

Wealth-tax

Clause 106 seeks to amend section 18 of the Wealth-tax Act relating to penalty for failure to furnish returns, to comply with notices and concealment of assets, etc.

The provisions contained in sub-section (1) of the said section provide for levy of penalty in cases of failure to comply with notices issued under sub-section (2) or sub-section (4) of section 16 in the course of any proceedings under the Wealth-tax Act and in cases wherein particulars of any assets have been concealed or inaccurate particulars of any assets or debts have been furnished. Clause (A) of *Explanation 2* to sub-section (1) provides that where a person fails to offer an explanation in respect of any facts material to the computation of net wealth in his case, or offers an explanation which is found by the authorities specified in the provision to be false, the amount added or disallowed in computing the net wealth as a result thereof shall be deemed to represent the value of the assets in respect of which particulars have been concealed.

It is proposed to amend the said clause so as to include a reference therein to the Commissioner as being one of the authorities for the purposes of the clause.

This amendment will take effect from 1st June, 2002.

Under the existing provisions contained in *Explanation 3* to sub-section (1), if any person who has not been assessed previously is found to have taxable net wealth for a year, and fails to furnish a return for that year until the expiry of the period during which he was assessable therefor, and no notice under sub-section (1) of section 17A requiring him to furnish a return was issued to him, such person will be deemed to have concealed the particulars of his assets or furnished inaccurate particulars of his assets or debts for that year.

It is proposed to omit the reference to the person who has not previously been assessed under the said *Explanation 3* so as to make its provisions applicable even to persons who have been assessed earlier.

This amendment will take effect from 1st April, 2003.

Clause 107 seeks to amend section 18C of the Wealth-tax Act relating to procedure when assessee claims identical question of law is pending before the High Court or the Supreme Court.

The existing provisions contained in section 18C provide for a special procedure in cases where an assessee claims that any

question of law arising in his case for an assessment year which is pending before the Assessing Officer or any appellate authority is identical with a question of law arising in his case for another assessment year which is pending before the High Court or before the Supreme Court on a reference under section 27 or in appeal before the Supreme Court under section 29. In such cases, the assessee may furnish a declaration that if the Assessing Officer or the appellate authority, as the case may be, agrees to apply the final decision of the High Court or the Supreme Court on the question of law to the relevant case, the assessee shall not raise such question of law in the relevant case in appeal before any appellate authority or for a reference before the High Court or the Supreme Court or in appeal before the Supreme Court.

Section 27A relating to appeal to High Court was inserted in the Wealth-tax Act by the Finance (No.2) Act, 1998. It is proposed to amend sub-section (1) of section 18C so as to include therein references relating to "appeals to the High Court under section 27A", and omit reference relating to "section 27" in sub-section (4) of section 18C.

This amendment is of consequential nature.

These amendments will take effect from 1st June, 2002.

Clause 108 seeks to amend section 22D of the Wealth-tax Act relating to procedure on receipt of an application under section 22C.

Under the existing provisions contained in section 22D, the Settlement Commission, on receipt of an application for settlement under section 22C, shall call for a report from the Commissioner having jurisdiction over the case. On the basis of the report of the Commissioner and having regard to the nature, circumstances of the case or complexity of the investigation involved therein, the Settlement Commission may pass an order either allowing the application to be proceeded with or rejecting the same. Where an application is allowed to be proceeded with, the Settlement Commission may direct the Commissioner to make such further enquiry or investigation as it considers necessary, and may call for the relevant records from the Commissioner for its examination. After examining the relevant records and the Commissioner's report and after giving an opportunity to the applicant of being heard the Settlement Commission may pass such orders as it thinks fit on the matters covered by the application and any other matter referred to in that section.

It is proposed to amend sub-section (1) of the said sub-section so as to provide that the Settlement Commission shall, where it is possible, pass an order either rejecting the application or allowing the application to be proceeded with within a period of one year from the end of the month in which such application is made under section 22C.

It is further proposed to insert a new sub-section (4A) in the aforesaid section so as to provide that in every application, the Settlement Commission shall, where it is possible, pass an order under sub-section (4) within a period of four years from the end of the financial year in which such application was allowed to be proceeded with.

These amendments will take effect from 1st June, 2002.

Clause 109 seeks to omit section 22HA of the Wealth-tax Act relating to power of Settlement Commission to send a case back to the Assessing Officer if the assessee does not co-operate.

Under the existing provisions contained in section 22HA, the Settlement Commission has been vested with the powers to send a case back to the Assessing Officer if in its opinion the assessee has not co-operated in the proceedings before the Commission, and in such cases, the Assessing Officer shall dispose of the case

in accordance with the provisions of the Act as if no application under section 22C had been made.

It is proposed to omit section 22HA so as to withdraw the power of Settlement Commission to send the case back to the Assessing Officer.

This amendment will take effect from 1st June, 2002.

Clause 110 seeks to amend section 34A of the Wealth-tax Act relating to refunds.

Under the existing provision contained in sub-section (3) of the said section, where a refund is due to the assessee in pursuance of an order referred to in sub-section (1) and the Assessing Officer does not grant the refund within a period of six months from the date of such order, the Central Government shall pay to the assessee simple interest at nine per cent. per annum on the amount of refund due for the period specified in the said sub-section.

Sub-clause (a) seeks to amend the said sub-section (3) so as to reduce the rate of interest from nine per cent. per annum to eight per cent. per annum.

Under the existing provision contained in clause (a) of sub-section (4B) of the said section, where refund of any amount becomes due to the assessee under the said Act, he shall be entitled to receive, in addition to the said amount, simple interest thereon calculated at the rate of three-fourth per cent. for every month or part of a month for the period specified in the said clause.

