

Wealth tax act 1957

THE WEALTH-TAX ACT, 1957 ACT NO. 27 OF 1957

An Act to provide for the levy of wealth-tax.

CHAPTER I PRELIMINARY

1. Short title, extent and commencement. 1. Short title, extent and commencement. (1) This Act may be called the Wealth-tax Act, 1957. (2) It extends to the whole of India. (3) It shall be deemed to have come into force on the 1st day of April, 1957.

2. Definitions. In this Act, unless the context otherwise requires,— (a) "Appellate Assistant Commissioner" means a person empowered to exercise the functions of an Appellate Assistant Commissioner of Wealth-tax under section 9;

2[(b) "Appellate Tribunal" means the Appellate Tribunal constituted under section 252 of the Income-tax Act; (c) "assessee" means a person by whom wealth-tax or any other sum of money is payable under this Act, and includes—

- (i) every person in respect of whom any proceeding under this Act has been taken for the determination of wealth-tax payable by him or by any other person or the amount of refund due to him or such other person;

(ii) every person who is deemed to be an assessee under this Act;

(iii) every person who is deemed to be an assessee in default under this Act; (ca) "assessment" includes re-assessment;

This Act has been extended with modifications to Dadra and Nagar Haveli, Goa, Daman and Diu, and Pondicherry

(d) "assessment year" means the period of twelve months commencing on the 1st day of April every year;]

[(e) "assets" includes property of every description, movable or immovable, but does not include,— (1) in relation to the assessment year commencing on the 1st day of April, 1969 or any earlier assessment year—

(i) agricultural land and growing crops, grass or standing trees on such land;

(ii) any building owned or occupied by a cultivator of, or receiver of rent or revenue out of, agricultural land: Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an outhouse;

(iii) animals;

(iv) a right to any annuity in any case where the terms and conditions relating thereto preclude the commutation of any portion thereof into a lump sum grant; (v) any interest in property where the

interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee;

(2) in relation to the assessment year commencing on the 1st day of April, 1970 or any subsequent assessment year-- (i) animals;

(ii) a right to any annuity in any case where the terms and conditions relating thereto preclude the commutation of any portion thereof into a lump sum grant;

(iii) any interest in property where the interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee: Provided that, in relation to the State of Jammu and Kashmir, this sub-clause shall have effect subject to the modification that for the assets specified in items (i) to (iii) of this sub-clause, the assets specified in items (i) to (v) of sub-clause (1) shall be substituted and the other provisions of this Act shall be construed accordingly;

(f) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act 1963 (54 of 1963.);

g) "Commissioner" means a person empowered to exercise the functions of a Commissioner of Wealth-tax under section 10;

h) "company" means a company as defined in section 3 of the Companies Act, 1956, (1 of 1956.) and includes-- (i) a company within the meaning of any law in force in the State of Jammu and Kashmir relating to companies;

(ii) a company incorporated outside India which has a place of business in India;

(ha) "co-operative society" means a co-operative society registered under the Co-operative Societies Act, 1912 or under any other law for the time being in force in any State for the registration of co-operative societies;

"Director of Inspection" includes an Additional Director of Inspection, a Deputy Director of Inspection and an Assistant Director of Inspection;] (i) "executor" means an executor or administrator of the estate of a deceased person;

3[(j) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961.);

(k) "Income-tax Officer" means a person appointed to be an Income-tax Officer under the Income-tax Act;

(l) "Inspecting Assistant Commissioner of Wealth-tax" means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Wealth-tax under section 11;

2(la) "Inspector of Wealth-tax" means an Inspector of Income-tax empowered to work as an Inspector of Wealth-tax under section 11A;

(lb) "legal representative" has the meaning assigned to it in clause (11) of section 2 of the Code of Civil Procedure, 1908 (5 of 1908.);]

(m) "net wealth" means the amount by which the aggregate value computed in accordance with the provisions of this Act of all the assets, wherever located, belonging to the assessee on the valuation date, including assets required to be included in his net wealth as on that date under this Act, is in excess of the aggregate value of all the debts owed by the assessee on the valuation date other than,-- (i) debts which under section 6 are not to be taken into account;

