

**JOINT/SELECT COMMITTEE
REPORTS OF LEGISLATIVE
ASSEMBLY - 1933**

**The Indian Income-Tax
(Second Amendment) Bill**

List of Reports of Select or Joint Committees
presented in the Legislative Assembly in 1933.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Hedjaz Pilgrims (<u>Muallims</u>) Bill.	6.2.33.	
2.	The Workmen's Compensation (Amendment) Bill.	14.2.33.	
3.	The Land Acquisition (Amendment) Bill.	14.2.33.	
4.	The Auxiliary Force (Amendment) Bill.	14.2.33.	
5.	The Indian Wireless Telegraphy Bill.	23.2.33.	
6.	The Indian Railways (Amendment) Bill (Sec. 51).	24.3.33.	
7.	The Indian Income-tax (Amendment) Bill.	1.4.33.	
8.	The Indian Income-tax (Second Amendment) Bill.	10.4.33.	
9.	The Indian Medical Council Bill.	1.9.33.	
10.	The Indian Merchant Shipping (Second Amendment) Bill.	4.9.33.	
11.	The Murshidabad Estate Administration Bill.	7.9.33.	
12.	The Reserve Bank of India Bill.	20.11.33.	Report of the Joint Committee
13.	The Imperial Bank of India Bill.	20.11.33.	-do-
14.	The Indian Khaddar (Name Protection) Bill by Mr. Gaya Prasad Singh.	29.11.33.	
15.	The Indian Tariff (Second Amendment) Bill.	1.12.33.	

LEGISLATIVE ASSEMBLY.

WE, the undersigned, Members of the Select Committee, to which the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto. References are to the clauses of the Bill as now re-numbered.

Clause 1.—We have made the necessary correction of the date in this clause, and have omitted the commencement clause in view of the delay in the passage of the Bill.

Clause 2.—We have slightly amended the wording in sub-clause (b) in order to convey the meaning more clearly.

Clause 3.—To meet the objection that as this clause stands the commission deducted by a banker will be exempt from tax even in the hands of the banker and as part of his income, we have slightly amended the proviso inserted by this clause and have made consequential amendments in section 16 of the Act by a new clause 6 in the Bill. The point was raised that interest paid on money borrowed for the purpose of investment in securities should also be taken into consideration when income-tax is assessed on the borrower and that an allowance should be made for it. We are, however, assured that in the administration of the Act allowance is already made in these circumstances and we have accordingly considered it unnecessary to make any further change.

Clause 4.—We have elaborated this clause to cover fully the cases for which we consider allowance should be made. These cases include payments of interest on money borrowed for purposes of acquiring property when those payments do not take the form of charges attached to the property itself.

Clause 5.—We have elaborated clause (ii) of the proposed new sub-section to be inserted in section 11 to make provision not only for depreciation but also for obsolescence of machinery, plant, etc., and we have inserted the words "or other capital assets" with a view to covering the case of books purchased by an assessee for purposes of his profession. Our redraft also provides for the application of the conditions specified in section 10 of the Act regarding the calculation of depreciation to cases falling under section 11 as now amended.

Clause 6.—This clause makes an amendment consequential upon the introduction of a new proviso in section 8 by clause 3.

Clause 7.—We consider that the provisions contained in sub-sections (2) and (3) of section 57 of the Act being analogous to those of the sub-sections (3A) and (3B) which this clause inserts in section 18, should be transferred from section 57 to section 18 of the Act. The result of this will be to simplify the operation of section 58 of the Act, the interpretation of which has, we understand, given rise to difficulty, and which in any case it is proposed to amend by clause 24 of the Bill. The insertion of these two additional sub-sections renders the greater part of sub-section (1) of section 18 unnecessary. We have accordingly omitted that sub-section retaining that portion of it which it is essential to retain by inserting the words "unless otherwise prescribed in the case of any

security of the Government of India" in sub-section (3). It has also been necessary to make it clear that the word income-tax in sub-sections (2) and (3) does not include super-tax. In the proviso added by the Bill to sub-section (3) we have inserted words intended to impose upon the Income-tax Officer the obligation to provide a certificate in every proper case. We have confined the effect of sub-section (3A) to income of persons residing out of British India and we have altered the sub-section so that the rate at which income-tax is to be deducted shall not be the maximum rate but the rate appropriate to the total income of the assessee. A similar change has been made in new sub-section (3B). We have revised the sub-clause amending sub-section (7) of section 18 of the Act so as to make it clear that the words of the sub-section invite the application of the provisions of section 46, but as we do not consider that the penalty which the Income-tax Officer is empowered to impose under section 46 should be imposed for defaults under this section which are not wilful, we have added a proviso to give effect to our views.