Sub-clause (b) seeks to amend the said clause (a) of sub-section (4B) so as to reduce the rate of interest from three-fourth per cent. to two-third per cent. for every month or part thereof, as the case may be.

These amendments will take effect from 1st June, 2002.

Expenditure-tax

Clause 111 seeks to amend section 3 of the Expenditure-tax Act so as to make the provisions of the Act applicable to hotels wherein room charges for any unit of residential accommodation are three thousand rupees or more per day, instead of two thousand rupees or more per day per individual.

This amendment will take effect from 1st June, 2002 and will, accordingly, apply in relation to expenditure incurred on or after that date.

Clause 112 seeks to amend section 5 of the Expenditure-tax Act relating to meaning of chargeable expenditure.

Under the existing provisions contained in clause (1) of the said section, the expenditure-tax is levied on chargeable expenditure incurred in, or payments made to, a hotel in connection with the provision of any accommodation, residential or otherwise; or food or drink; or any accommodation in such hotel on hire or lease; or any other services at the hotel by way of beauty parlour, health club, swimming pool or other services.

It is proposed to omit clauses (b) and (d) so as to provide that chargeable expenditure shall not include expenditure incurred in, or the payments made to, the hotel on or after the 1st June, 2002, in connection with the provision of food or drink by the hotel whether at the hotel or outside, or by any other person at the hotel; or any other services at the hotel, either by the hotel or by any other person, by way of beauty parlour, health club, swimming pool or other services.

This amendment will take effect from 1st June, 2002 and will, accordingly, apply in relation to expenditure incurred on or after that date.

Customs

Clause 113 seeks to amend section 4 of the Customs Act so as to empower the "Board" to appoint officers of customs and to delegate such powers to officers of customs not below the rank of Assistant Commissioner of Customs.

Clause 114 seeks to amend section 14 of the Customs Act so as to—

(a) amend the condition under which the price is deemed to be the value under this section;

(b) empower the Board,—

(i) to fix tariff values for any class of imported goods or export goods;

(ii) determine the rate of exchange,

and incorporate the definitions of the "foreign currency" and "Indian currency" as per the provisions of the Foreign Exchange Management Act, 1999.

Clause 115 seeks to amend section 25 of the Customs Act, so as to empower the Central Government to issue the notification or order to clarify the scope or applicability of any exemption notification or order issued under that section within one year from the date of issue of the notification or the order.

Clause 116 seeks to amend section 28AA of the Customs Act so as to reduce the minimum rate of interest from eighteen per cent. to ten per cent. on delayed payment of duty.

Clause 117 seeks to amend section 28AB of the Customs Act so as to reduce the minimum rate of interest from eighteen per cent. to ten per cent. on delayed payment of duty.

Clause 118 seeks to omit the words "except in the case of a resident applicant" from section 28-I of the Customs Act so as to exclude all applications involving questions which are already pending in the case of a resident applicant before any officer of Customs, the Appellate Tribunal or any court or the same as in a matter already decided by the Appellate Tribunal or any court from the purview of the Authority for Advance Rulings in Customs and Central Excise.

Clause 119 seeks to amend section 47 of the Customs Act so as to increase the duration of interest free duty payment from two days to five days and also to reduce the minimum rate of interest from eighteen per cent. to ten per cent. on delayed payment of duty.

Clause 120 seeks to amend section 61 of the Customs Act so as to—

(i) empower the Commissioner of Customs to extend the period of warehousing in the case of hundred per cent. export oriented undertaking for such further period as he may deem fit; and

(ii) empower the Commissioner of Customs to extend the period of warehousing in any other case for a period not exceeding six months and the Chief Commissioner of Customs to extend it for such further period as he may deem fit.

Clause 121 seeks to amend section 129B of the Customs Act so as to—

(i) reduce the time period, from four years to six months, during which an application for rectification of mistakes can be made;

(ii) provide for a time-limit of three years within which, where it is possible, appeal should be decided by the Appellate Tribunal, and also to provide that in cases where stay order has been passed by the Tribunal, time-limit of disposing of the appeal shall be one hundred and eighty days and in the case of non-disposal of the case, automatic vacation of the stay order has been provided.

Clause 122 seeks to amend section 129D of the Customs Act so as to reduce the period of review of the order of the adjudicating authority from one year to six months where it is possible.

Clause 123 seeks to insert a new section 8C after section 8B in the Customs Tariff Act so as to empower the Central Government to impose transitional product specific safeguard duty on imports from the People's Republic of China.

Clause 124 seeks to exempt additional duty of customs on barge mounted power plants retrospectively within the period from 8th December, 2000 to 28th February, 2002 (both the dates inclusive) and to refund accordingly the additional duty of customs collected on such plants.

Clause 125 seeks to amend the First Schedule to the Customs Tariff Act so as to—

(a) reduce the basic customs duty in respect of articles falling under the following Chapters, headings and sub-headings, namely:—