4 (ii) debts which are secured on, or which have been incurred in relation to,

(iii) the amount of the tax, penalty or interest payable in consequence of any order passed under or in pursuance of this Act or any law relating to taxation of income or profits, or the Estate Duty Act, 1953, (34 of 1953.) the Expenditure-tax Act, 1957, (29 of 1957.) or the Gift-tax Act, 1958, (18 of 1958.)- - (a) which is outstanding on the valuation date and is claimed by the assessee in appeal, revision or other proceeding as not being payable by him, or (b) which, although not claimed by the assessee as not being payable by him, is nevertheless outstanding for a period of more than twelve months on the valuation date;] (n) "prescribed" means prescribed by rules made under this Act; (o) "principal officer", used with reference to a company, means the secretary, manager, managing agent or managing director of the company, and includes any person connected with the management of the affairs of the company upon whom the Wealth-tax Officer has served a notice of his intention of treating him as the principal officer thereof;

2"public servant" has the same meaning as in section 21 of the Indian Penal Code; (45 of 1860.) (ob) "regular assessment" means the assessment made under section 16;] (p) "Ruler" means a Ruler as defined in clause (22) of article 366 of the Constitution; (q) "valuation date", in relation to any year for which an assessment is to be made under this Act, means the last day of the previous year as defined in section 3 of the Income-tax Act if an assessment were to be made under that Act for that year:

Provided that-- (i) where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the valuation date for the purposes of this Act shall be the last day of the last of the previous years aforesaid;

(ii) in the case of a person who is not an assessee within the meaning of the Income-tax Act, the valuation date for the purposes of this Act shall be the 31st day of March immediately preceding the assessment year;

(iii) where an assessment is made in pursuance of section 19A, the valuation date shall be the same valuation date as would have been adopted in respect of the net wealth of the deceased if he were alive;]

(r) "valuer" means a valuer appointed under section 4 of the Estate Duty Act, 1953 (34 of 1953.);

(s) "Wealth-tax Officer" means the Income-tax Officer authorised to perform the functions of a Wealth-tax Officer under 1*[this Act]

.CHAPTER II CHARGE OF WEALTH-TAX AND ASSETS SUBJECT TO SUCH CHARGE 3.

Charge of wealth tax. 3.

Subject to the other provisions contained in this Act, there shall be charged for every assessment year commencing on and from the first day of April, 1957, a tax (hereinafter referred to as wealth-tax) in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company at the rate or rates specified in the Schedule. 4. Net wealth to include certain assets. 4. Net wealth to include certain assets.

(1) In computing the net wealth of an individual, 3*[there shall be included, as belonging to that individual]-- (a) the value of assets which on the valuation date are held-- 4*[(i) by the spouse of such individual to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration or in connection with an agreement to live apart, or

(ii) by a minor child, not being a married daughter, of such individual, to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration, or (iii) by a person or association of persons to whom such assets have been transferred by the individual otherwise than for adequate consideration for the immediate or deferred benefit of the individual, his or her spouse or minor child (not being a married daughter) or both, or

(iv) by a person or association of persons to whom such assets have been transferred by the individual otherwise than under an irrevocable transfer, whether the assets referred to in any of the sub-clauses aforesaid are held in the form in which they were transferred or otherwise: Provided that where the transfer of such assets or any part thereof is either chargeable to gift-tax under the Gift-tax Act, 1958 (18 of 1958) or is not chargeable under section 5 of that Act, for any assessment year commencing after the 31st day of March, 1964, but before the 1st day of April, 1972, the value of such assets or part thereof, as the case may be, shall not be included in computing the net wealth of the individual;] (b) where the assessee is a partner in a firm or a [member of an association of persons (not being a co-operative housing society)] the value of his interest in the firm or association determined in the prescribed manner. (1A)