Clause 8.—We consider that the words "in respect of money held in deposit for a period of not less than six months" should be omitted from the proposed new section 20A. Their retention would have the result of encouraging evasion as deposits could be limited to a period of less than six months. We consider, however, that the obligation on persons responsible for paying interest to supply particulars of interest should be limited to cases in which the aggregate interest exceeds a minimum amount to be specifically mentioned in the Act. We have fixed this minimum at rupees 1,000 but we feel that the figure chosen is experimental, and that experience in working the Act may possibly show that it is too high. The word "financial" has been inserted before "year" in the interests of clarity.

Clause 10.—We have completely recast proposed section 24A so that it now deals only with persons leaving or about to leave British India, while section 24B deals only with cases in which an assessee dies. Section 24A provides for the assessment up to the moment of departure of the income of a person leaving British India during the currency of a financial year or within so short a period of its end as to prevent the normal assessment of his income and enables the Income-tax Officer to assess within the limits permissible by section 34 of the Act any income for which he is liable to pay but has not paid income-tax. We have recast section 24B with the object of making it clear that the liability of the executor, administrator or other legal representative is confined to the payment of tax to the extent to which the estate is capable of meeting the charge. It is not our intention that the payment of income-tax due by the deceased should rank in any way prior to other charges to which the estate may be liable.

Clause 11.—Our amendment here is designed to make the period of limitation date from the time when the refusal to register a firm is intimated to the person aggrieved, this being the principle which is given effect to in the amendment made by clause 13 of the Bill to section 32 of the Act.

Clause 17.—In sub-section (1) of the new section 48A we have substituted the word "upon" for the words "either with or without" because we

consider that it is advisable that refunds should be made only when a claim is actually put forward. In sub-section (2) we have substituted a more accurate formula for the words "allow a refund".

Clause 18.—The small change here made is designed to bring the wording into conformity with that employed in the new section 24B inserted by clause 10.

Clause 20.—The amendment supplies a provision necessary as a consequence of the insertion of a new section 50A by clause 19. The Bill omitted this by an oversight.

Clause 22.—We have omitted clause (b). We think it unnecessary and undesirable to remove the obligation to keep matters of the nature referred to confidential.

Clause 23.—This new clause is necessary in consequence of our decisions respecting section 18 contained in our remarks on clause 7.

Clause 24.—Our decisions respecting section 18 have necessitated the revision of the amendments proposed in section 58 of the Act.

Clause 27.—The clause as drafted contains certain practical defects. There was the danger of an assessee being prejudiced by the passing of an order declining to interfere, or by delays extending so long as to make an application to the High Court time-barred. There was also the danger of encouraging frivolous applications. Sub-clause (c) as drafted required a High Court to call for a reference before the Commissioner had considered the application on its merits and decided whether a question of law was or was not involved. We have endeavoured to meet the various criticisms levelled at the proposals of the Bill in the opinions received. We have also provided that section 5 of the Indian Limitation Act, 1908, shall apply to applications made to the High Court by an assessee under section 66 of the Act.

2. The Bill was published in the Gazette of India, dated the 1st October, 1932.

3. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

B. L. MITTER.

GEORGE SCHUSTER.

LALCHAND NAVALRAI.

SANT SINGH.

J. B. VACHHA.

COWASJI JEHangIR (JUNIOR).

*SATISH CH. SEN.

A. SUHRAWARDY.

*F. E. JAMES.

The 9th April, 1933.

*Subject to a Note.

NOTES.