Chapters 1, 2 (except sub-headings 0207.13 and 0207.14), 3, 4 (except sub-headings 0402.10, 0402.21, 0405.10 and 0406.90), 5, 6 (sub-headings 0603.10, 0603.90, 0604.10, 0604.91 and 0604.99), 7 (except sub-heading 0713.10), 8 (except sub-headings 0801.11, 0801.19, 0802.11, 0802.12, 0802.90, 0805.10, 0805.40, 0805.50, 0806.10, 0808.10, 0808.20, 0809.40 and 0813.20), 9 (sub-headings 0903.00, 0905.00, 0906.10, 0906.20, 0908.10, 0908.20, 0909.10, 0909.20, 0909.30, 0909.40, 0909.50, 0910.10, 0910.20, 0910.30, 0910.40, 0910.50, 0910.91 and 0910.99), 11 (except sub-heading 1107.10), 12 (except sub-headings 1203.00, 1207.91, 1209.91 and 1209.99), 13, 14, 15 (sub-headings 1501.00, 1503.00, 1504.10, 1504.20, 1504.30, 1505.00, 1506.00, 1516.10, 1516.20, 1517.10, 1517.90, 1518.00, 1520.00, 1521.10, 1521.90 and 1522.00), 16 (except sub-headings 1601.00 and 1602.32), 17 (except sub-headings 1701.11, 1701.12, 1701.91, 1701.99 and 1704.10), 18, 19 (except sub-headings 1901.10, 1905.31 and 1905.32), 20 (except sub-headings 2004.10, 2009.11, 2009.12 and 2009.19), 21, 22 (sub-headings 2201.10, 2201.90, 2202.10, 2202.90, 2207.10, 2207.20, 2208.20, 2208.30, 2208.40, 2208.50, 2208.60, 2208.70, 2208.90 and 2209.00), 23, 24, 25 (sub-headings 2504.10, 2504.90, 2515.11, 2515.12, 2515.20, 2516.11, 2516.12, 2516.21, 2516.22, 2516.90, 2519.10, 2519.90, 2523.10, 2523.21, 2523.29, 2523.30 and 2523.90), 26 (sub-headings 2620.11, 2620.19 and 2620.30), 27 (sub-headings 2705.00, 2706.00, 2707.10, 2707.20, 2707.30, 2707.50, 2707.91, 2707.99, 2708.10, 2708.20, 2709.00, 2710.11, 2710.19, 2710.91, 2710.99, 2712.10, 2712.20, 2712.90, 2713.11, 2713.12, 2713.20, 2713.90 and 2715.00), 28 (except sub-headings 2801.20, 2814.10, 2814.20 and 2845.10), 29 (except sub-headings 2901.10, 2901.21, 2901.22, 2901.23, 2901.24, 2901.29, 2902.11, 2902.19, 2902.20, 2902.30, 2902.41, 2902.42, 2902.43, 2902.44, 2902.50, 2902.60, 2902.70, 2902.90, 2903.15, 2903.21, 2905.11, 2905.31, 2907.11, 2910.30, 2915.21, 2917.12, 2917.36, 2917.37, 2918.12, 2926.10, 2933.21 and 2933.71), 30 (except sub-heading 3006.60), 31 (except sub-headings 3102.21, 3102.50, 3104.30, 3105.20, 3105.30, 3105.40, 3105.51, 3105.59, 3105.60 and 3105.90), 32 (except sub-headings 3201.10, 3201.20 and 3201.90), 33, 34, 35, 36, 37 (sub-headings 3702.32, 3702.39, 3702.42, 3702.43, 3702.44, 3707.10 and 3707.90), 38 (except sub-headings 3815.11, 3815.12, 3815.19, 3815.90, 3818.00 and 3823.70), 39, 40 (except sub-headings 4001.10, 4001.21, 4001.22, 4001.29 and 4011.30), 42, 43 (sub-headings 4303.10, 4303.90 and 4304.00), 44 (except sub-headings 4401.10, 4401.21,

