, fund or trust referred to in clause (22) or clause (22A) or clause (23B) or clause (23C) of section 10 of that Act;";

(ii) in clause (iv), the proviso shall be omitted;

(b) in sub-section (1A), with effect from the 1st day of April, 1986, -

(i) for the word, brackets and figures "clause (xv)", the word, brackets and figures "clauses (iv), (xv)" shall be substituted;

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

(iii) the second proviso [inserted by item (3) of sub-clause (ii) of clause (a) of section 34 of the Finance Act, 1984 (21 of 1984)] shall be omitted;

(iv) in the third proviso [inserted by item (3) of sub-clause (ii) of clause (a) of section 34 of the Finance Act, 1984 (21 of 1984)], for the words "Provided also", the words "Provided further" shall be substituted;

(c) in sub-section (3) [as amended by sub-clause (iii) of clause (a) of section 34 of the Finance Act, 1984 (21 of 1984)], the brackets, figures and letter "(xxva)," shall be omitted.

Section 38 - Amendment Of Section 18B

In section 18B of the Wealth-tax Act, Explanation 2 below sub-section (1) shall be omitted.

Section 39 - Amendment Of Section 22D

In section 22D of the Wealth-tax Act, in sub-section (2A), after the words, brackets and figure "order under sub-section (1)", the words "allowing the application to be proceeded with" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1984.

Section 40 - Amendment Of Schedule I

In the Wealth-tax Act, for Part I of Schedule I, the following Part shall be substituted with effect from the 1st day of April, 1986, namely :-

"PART I

(1) In the case of every individual or Hindu undivided family, not being a Hindu undivided family to which item (2) of this Part applies, -

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(a)	where the net wealth does not exceed Rs. 2,50,000	Nil;
(b)	where the net wealth exceeds Rs. 2,50,000 but does not exceed Rs. 10,00,000	1/2 per cent. of the amount by which the net wealth exceeds Rs. 2,50,000;
(c)	where the net wealth exceeds Rs. 10,00,000 but does not exceed Rs. 20,00,000	Rs. 3,750 plus 1 per cent. Of the amount by which the net wealth exceeds Rs. 10,00,000;
(d)	where the net wealth exceeds Rs. 20,00,000	Rs. 13,750 plus 2 per cent. Of the amount by which the net wealth exceeds Rs. 20,00,000.

(2) In the case of every Hindu undivided family which has at least one member whose net wealth assessable for the assessment year exceeds Rs. 2,50,000, -

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(a)	where the net wealth does not exceed Rs. 1,50,000	Nil;
(b)	where the net wealth exceeds Rs. 1,50,000 but does not	1 per cent. of the amount by which the net wealth

	exceed Rs. 5,00,000	exceeds Rs. 1,50,000;
(c)	where the net wealth exceeds	Rs. 3,500 plus 2 per cent. Of
	Rs. 5,00,000 but does not	the amount by which the net
	exceed Rs. 10,00,000	wealth exceeds Rs. 5,00,000;
(d)	where the net wealth exceeds	Rs. 13,500 plus 3 per cent.
	Rs. 10,00,000	of the amount by which the
		net wealth exceeds Rs. 10,00,000.".

Section 41 - Amendment Of Act 45 Of 1974

INTEREST-TAX

In the Interest-tax Act, 1974, in section 6, in sub-section (2), after the words, figures and letters "ending with the 30th day of June, 1980", the words, figures and letters "or after the 31st day of March, 1985" shall be inserted.