I sign the report subject to the following—

Clause 10 of the Bill, sub-clause 24B deals with the estate of a deceased person whose estate is or will be liable to income-tax. Sub-clause 24B(1) deals with the case when the deceased when alive was assessed; clause 24B(2) deals with the case when the deceased was not during his life served with a notice under Section 22 and clause 24B(3) with the case when the deceased was during his life time served with a notice under Section 22 but did not file the return or the return was considered insufficient by the Income-tax Officer.

Under clause 24B(1) the executor etc. has been made liable to the extent of the estate of the deceased which has come into his hands. Clause 24B(2) however treats the executor etc. as an

assessee with all the liabilities of an assessee or in other words the tax can be realised from him exactly as if he is personally an assessee. This however is not intended and it must be made clear that the liability of an executor under any circumstances is that provided in clause 24B(1).

As regards clause 24B(3) I would like the case when notice under Section 22 has been served on the deceased but deceased did not before his death file a return, to be dealt with under clause 24B(2). If a man dies after service of notice but without filing a return I would presume that by reason of illness which resulted in his death the deceased was unable to file the return. I therefore propose that clauses 24B(2) and 24B(3) should be amended as suggested above.

SATISH CH. SEN.

I consider that in clause 8 of the Bill, in the proposed new section 20A, the minimum amount of aggregate interest specified, should be Rs. 500-0-0.

F. E. JAMES.

The 9th April, 1933.

[AS AMENDED BY THE SELECT COMMITTEE.]

[Words printed in italics indicate the amendments suggested by the Committee.]

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BILL

*Further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes **XI** of 1922, hereinafter appearing; It is hereby enacted as follows:—

1. * This Act may be called the Indian
Income-tax (Second
Short title. Amendment) Act, 1933.

* * * * *

2. In section 5 of the Indian Income-tax Act,
Amendment of section 1922 (hereinafter referred **XI** of 1922;
5, Act XI of 1922. to as the said Act),—

(a) for sub-section (3) the following sub-section shall be substituted, namely:—

“(3) The Governor General in Council may appoint a Commissioner of Income-tax for any area specified in the order of appointment.”;

(b) in sub-section (4),—

(i) for the words “in respect of such classes of persons and such classes of income” the words “in respect of such persons or classes of persons and of such incomes or classes of income” shall be substituted, and

(ii) after the words “in respect of such areas as the Commissioner of Income-tax may direct” the following words shall be inserted, namely:—

“and, where two or more Assistant Commissioners of Income-tax or Income-tax Officers have been appointed for the same area, in accordance with any orders which the Commissioner of Income-tax may make for the distribution and allocation of *the work to be performed*”; and

(c) in sub-section (6), for the word “province” the word “area” shall be substituted.

3. In the first proviso to section 8 of the said Act, after the word
Amendment of section “Provided” the word
8, Act XI of 1922. “, further,” shall be inserted, and before the said proviso as so amended the following proviso shall be inserted, namely:—

“Provided that no income-tax shall be payable *under this section by the assessee* in respect of any sum deducted from such interest by way of commission by a banker realizing such interest on behalf of the assessee:”.

4. For clause (iv) of sub-section (1) of section 9 of the said Act the following
Amendment of section clause shall be substituted, namely:—
9, Act XI of 1922.

“(iv) where the property is subject to a mortgage, or *other capital charge*,

the amount of any interest on such mortgage or * * charge; where the property is subject to a ground rent, the amount of such ground rent; and where the property has been acquired with borrowed capital, the amount of any interest payable on such capital and not specifically charged upon the property itself;”.

5. For sub-section (2) of section 11 of the said Act the following sub-section shall be substituted, namely :—
 Amendment of section 11, Act XI of 1922.

“(2) Such profits or gains shall be computed after making the following allowances, namely :—

- (i) any expenditure (not being in the nature of capital expenditure) incurred solely for the purposes of such profession or vocation, and not being personal expenses of the assessee;
- (ii) in respect of depreciation of buildings and depreciation and obsolescence of machinery, apparatus, appliances, plant, furniture or other capital assets being the property of the assessee and used solely for the purposes of such profession, the allowances specified in clauses (vi) and (vii) of sub-section (2) of section 10 subject to all the conditions specified in those clauses.”

6. In sub-section (1) of section 16 of the said Act for the words and figure “the provisos to section 8” the words and figure “the second and third provisos to section 8” shall be substituted.
 Amendment of section 16, Act XI of 1922.