4401.22, 4401.30, 4402.00, 4403.10, 4403.20, 4403.41, 4403.49, 4403.91, 4403.92, 4403.99, 4404.10, 4404.20, 4405.00, 4406.10, 4406.90, 4407.10, 4407.24, 4407.25, 4407.26, 4407.29, 4407.91, 4407.92 and 4407.99), 45, 46, 48 (except sub-heading 4801.00), 50 (except sub-headings 5003.10 and 5003.90), 51 (sub-headings 5101.21, 5101.30, 5109.10, 5109.90, 5110.00 and 5113.00), 52 (sub-headings 5203.00, 5207.90, 5208.11, 5208.12, 5208.13, 5208.19, 5208.21, 5208.22, 5208.23, 5208.29, 5208.31, 5208.32, 5208.33, 5208.39, 5208.43, 5208.49, 5209.11, 5209.12, 5209.19, 5209.21, 5209.22, 5209.29, 5209.31, 5209.32, 5209.39, 5209.41, 5209.43, 5209.49, 5210.11, 5210.12, 5210.19, 5210.21, 5210.22, 5210.29, 5210.31, 5210.32, 5210.39, 5210.42, 5210.49, 5211.11, 5211.12, 5211.19, 5211.21, 5211.22, 5211.29, 5211.31, 5211.32, 5211.39, 5211.41, 5211.43, 5211.49, 5212.11, 5212.12, 5212.13, 5212.14, 5212.15, 5212.21, 5212.22, 5212.23 and 5212.25), 53, 54 (sub-headings 5408.10 and 5408.21), 55 (sub-headings 5505.10, 5505.20, 5512.11, 5512.21, 5512.91, 5513.11, 5513.12, 5513.13, 5513.19, 5513.21, 5513.22, 5513.23, 5513.29, 5513.32, 5513.33, 5513.39, 5513.42, 5513.43, 5513.49, 5514.11, 5514.12, 5514.13, 5514.19, 5514.21, 5514.22, 5514.23, 5514.29, 5514.31, 5514.33, 5514.42, 5514.43, 5514.49, 5515.12, 5515.13, 5515.21, 5515.22, 5515.91, 5515.92, 5516.11, 5516.12, 5516.13, 5516.21, 5516.22, 5516.23, 5516.31, 5516.32, 5516.33, 5516.34, 5516.41, 5516.42, 5516.91, 5516.92 and 5516.94), 56 (sub-headings 5601.10, 5608.11, 5608.19, 5608.90 and 5609.00), 57 (sub-headings 5701.10, 5701.90, 5702.10, 5702.20, 5702.31, 5702.32, 5702.39, 5702.41, 5702.42, 5702.49, 5702.51, 5702.52, 5702.59, 5702.91, 5702.92, 5702.99, 5703.10, 5703.20, 5703.30, 5703.90, 5704.10, 5704.90 and 5705.00), 58 (sub-headings 5801.10, 5801.21, 5801.22, 5801.23, 5801.24, 5801.25, 5801.26, 5801.31, 5801.32, 5801.33, 5801.34, 5801.36, 5801.90, 5802.20, 5802.30, 5803.10, 5803.90, 5804.10, 5804.21, 5804.29, 5804.30, 5805.00, 5806.10, 5806.20, 5806.31, 5806.39, 5806.40, 5808.10, 5810.10, 5810.91, 5810.92, 5810.99 and 5811.00), 59 (sub-headings 5904.10, 5904.90, 5905.00, 5906.10, 5906.91, 5906.99, 5907.00, 5908.00, 5909.00, 5911.20, 5911.31, 5911.32, 5911.40 and 5911.90), 60 (except sub-headings 6001.92, 6005.21, 6005.22, 6005.23, 6005.24, 6005.31, 6005.32, 6005.33, 6005.34, 6005.41, 6005.42, 6005.43 and 6005.44), 61 (sub-headings 6101.10, 6101.20, 6101.30, 6101.90, 6102.10, 6102.20, 6102.30, 6102.90, 6103.11, 6103.12, 6103.19, 6103.21, 6103.22, 6103.23, 6103.29, 6103.31, 6103.32, 6103.33, 6103.39, 6103.41, 6103.42, 6103.43, 6103.49, 6104.11, 6104.12, 6104.13, 6104.19, 6104.21, 6104.22, 6104.23, 6104.29, 6104.31, 6104.32, 6104.33, 6104.39, 6104.41, 6104.42, 6104.43, 6104.44, 6104.49, 6104.51, 6104.52, 6104.53, 6104.59, 6104.61, 6104.62, 6104.63, 6104.69, 6105.10, 6105.20, 6105.90, 6106.10, 6106.20, 6106.90, 6107.11, 6107.12, 6107.19, 6107.21, 6107.22, 6107.29, 6107.91, 6107.92, 6107.99, 6108.11, 6108.19, 6108.21, 6108.22, 6108.29, 6108.31, 6108.32, 6108.39, 6108.91, 6108.92, 6108.99, 6109.10, 6109.90, 6110.11, 6110.12, 6110.19, 6110.20, 6110.30, 6110.90, 6111.10, 6111.20, 6111.30, 6111.90, 6112.11, 6112.12, 6112.19, 6112.20, 6112.31, 6112.39, 6112.41, 6112.49, 6113.00, 6114.10, 6114.20, 6114.30, 6114.90, 6115.11, 6115.12, 6115.19, 6115.20, 6115.91, 6115.92, 6115.93, 6115.99, 6116.10, 6116.91, 6116.92, 6116.93, 6116.99, 6117.10, 6117.20, 6117.80 and 6117.90), 62 (sub-headings 6201.11, 6201.12, 6201.13, 6201.19, 6201.91, 6201.92, 6201.93, 6201.99, 6202.11, 6202.12, 6202.13, 6202.19, 6202.91, 6202.92, 6202.93, 6202.99, 6203.11, 6203.12, 6203.19, 6203.21, 6203.22, 6203.23, 6203.29, 6203.31, 6203.32, 6203.33, 6203.39, 6203.41, 6203.42, 6203.43, 6203.49, 6204.11, 6204.12, 6204.13, 6204.19,