Where, in the case of an individual being a member of a Hindu undivided family, any property having been the separate property of the individual has, at any time after the 31st day of December, 1969, been converted by the individual into property belonging to the family through the act of impressing such separate property with the character of property belonging to the family or throwing it into the common stock of the family (such property being hereinafter referred to as the converted property), then, notwithstanding anything contained in any other provision of this Act or in any other law for the time being in force, for the purpose of computing the net wealth of the individual under this Act for any assessment year commencing on or after the 1st day of April, 1972,

(a) the individual shall be deemed to have transferred the converted property, through the family, to the members of the family for being held by them jointly;

(b) the converted property or any part thereof, in so far as it is attributable to the interest of the individual in the property of the family, shall be deemed to be assets belonging to the individual and not to the family;

(c) any part of the converted property in so far as it is attributable to the interest of the spouse or any minor child of the individual in the property of the family and where there is a partition (partial or total) amongst the members of the family, the converted property or any part thereof which is

received by the spouse or minor child on such partition shall be deemed to be assets transferred indirectly by the individual to the spouse or minor child and the provisions of sub-section (1) shall, so far as may be, apply accordingly

Provided that the property referred to in clause (b) or clause (c) shall, on being included in the net wealth of the individual, be excluded from the net wealth of the family or, as the case may be, the spouse or minor child of the individual.]

(2) In making any rules with reference to the valuation of the interest referred to in clause (b) of sub-section (1),

the Board shall have regard to the law for the time being in force relating to the manner in which accounts are to be settled between partners of a firm and members of an association on the dissolution of a firm or association, as the case may be.

(3) Where the value of any assets is to be included in the net wealth of an assessee in accordance with clause (a) of sub-section (1), there shall be deducted from such value any debts owing on the valuation date by the transferee mentioned in that sub-section in so far as such debts are referable to the assets. 784 (4) Nothing contained in clause

(a) of sub-section (1) shall apply to any such transfer as is referred to therein made by an individual before the 1st day of April, 1956, and the value of any assets so transferred shall not be included in the computation of his net wealth. (5) The value of any assets transferred under an irrevocable transfer shall be liable to be included in computing the net wealth of the transferor as and when the power to revoke arises to him. 6) For the purposes of this Act, the holder of an impartible estate shall be deemed to be the individual owner of all the properties comprised in the estate.

Where the assessee is a member of an association of persons, being a co-operative housing society, and a building or part thereof is allotted or leased to him under a house building scheme of the society, the assessee shall, notwithstanding anything contained in this Act or any other law for the time being in force, be deemed to be the owner of such building or part and the value of such building or part shall be included in computing the net wealth of the assessee; and, in determining the value of such building or part, the value of any outstanding instalments of the amount payable under such scheme by the assessee to the society towards the cost of such building or part and the land appurtenant thereto shall, whether the amount so payable is described as such or in any other manner in such scheme, be deducted as a debt owned by him in relation to such building or part.]

Explanation.--For the purposes of this section,--

(a) the expression "transfer" includes any disposition, settlement, trust, covenant, agreement or arrangement,

(b) the expression "irrevocable transfer" includes a transfer of assets which, by the terms of the instrument effecting it, is not revocable for a period exceeding six years or during the life-time of the transferee, and under which the transferor derives no direct or indirect benefit, but does not include a transfer of assets if such instrument-- (i) contains any provision for the re-transfer, directly or indirectly, of the whole or any part of the assets or income therefrom to the transferor, ii) in any way gives the transferor a right to reassume power, directly or indirectly, over the whole or any part of the assets or income therefrom.

(c) the expression "property" includes any interest in property, movable or immovable, the proceeds of sale thereof and any money or investment for the time being representing the proceeds of sale thereof and where the property is converted into any other property by any method, such other property; and

(d) the expressions "interest of the individual in the property of the family" and "interest of the spouse or any minor child of the individual in the property of the family" mean, respectively, the proportion in which the individual or, as the case may be, the spouse or minor child would be entitled to share the property of the family if there had been a total partition in the family as on the valuation date of the family relevant to the assessment year for which the individual is to be assessed under sub-section (1A).]