7. In section 18 of the said Act,—
 Amendment of section 18, Act XI of 1922.

- (a) sub-section (1) shall be omitted;
- (b) in sub-section (2), after the word “income-tax” the words “but not super-tax” shall be inserted;
- (c) in sub-section (3),—
 - (i) after the word “shall” the words “unless otherwise prescribed in the case of any security of the Government of India” shall be inserted,
 - (ii) after the word “income-tax” the words “but not super-tax” shall be inserted, and
 - (iii) the following proviso shall be added, namely :—

“Provided that where the Income-tax Officer gives a certificate in writing (which certificate he shall give in every proper case on the application of the assessee) that to the best of his belief the total income of a recipient will be less than the minimum liable to income-tax or will be liable to a rate of income-tax less than the maximum rate, the person responsible for paying any income herein referred to to such recipient shall until such certificate is cancelled by the Income-tax Officer, pay the income without deduction or deduct the tax at such less rate, as the case may be.”;

(d) after sub-section (3) as so amended the following sub-sections shall be inserted, namely :—

“(3A) Where the Income-tax Officer has reason to believe that the total income of any person *residing out of British India* to whom any interest not being ‘Interest on Securities’ is payable, will in any year exceed the maximum amount which is not chargeable with super-tax under the law for the time being in force, he may, by order in writing, require the person responsible for paying such interest to such person to deduct at the time of payment income-tax * * * and super-tax at the rates determined by the Income-tax Officer to be applicable to the *total* income of such person in that year.

(3B) Where the person responsible for paying any interest not being ‘Interest on Securities’ to any person pays to that person in any year an amount of such interest exceeding in the aggregate the maximum amount which is not chargeable with super-tax under the law for the time being in force, the person responsible for paying such interest shall, if he has not reason to believe that the recipient is resident in British India, and no order under sub-section (3A) has been received in respect of such recipient, deduct at the time of payment income-tax * * * * on the total amount of such interest at the rate appropriate to such total, and super-tax on the amount by which such total exceeds the maximum amount not chargeable with super-tax at the rate applicable to such excess.

(3C) Where the Income-tax Officer has reason to believe that any person, who is a shareholder in a company, is resident out of British India and that the total income of such person will in any year exceed the maximum amount which is not chargeable to super-tax under the law for the time being in force, he may, by order in writing, require the principal officer of the company to deduct at the time of payment of any dividend from the company to the shareholder in that year super-tax at such rate as the Income-tax Officer may determine as being the rate applicable in respect of the income of the shareholder in that year.

(3D) If in any year the amount of any dividend or the aggregate amount of any dividends paid to any shareholder by a company (together with the amount of any income-tax payable by the company in respect thereof) exceeds the maximum amount of the total income of a person which is not chargeable to super-tax under the law for the time being in force, and the principal officer of the company has not reason to believe that the shareholder is resident in British India, and no order under sub-section (3C) has been received in respect of such shareholder by the

principal officer from the Income-tax Officer, the principal officer shall at the time of payment deduct super-tax on the amount of such excess at the rate which would be applicable under the law for the time being in force if the amount of such dividend or dividends (together with the amount of such income-tax as aforesaid) constituted the whole total income of the shareholder.”;

(e) in sub-section (5), after the word “income-tax” the words “or super-tax” shall be inserted;

(f) in sub-section (7),—

(i) after the words “as required by” the words “or under” shall be inserted, and for the word “personally” the words “an assessee” shall be substituted, and

(ii) the following proviso shall be added, namely:—

“Provided that the Income-tax Officer shall not make a direction under sub-section (1) of section 46 for the recovery of any penalty from such person unless satisfied that such person has wilfully failed to deduct and pay the tax.”; and

(g) in sub-section (9), after the word “income-tax”, in both places where it occurs, the words “or super-tax” shall be inserted, and for the word, brackets and figure “sub-section (3)”, the words, brackets and figures “sub-section (3), * (3A), * (3B), (3C) or (3D)” shall be substituted.