6204.21, 6204.22, 6204.23, 6204.29, 6204.31, 6204.32, 6204.33, 6204.39, 6204.41, 6204.42, 6204.43, 6204.44, 6204.49, 6204.51, 6204.52, 6204.53, 6204.59, 6204.61, 6204.62, 6204.63, 6204.69, 6205.10, 6205.20, 6205.30, 6205.90, 6206.10, 6206.20, 6206.30, 6206.40, 6206.90, 6207.11, 6207.19, 6207.21, 6207.22, 6207.29, 6207.91, 6207.92, 6207.99, 6208.11, 6208.19, 6208.21, 6208.22, 6208.29, 6208.91, 6208.92, 6208.99, 6209.10, 6209.20, 6209.30, 6209.90, 6210.10, 6210.20, 6210.30, 6210.40, 6210.50, 6211.11, 6211.12, 6211.20, 6211.31, 6211.32, 6211.33, 6211.39, 6211.41, 6211.42, 6211.43, 6211.49, 6212.10, 6212.20, 6212.30, 6212.90, 6213.10, 6213.20, 6213.90, 6214.10, 6214.20, 6214.30, 6214.40, 6214.90, 6215.10, 6215.20, 6215.90, 6216.00, 6217.10, 6217.90, 63 (except sub-headings 6310.10 and 6310.90), 64, 65, 66, 67, 68, 69 (except sub-headings 6902.10, 6902.20, 6902.90, 6903.10, 6903.20 and 6903.90), 70 (except sub-headings 7019.19 and 7019.51), 71, 73, 74, 75 (sub-headings 7508.10 and 7508.90), 76, 78, 79, 80, 81 (except sub-headings 8104.11 and 8104.19), 82, 83, 84 (sub-headings 8407.31, 8407.32, 8407.33, 8407.34, 8408.20, 8409.91, 8409.99, 8414.30, 8414.51, 8414.59, 8414.80, 8414.90, 8415.10, 8415.20, 8415.81, 8415.82, 8415.83, 8415.90, 8418.21, 8418.22, 8418.29, 8418.91, 8418.99, 8422.11, 8422.19, 8422.90, 8423.10, 8448.19, 8450.11, 8450.12, 8450.19, 8450.20, 8450.90, 8451.10, 8451.90, 8452.10, 8452.90, 8469.12, 8469.20, 8469.30, 8472.10, 8472.20, 8472.30, 8472.90, 8473.10, 8473.40, 8473.50, 8479.50, 8479.60, 8479.89, 8482.10, 8482.20, 8482.30, 8482.40, 8482.50, 8482.80, 8482.91, 8482.99, 8483.20, 8485.10 and 8485.90), 85 (sub-headings 8504.10, 8506.10, 8506.30, 8506.40, 8506.50, 8506.60, 8506.80, 8506.90, 8507.10, 8507.20, 8507.30, 8507.40, 8507.80, 8507.90, 8509.10, 8509.20, 8509.30, 8509.40, 8509.80, 8509.90, 8510.10, 8510.20, 8510.30, 8510.90, 8511.10, 8511.20, 8511.30, 8511.40, 8511.50, 8511.80, 8511.90, 8512.10, 8512.20, 8512.30, 8512.40, 8512.90, 8513.10, 8513.90, 8516.10, 8516.21, 8516.29, 8516.31, 8516.32, 8516.33, 8516.40, 8516.50, 8516.60, 8516.71, 8516.72, 8516.79, 8516.80, 8518.10, 8518.21, 8518.22, 8518.29, 8518.30, 8518.40, 8518.50, 8519.10, 8519.21, 8519.29, 8519.31, 8519.39, 8519.40, 8519.92, 8519.93, 8519.99, 8520.10, 8520.32, 8520.33, 8520.39, 8520.90, 8521.10, 8521.90, 8522.10, 8522.90, 8523.11, 8523.12, 8523.13, 8523.20, 8523.30, 8523.90, 8524.10, 8524.31, 8524.32, 8524.39, 8524.40, 8524.51, 8524.52, 8524.53, 8524.60, 8524.91, 8524.99, 8525.30, 8525.40, 8526.10, 8526.91, 8526.92, 8527.12, 8527.13, 8527.19, 8527.21, 8527.29, 8527.31, 8527.32, 8527.39, 8527.90, 8528.12, 8528.13, 8528.21, 8528.22, 8528.30, 8531.10, 8531.80, 8531.90, 8536.10, 8536.20, 8536.30, 8536.41, 8536.49, 8536.50, 8536.61, 8536.69, 8536.90, 8537.10, 8538.10, 8538.90, 8539.10, 8539.21, 8539.22, 8539.29, 8539.31, 8539.32, 8539.39, 8539.41, 8539.49, 8539.90, 8540.11, 8540.91, 8543.40, 8543.89, 8544.11, 8544.19, 8544.20, 8544.30, 8544.41, 8544.49, 8544.51, 8544.59, 8544.60, 8548.10 and 8548.90), 86 (except sub-headings 8607.11, 8607.12, 8607.19, 8607.21, 8607.29, 8607.30, 8607.91, 8607.99 and 8608.00), 87 (except sub-headings 8703.10, 8703.21, 8703.22, 8703.23, 8703.24, 8703.31, 8703.32, 8703.33, 8703.90, 8710.00, 8711.10, 8711.20, 8711.30, 8711.40, 8711.50 and 8711.90), 88 (sub-headings 8801.90, 8802.60, 8803.90, 8804.00, 8805.10, 8805.21 and 8805.29), 89 (except sub-headings 8902.00, 8904.00, 8905.10, 8905.90, 8906.10, 8906.90 and 8908.00), 90 (sub-headings 9001.10, 9001.20, 9001.30, 9001.40, 9001.50, 9001.90, 9002.11, 9002.19, 9002.20, 9002.90, 9003.11, 9003.19, 9003.90, 9004.10, 9004.90, 9005.10, 9005.80, 9005.90, 9006.10, 9006.20, 9006.30, 9006.40, 9006.51, 9006.52, 9006.53, 9006.59, 9006.61, 9006.62, 9006.69, 9008.10, 9008.20, 9008.30, 9008.40, 9009.12,

9009.22, 9009.30 9010.60 9022.19, 9022.29, 9022.30, 9022.90 and 9026.90), 91(sub-headings 9101.11, 9101.12, 9101.19, 9101.21, 9101.29, 9101.91, 9101.99, 9102.11, 9102.12, 9102.19, 9102.21, 9102.29, 9102.91, 9102.99, 9103.10, 9103.90, 9104.00, 9105.11, 9105.19, 9105.21, 9105.29, 9105.91, 9105.99, 9106.10, 9106.20, 9106.90, 9107.00, 9111.10, 9111.20, 9111.80, 9111.90, 9112.20, 9112.90, 9113.10, 9113.20 and 9113.90), 92, 93, 94, 95 (except sub-headings 9506.11, 9506.12, 9506.19, 9506.21, 9506.29, 9506.31, 9506.32, 9506.39, 9506.40, 9506.51, 9506.59, 9506.61, 9506.62, 9506.69, 9506.70, 9506.91, 9506.99, 9507.10, 9507.20, 9507.30 and 9507.90), 96 and 97 (except sub-heading 9704.00) and 98(sub-headings 9802.00, 9804.10, 9804.90, 9805.10, and 9805.90);

(b) increase the basic customs duty in respect of articles falling under the following Chapters, headings and sub-headings, namely:—

Chapters 9 (sub-headings 0901.11, 0901.12, 0901.21, 0901.22, 0901.90, 0902.10, 0902.20, 0902.30, 0902.40, 0904.11, 0904.12, 0904.20, 0907.00 and 0908.30), 12 (sub-heading 1207.91), 29 (sub-heading 2902.43), 40 (sub-heading 4001.10), 72 (except sub-headings 7201.10, 7201.20, 7201.50, 7202.11, 7202.19, 7202.21, 7202.29, 7202.30, 7202.41, 7202.49, 7202.50, 7202.60, 7202.70, 7202.80, 7202.91, 7202.92, 7202.93 and 7202.99) and 89 (sub-heading 8908.00);

(c) reduce the basic customs duty, for preferential areas in respect of articles falling under the following Chapters, headings and sub-headings, namely:—

Chapters 8 (except sub-headings 0801.11, 0801.19, 0801.31, 0802.12, 0802.90, 0805.10, 0805.50, 0806.10, 0808.10, 0809.40, 0810.60 and 0810.90), 9 (sub-headings 0903.00, 0906.10, 0906.20, and 0908.10), 12 (sub-headings 1201.00, 1202.10, 1202.20, 1204.00, 1205.10, 1205.90, 1206.00, 1207.10, 1207.20, 1207.30, 1207.40, 1207.50, 1207.60 and 1207.99), 13 (sub-heading 1301.20), 25 (sub-headings 2504.10 and 2504.90), 29 (sub-headings 2936.10, 2936.21, 2936.22, 2936.23, 2936.24, 2936.25, 2936.26, 2936.27, 2936.28, 2936.29, 2936.90, 2937.11, 2937.12, 2937.19, 2937.21, 2937.22, 2937.23, 2937.29, 2937.31, 2937.39, 2937.40, 2937.50, 2937.90, 2939.41, 2939.42, 2939.43, 2939.49, 2939.51, 2939.59, 2941.10, 2941.20, 2941.30, 2941.40, 2941.50 and 2941.90), 30 (except sub-headings 3005.10, 3005.90, 3006.10, 3006.20, 3006.30, 3006.40, 3006.50, 3006.60, 3006.70 and 3006.80), 34 (sub-headings 3402.11, 3402.12, 3402.13 and 3402.19) and 38 (sub-headings 3801.10, 3802.10 and 3812.10);

(d) increase the basic customs duty, for preferential areas, in respect of articles falling under the following Chapters, headings and sub-headings, namely:—

Chapters 5 (sub-heading 0507.10), 7, 8 (sub-headings 0802.90, 0806.10, 0808.10, 0810.60 and 0810.90), 9 (sub-headings 0901.11, 0901.12, 0901.21, 0901.22, 0901.90, 0902.10, 0902.20, 0902.30, 0902.40, 0904.11, 0904.12, 0907.00, and 0908.30), 12 (sub-heading 1207.91) and 15 (sub-headings 1507.10, 1507.90, 1508.10, 1508.90, 1509.10, 1509.90, 1510.00, 1511.10, 1511.90, 1512.11, 1512.19, 1512.21, 1512.29, 1513.11, 1513.19, 1513.21, 1513.29, 1514.11, 1514.19, 1514.91, 1514.99, 1515.11, 1515.19, 1515.21, 1515.29, 1515.30, 1515.40, 1515.50 and 1515.90).

Excise

Clause 126 seeks to amend section 2 of the Central Excise Act so as to empower the Central Government to specify, by notification in the Official Gazette, any activity in relation to any goods as amounting to manufacture.

Clause 127 seeks to amend section 3 of the Central Excise Act so as to change the definition of “free trade zone” to exclude reference to Kandla FTZ and SEEPZ which have now become Special Economic zone.

Clause 128 seeks to amend section 5A of the Central Excise Act, so as to empower the Central Government to issue the notification or order to clarify the scope or applicability of any exemption notification or order issued under this section within one year from the date of issue of the notification or the order.

Clause 129 seeks to amend section 11AA of the Central Excise Act so as to reduce the minimum rate of interest from eighteen per cent. to ten per cent. on delayed payment of duty.

Clause 130 seeks to amend section 11AB of the Central Excise Act so as to reduce the minimum rate of interest from eighteen per cent. to ten per cent. on delayed payment of duty.

Clause 131 seeks to omit sections 16 and 17 of the Central Excise Act as these provisions are no longer required.

Clause 132 seeks to omit the words “except in the case of a resident applicant” from section 23D of the Central Excise Act so as to exclude the application involving question which is already pending in the applicant’s case before any officer of customs, the Appellate Tribunal or any court or the same as in a matter already decided by the Appellate Tribunal or any court from the purview of the Authority for Advance Rulings in Customs and Central Excise.

Clause 133 seeks to omit Chapter IV of the Central Excise Act as these provisions are no longer required.

Clause 134 seeks to amend section 35C of the Central Excise Act so as to—

(i) reduce the time period, from four years to six months, during which an application for rectification of mistakes can be made;

(ii) provide for a time-limit of three years within which, where it is possible, appeal should be decided by the Appellate Tribunal, and also to provide that in cases where stay order has been passed by the Tribunal, time-limit of disposing of the appeal shall be one hundred and eighty days and in the case of non-disposal of the case, automatic vacation of the stay order has been provided.

Clause 135 seeks to amend section 35E of the Central Excise Act so as to reduce the period of review of the order of the adjudicating authority from one year to six months where it is possible.

Clause 136 seeks to exclude crude petroleum oil based goods from the exemption applicable to industrial units in the North-East, in the manner specified in the Third Schedule with retrospective effect.