3. After section 20 of the said Act the following Insertion of new section shall be inserted, section 20A in Act XI of 1922. namely:—

“20A. The person responsible for paying any interest not Supply of information being ‘Interest regarding interest. on Securities’ shall, on or before the fifteenth day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he has paid * * * * interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be prescribed in this behalf, together with the amount paid to each such person.”

9. In section 24 of the said Act,—

Amendment of section 24, Act XI of 1922.

(a) in sub-section (2), after the words “any member of such firm” the words “or any person who being a minor has been admitted to the benefits of partnership in such firm” shall be inserted; and

(b) to the same sub-section as so amended the following shall be added, namely:—

“or to his share of the benefits of partnership, as the case may be”.

10. After section 24 of the said Act, the following sections shall be inserted, namely :—
 Insertion of new sections 24A and 24B in Act XI of 1922.

24A. (1) When it appears to the Income-tax Officer that any person may leave British India during the current financial year, or shortly after its expiry, and that he has no present intention of returning, the Income-tax Officer may proceed to assess him on his total income for the period from the expiry of the last previous year for which he has been assessed to the probable date of his departure from British India. For each completed previous year included in this period an assessment shall be made on the total income of such person at the rate at which it would have been charged had such income been fully assessed, and for the period from the expiry of the last of such previous years to the probable date of departure, the Income-tax Officer shall estimate the total income of such person and assess it at the rate in force for the financial year in which such assessment is made :

Provided that nothing herein contained shall authorise an Income-tax Officer to assess any income which he could not assess under the provisions of section 34.

(2) For the purpose of making an assessment under sub-section (1), the Income-tax Officer may serve a notice upon such person requiring him to furnish, within such time not being less than seven days as may be specified in the notice, a return in the same form and verified in the same manner as a return under sub-section (2) of section 22, setting forth (along with such other particulars as may be provided for in the notice) his total income for each of the completed previous years comprised in the period first referred to in sub-section (1) and his estimated total income for the period from the expiry of the last such completed previous year to the probable date of his departure ; and the provisions of this Act shall, so far as may be, apply as if the notice were a notice issued under sub-section (2) of section 22.

24B. (1) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person to the extent to which the estate is capable of meeting the charge the tax assessed as payable by such person, or * any tax which would have been payable by him under this Act if he had not died, * * *

(2) Where a person dies before he is served with a notice under sub-section (2) of section 22 or section 34, as the case may be, the Income-tax Officer may serve on his executor, administrator or other legal representative a notice under sub-section (2) of section 22 or under section 34, as the case may be, and may proceed to assess the total income of the deceased person as if

such executor, administrator or other legal representative were the assessee.

- (3) Where a person dies, without having furnished a return which he has been required to furnish under the provisions of sub-section (2) of section 22, or having furnished a return which the Income-tax Officer has reason to believe to be incorrect or incomplete, the Income-tax Officer may make an assessment of the total income arising or accruing to such person before his death and determine the tax payable by him on the basis of such assessment, and for this purpose may require from the executor, * administrator or other legal representative of the deceased person any accounts, documents or other evidence which he might under the provisions of sections 22 and 23 have required from the deceased person."

11. In section 30 of the said Act,—

Amendment of section
30, Act XI of 1922.

- (a) in sub section (1), after the words "objecting to a refusal of an Income-tax Officer" * * the words "to register a firm under section 26A or" shall be inserted, and
- (b) in sub-section (2), after the words "objected to" the words "or of the intimation of the refusal to register a firm under section 26A," shall be inserted.

12. In sub-section (3) of section 31 of the said

Act,—
Amendment of section
31, Act XI of 1922.

- (a) after the words "in the case of an order refusing" the words "to register a firm under section 26A or" shall be inserted, and
- (b) in sub-clause (c), for the words "to make a fresh assessment" the words "to register the firm or to make a fresh assessment, as the case may be" shall be substituted.

13. In sub-section (1) of section 32 of the said

Act, for the words "the making of such order" the words "the date on which he was served with notice of such order" shall be substituted.

14. To section 38 of the said Act the following

Amendment of section clause shall be added,
38, Act XI of 1922. namely :—

- "(3) require any person whom he has reason to believe to be engaged in business, to furnish him with a return containing particulars of the location and style of his principal place of business, and of his branch businesses, if any, the names and addresses of his partners in any business, and the extent of his own share and the shares of all such partners in the profits of such business or businesses."

15. To sub-section (2) of section 46 of the said

Act the following proviso shall be added, namely :—
46, Act XI of 1922.

- "Provided that without prejudice to any other powers of the Collector in this behalf, he shall for the purpose of recovering the said amount have in respect of the attachment and sale of debts due

to the assessee the powers which under the Code of Civil Procedure, 1908, a Civil Court has in respect of the attachment and sale of debts due to a judgment-debtor for the purpose of the recovery of an amount due under a decree."

16. In section 48 of the said Act,—

Amendment of section
48, Act XI of 1922.

(a) in sub-section (1),—

(i) after the word "declared" the following words shall be inserted, namely:—

"or that his total income in such year is below the minimum chargeable with income-tax", and

(ii) after the words "between those rates" the following words shall be added, namely:—

"or at the rate applicable to the profits and gains of the company at the time of the declaration of such dividend, as the case may be";

(b) in sub-section (2),—

(i) after the words "registered firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted,

(ii) after the words "of that year" the following words shall be inserted, namely:—

"or that his total income of the previous year was below the minimum chargeable with income-tax", and

(iii) after the words "between those rates" the following words shall be added, namely:—

"or at the rate at which income-tax has been levied, as the case may be"; and

(c) in sub-section (3),—

(i) after the words "in that year" the following words shall be inserted, namely:—

"or that his total income of the previous year was below the minimum chargeable with income-tax", and

(ii) after the words "between those rates" the following words shall be added, namely:—

"or at the rate at which income-tax has been deducted, as the case may be".

17. After section 48 of the said Act the following section shall be inserted, namely:—
Insertion of new section 48A in Act XI of 1922.

"48A. (1) If in any case not provided for by section 48 or by the provisions relating to refunds elsewhere contained in this Act the Income-tax Officer is satisfied, upon claim made in this behalf, that tax has been paid by or on behalf of any person with which he was not properly chargeable or which was in excess of the amount with which he was properly

chargeable, the Income-tax Officer shall allow a refund to such person of the amount so paid or so paid in excess.

- (2) The Assistant Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision if satisfied to the like effect shall in like manner *cause a refund to be made by the Income-tax Officer* of any amount found to have been wrongly paid or paid in excess.
- (3) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or where any relief is specifically provided elsewhere in this Act, to entitle any person to any relief other or greater than that relief."

18. After section 49 of the said Act the following sections shall be inserted, namely :—
Insertion of new sections 49A and 49B in Act XI of 1922.

" 49A. Where under any of the provisions of this Act, a refund is found to be due to any person, the Income-tax Officer, Assistant Commissioner or Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded, or any part of that amount against the tax, if any, remaining payable by the person to whom the refund is due.

49B. Where through death, incapacity, bankruptcy, liquidation or other cause, a person who would but for such cause have been entitled to a refund under any of the provisions of this Act, or to make a claim under section 48 or 48A or 49, is unable to receive such refund or to make such claim, his executor, administrator or other legal representative, or the trustee or receiver, as the case may be, shall be entitled to receive such refund or to make such claim for the benefit of such person or his estate."

19. After section 50 of the said Act, the following section shall be inserted, namely :—
Insertion of new section 50A in Act XI of 1922.

- " 50A. (1) Any person objecting to a refusal of an Income-tax Officer to allow a claim to a refund under section 48 or 48A or 49 or to the amount of the refund made in any such case, may appeal to the Assistant Commissioner.
- (2) The appeal shall be presented within thirty days of the date on which the refusal of the refund or the amount of the refund allowed was communicated to the appellant.
- (3) The appeal shall be made in the prescribed form and shall be verified in the prescribed manner.

(4) The Assistant Commissioner may, after giving the appellant an opportunity of being heard, pass such orders as he thinks fit."

20. In clause (c) of section 51 of the said Act, after the word and figures "section 19A," the word and figures "section 20A," shall be inserted, and after the word and figures "section 33A" the words and figures "or sub-section (3) of section 50A" shall be inserted.