Clause 137 seeks to amend notification issued under rule 57AK of the Central Excise Rules, 1944 in the manner as specified in the Fourth Schedule with retrospective effect.

Clause 138 seeks to amend the First and Second Schedules of the Central Excise Tariff Act:

Sub-clause (i) seeks to amend the said First Schedule so as to—

(a) decrease the excise duty in respect of goods falling under the following Chapter and sub-heading No., namely:—

Chapter 9 (sub-heading No. 0902.00);

(b) increase the excise duty in respect of goods falling under the following Chapters, heading No. and sub-heading Nos., namely:—

Chapters 24 (sub-heading Nos. 2402.00, 2403.31 and 2403.32), 30 (sub-heading No. 3004.10), 40 (sub-heading Nos. 4011.10 and 4013.10), 44 (sub-heading Nos. 4410.19 and 4410.90), 48 (sub-heading Nos. 4820.00, 4821.00 and 4823.20), 59 (sub-heading No. 5906.10), 61 (sub-heading Nos. 6101.00 and 6102.00), 66 (sub-heading Nos. 6601.00 and 6602.00), 68 (sub-heading No. 6807.20), 70 (sub-heading Nos. 7011.10 and 7012.10), 73 (sub-heading No. 7326.21), 74 (sub-heading No. 7418.10), 82 (sub-heading No. 8215.00), 84 (sub-heading Nos. 8413.11, 8413.12, 8413.13, 8413.14, 8413.20, 8413.91, 8414.10, 8414.20, 8414.91, 8481.20, 8481.92 and 8483.10), 85 (sub-heading No. 8524.32), 87 (sub-heading No. 8712.00), 90 (sub-heading Nos. 9018.00, 9019.00 and 9022.10), 94 (sub-heading Nos. 9405.10, and 9406.00), and 95 (sub-heading Nos. 9501.00, 9502.00 and 9503.00);

(c) amend the Chapter Notes and the tariff descriptions so as to—

(i) insert Chapter Note 4 to Chapter 17 so as to define “manufacture” in relation to products of heading No. 17.02;

(ii) insert in Chapter 36, a new sub-heading 3605.10 so as to specify the rate of excise duty on Bengal Lights at 16%;

(iii) delete reference to Central Excise Rules, 1944 which have been rescinded with effect from the 1st July, 2001 in Chapter 40;

(iv) incorporate the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001 which have superseded the relevant provisions of the Central Excise Rules, 1944 with effect from the 1st July, 2001 in the sub-heading Notes in Chapter 48;

(v) insert Chapter Notes 3 and 4 to Chapter 61 so as to define “brand name” and to specify that certain processes amount to manufacture respectively;

(vi) insert Chapter Note 4 to Chapter 73 so as to provide that the process of galvanization amounts to “manufacture”.

Sub-clause (ii) seeks to amend the said Second Schedule so as to omit heading Nos. 25.02, 33.04, 33.05, 33.07, 43.01, 89.03, 89.07, 93.02, 93.03, 93.04, 93.05, 93.06, 93.07 and 96.05.

Clause 139 seeks to amend the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act so as to increase the duty on goods falling under sub-heading Nos. 5207.20, 5208.20, 5209.10, 5406.10, 5407.10, 5511.10, 5512.10, 5513.10, 5514.10, 5801.21, 5801.31, 5802.21, 5802.31, 6002.10 and 6002.20.

Clause 140 seeks to levy Special Additional Duties of Excise as a duty of excise on goods specified in the Eighth Schedule, for the purposes of Union, at the rate specified therein.

Clause 141 seeks to amend section 65 of the Finance Act, 1994 so as to give retrospective effect from the 16th July, 2001 to such date as appointed by the Central Government under clause 142, for the purpose of that section, to the specified provisions of section 65 of the said Act relating to levy and collection of service tax on the service rendered by a broadcasting agency or organisation.

Clause 142 seeks to amend Chapter V of the Finance Act, 1994 relating to levy of service tax.

Sub-clauses (a), (b) and (c) seek to substitute sections 65 and 66 and amend section 67 of the said Act, so as to levy the tax on services rendered by—

(i) a beauty parlour relating to beauty treatment service;

(ii) a cable operator in relation to cable services;

(iii) a cargo handling agency in relation to cargo handling;

(iv) a dry cleaner in relation to dry cleaning;

(v) an event manager in relation to event management;

(vi) a fashion designer in relation to fashion designing;

(vii) a health club and a fitness centre in relation to health and fitness services;

(viii) an insurer in relation to life insurance business;

(ix) a storage or warehouse-keeper in relation to storage and warehousing of goods;

(x) a rail travel agent in relation to booking of a passage for travel by rail;

(xi) an actuary or intermediary or insurance intermediary or insurance agent, in relation to insurance auxiliary services concerning life insurance business;

(xii) a body corporate (other than banking company or a financial institution including non-banking financial company), in relation to banking and financial service.

Service tax is sought to be levied on the above services at the rate of five per cent. on the gross amount charged to the client or customer or subscriber or policy-holder or any other person, as the case may be, provided by the service provider.

Sub-clause (d) seeks to amend section 73 of the said Act so as to define the words “relevant date” for the purposes of that section for computation of time-limit for issue of show-cause notice, in cases where periodic return is filed, or not filed, assessment is provisional, and where any sum has erroneously been refunded. It also seeks to increase limitation period for issuing show-cause notice from six months to one year.

Sub-clause (e) seeks to amend section 75 of the said Act so as to prescribe the interest at the rate of fifteen per cent. per annum on delayed payment of service tax.