21. In section 52 of the said Act, after the words and figures "section 19A or" the words and figures "section 20A or" shall be inserted.

22. In the first proviso to sub-section (2) of section 54 of the said Act, * after clause (c), the following clause shall be inserted, namely:—

"(cc) of any such particulars occasioned by the lawful exercise by a public servant of his powers under the Indian Stamp Act, 1899, to impound an insufficiently stamped document, or" * II of 1899.

23. In section 57 of the said Act, sub-sections (2) and (3) shall be omitted, and sub-section (4) shall be renumbered as sub-section (2).

24. In section 58 of the said Act,—

(a) in sub-section (1),—

(i) for the word "except" the words "relating to the charge, assessment, collection and recovery of income-tax except those contained in" shall be substituted,

(ii) the figures "18", where they occur between the figures "17" and "19", shall be omitted,

(iii) for the word and figures "and 48" the words, figures and letters "48, 58F and sub-sections (2) and (3) of section 58G" shall be substituted, and

(iv) the proviso shall be omitted; and

(b) in sub-section (2), before the word and figures "section 57" the words, brackets, figures and letters "sub-sections (3A), (3B), (3C) and (3D) of section 18" shall be inserted.

25. In section 58G of the said Act,—

Amendment of section 58G, Act XI of 1922.

(a) sub-sections (1) and (2) shall be re-numbered as sub-sections (2) and (3), and before sub-section (2) as so re-numbered the following sub-section shall be inserted, namely:—

"(1) Where the accumulated balance due to an employee participating in a recognised provident fund becomes payable, such accumulated balance shall be exempt from payment of super-tax except to the extent of an amount equal to the aggregate of the amounts of super-tax on annual accretions that would have been payable under section 58E up to the first day of April, 1933, if the Indian Income-tax (Second Amendment) Act, 1933, had come into force on the 15th March, 1930."

of 1933.

- (b) in sub-section (2) as now re-numbered, the words " and super-tax " shall be omitted ; and
- (c) in sub-section (3) as now re-numbered, for the word, brackets and figure " sub-section (1) ", the word, brackets and figure " sub-section (2) " shall be substituted, * * *

26. In sub-section (2) of section 60 of the said Act, after the words " in advance " the words " or by reason of his having received in any one financial year salary for more than twelve months " shall be inserted.

27. In section 66 of the said Act,—

Amendment of section 66, Act XI of 1922.

- (a) in sub-section (2), after the word and figures " section 32 " the words and figures " or of an order under section 33 enhancing an assessment or otherwise prejudicial to him " shall be inserted ;
- (b) before the existing proviso to sub-section (2) the following proviso shall be inserted, namely :—

" Provided that a reference shall lie from an order under section 33 only on a question of law arising out of that order itself, and not on a question of law arising out of a previous order under section 31 or section 32, revised by the order under section 33 : " ;

(c) in the existing proviso to sub-section (2),—

(i) after the word " Provided " the word " further " shall be inserted,

(ii) after the word " question " the following words shall be inserted, namely :—

" or if the Commissioner rejects the application on the ground that it is time-barred or otherwise incompetent, or if, in exercise of his powers under sub-section (3), the Commissioner refuses to state the case, " , and

(iii) after the word " may " the words " within thirty days from the date on which he receives notice of the order passed by the Commissioner " shall be inserted ;

(d) after sub-section (3) the following sub-section shall be inserted, namely :—

" (3A) If, on any application being made under sub-section (2), the Commissioner rejects it on the ground that it is time-barred, the assessee may, within two months from the date on which he is served with notice of the order of the Commissioner, apply to the High Court, and the High Court, if it is not satisfied of the correctness of the Commissioner's decision, may require the Commissioner to treat the application as made within the time allowed under sub-section (2). " ; and

(e) after sub-section (7) the following sub-section shall be inserted, namely :—

" (7A) Section 5 of the Indian Limitation Act, 1908, shall apply to an application to the High Court by an assessee under sub-section (3) or sub-section (3A). "

GOVERNMENT OF INDIA.
LEGISLATIVE ASSEMBLY
DEPARTMENT.

Report of the Select Committee on the
Bill further to amend the Indian
Income-tax Act, 1922, for certain
purposes, with the Bill as amended.