Sub-clause (f) seeks to amend section 78 of the said Act to empower the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise to adjudicate penalty in cases where the value of taxable service suppressed or concealed or inaccurate value does not exceed two lakh rupees, without the prior approval of the Commissioner of Central Excise.

Sub-clause (g) seeks to amend section 82 of the said Act so as to authorise Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise to seize the documents or books or things.

Sub-clause (h) seeks to amend section 83 of the said Act so as to make applicable section 11D of the Central Excise Act, 1944 in relation to service tax.

Sub-clause (i) seeks to amend section 94 of the said Act so as to empower the Central Government to make rules to provide the credit of service tax paid on the services consumed for providing a taxable service in cases where the services consumed and service provided fall in the same category of taxable service.

Sub-clause (j) seeks to substitute section 95 in the said Act so as to empower the Central Government to issue orders to remove difficulty arises in respect of implementing or assessing the value of any taxable service incorporated in Chapter V of this Bill, within a period of two years from the date on which the levy of service tax on the taxable service comes into force.

Clause 143 seeks to substitute clause (g) of section 2 of the Central Sales Tax Act, 1956 the definition of “sale” to widen the scope of the term “sale” in view of clause (29A) of article 366 of the Constitution.

Clause 144 seeks to amend section 6A of the Central Sales Tax Act, 1956 so as to make compulsory the furnishing of Form F by the dealer and to authorise levy of tax in case where the dealer fails to furnish Form F.

Clause 145 seeks to amend section 8 of the Central Sales Tax Act, 1956 so as to—

(i) provide that central sales tax does not become greater than local sales tax in case of sale of goods to the Government and registered dealers;

(ii) provide for exemption from central sales tax in cases where goods are exempt from local sales tax;

(iii) make furnishing of Form C compulsory by the dealer except in respect of exempted goods;

(iv) include “telecommunication network” in the category of goods which can be specified in certificate of registration for the purposes of levy of tax, etc.;

(v) withdraw powers of the State Governments to waive the requirement of C Form.

Clause 146 seeks to amend clause (a) of section 15 of the Central Sales Tax Act, 1956 with a view to allowing the State Governments to impose tax on declared goods at more than one stage in respect of sales of declared goods.

Clause 147 seeks to substitute the First Schedule to the Indian Post Office Act, 1898 so as to provide for the introduction of new Meghdoot Post Card and its rate of postage and for the revision of rates of postage for certain inland postal services, namely, letters, letter-cards, printed post cards, competition post cards, book, pattern and sample packets and parcels.

These revised rates will be effective from a date notified by the Central Government after this Bill is passed.

Clause 148 seeks to omit section 43A of the Life Insurance Corporation Act, 1956.

Section 43A of the said Act provides that no deduction of income-tax shall be made on any interest or dividend payable to the Life Insurance Corporation of India in respect of any securities or shares owned by it or in which it has full beneficial interest.

It is proposed to omit the said section.

This amendment will take effect from 1st June, 2002.

Clause 149 seeks to omit section 35A of the General Insurance Business (Nationalisation) Act, 1972.

Section 35A of the said Act provides that no deduction of income-tax shall be made on any interest or dividend payable to the General Insurance Corporation of India or to any of the four new companies formed by virtue of the schemes framed under sub-section (1) of section 16 of the said Act in respect of any securities or shares owned by such Corporation or such company or in which such Corporation or such company has full beneficial interest.

It is proposed to omit the said section.

This amendment will take effect from 1st June, 2002.

Clause 150 seeks to omit section 22A of the Oil Industry (Development) Act, 1974.

Section 22A of the said Act provides that notwithstanding anything contained in the Income-tax Act, 1961, the Oil Industry Development Board shall not be liable to pay income-tax on its income, profits or gains.

It is proposed to omit the said section so as to make the Oil Industry Development Board liable to pay income-tax on its income, profits or gains.

This amendment will take effect from 1st April, 2003 and will, accordingly, apply in relation to the assessment year 2003-2004 and subsequent years.

Clause 151 seeks to amend the Schedule to the Oil Industries (Development) Act, 1974 so as to increase the cess levied on crude oil.

Clause 152 seeks to omit section 44 of the National Dairy Development Board Act, 1987.

Section 44 of the said Act provides that notwithstanding anything contained in the Income-tax Act, 1961 or any other enactment for the time being in force relating to tax on income, profits or gains, the National Dairy Development Board shall not be liable to pay income-tax or any other tax in respect of its income, profits or gains derived.

It is proposed to omit the said section so as to make the National Dairy Development Board liable to pay income-tax or any other tax in respect of its income, profits or gains derived.

This amendment will take effect from 1st April, 2003 and will, accordingly, apply in relation to the assessment year 2003-2004 and subsequent years.

Clause 153 seeks to omit section 22 of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990.

Section 22 of the said Act provides that notwithstanding anything contained in the Income-tax Act, 1961, or any other enactment for the time being in force relating to income-tax or any other tax on income, profits or gains, the Prasar Bharati (Broadcasting Corporation of India) shall not be liable to pay any income-tax or any other tax in respect of any income, profits or gains, accruing or arising out of the Fund of the Corporation or any amount received in that Fund; and any income, profits or gains, derived or any amount received, by the Corporation.

It is proposed to omit the said section so as to make the Prasar Bharati (Broadcasting Corporation of India) liable to pay income-tax or any other tax in respect of any income, profits or gains accruing or arising out of its Fund or any amount received in that Fund and any income, profits or gains derived or any amount received by it.

This amendment will take effect from 1st April, 2003 and will, accordingly, apply in relation to the assessment year 2003-2004 and subsequent years.