5. Exemptions in respect, of certain assets. 5. Exemptions in respect, of certain assets. (1) Subject to the provisions of sub-section (1A), wealth-tax shall not be payable by an assessee in respect of the following assets] and such assets shall not be included in the net wealth of the assessee-- (i) any property held by him under trust or other legal obligation for any public purpose of a charitable or religious nature in India; (ii) the interest of the assessee in the occupation property of any Hindu undivided family of which he is a member; (iii) any one building in the occupation of a Ruler declared by the Central Government as his official residence under paragraph 13 of the Merged States (Taxation Concessions) Order, 1949, or paragraph 15 of the Part B States (Taxation Concessions) Order, 1950; [(iv) one house or part of a house belonging to the assessee 4: Provided that, where the value of such house or part exceeds one hundred thousand rupees, the amount that shall not be included in the net wealth of the assessee under this clause shall be one hundred thousand rupees; iva) agricultural land belonging to the assessee subject to a maximum of one hundred and fifty thousand rupees in value: Provided that where the assessee owns any house or part of a house situate in a place with a population exceeding ten thousand and to which the provisions of clause (iv) apply and the value of such house or part of a house together with the value of the agricultural land exceeds one hundred and fifty thousand rupees, then the amount that shall not be included in the net wealth of the assessee under this clause shall be one hundred and fifty thousand rupees as reduced by so much of the value of such house or part of house as is not to be included in the net wealth of the assessee under clause (iv), ivb) one building or one group of buildings owned by a cultivator of, or receiver of rent or revenue out of, agricultural land: Provided that such building or group of buildings is on or in the immediate vicinity of the land and is required by the cultivator or the receiver of rent or revenue, by reason of his connection with the land, as dwelling house, store-house or outhouse;]

(v) the rights under any patent or copyright belonging to the assessee: Provided that they are not held by him as assets of a business, profession or vocation and no income or benefit accrues to him therefrom;

(vi) the right or interest of the assessee in any policy of insurance before the moneys covered by the policies become due and payable to the assessee;

[(via) the right of the assessee to receive any annuity payable by the Central Government under the provisions of section 280D of the Income-tax Act;

(vii) the right of the assessee to receive a pension or other life annuity in respect of past services under an employer; (viii) furniture, household utensils, wearing apparel, provisions and other articles intended for the personal or household use of the assessee but not including jewellery

Provided that the furniture, utensils or other articles are neither made wholly or partly of, nor contain (whether by way of embedding, covering or otherwise), gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals:

Provided further that nothing in this clause shall operate to exclude from the net wealth of the assessee any conveyance or conveyances to the extent the value or the aggregate value thereof exceeds the sum of twentyfive thousand rupees.

Explanation 1.--For the purposes of this clause and clause (xiii), "jewellery" includes-

- (a) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;

(b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel.

Explanation 2.--For the purposes of this clause, "conveyance" means any motor car or other mechanically propelled vehicle, aircraft or boat (viiia) growing crops (including fruits on trees) on agricultural land and grass on such land [(ix) the tools, implements and equipment used by the assessee for the cultivation, conservation, improvement or maintenance of agricultural land, or for the raising or harvesting of any agricultural or horticultural produce on such land.

Explanation.--For the purposes of this clause, tools, implements and equipment do not include any plant or machinery used in any tea or other plantation in connection with the processing of any agricultural produce or in the manufacture of any article from such produce;] (x) the tools and instruments necessary to enable the assessee to carry on his profession or vocation, subject to a maximum of twenty thousand rupees in value; (xi) instruments and other apparatus used by the assessee for purposes of scientific research; (xii) any works of art, archaeological, scientific or art collections, books or manuscripts belonging to the assessee and not intended for sale; (xiii) any drawings, paintings, photographs, prints and any other heirloom not falling within clause (xii) and not intended for sale, but not including jewellery; (xiv) jewellery in the possession of any Ruler, not being his personal property, which has been recognised before the commencement of this Act by the Central Government as his heirloom or, where no such recognition exists, which the Board may, subject to any rules that may be made by the Central Government in this behalf, recognise as his heirloom at the time of his first assessment to wealth-tax under this Act;

[(xv) deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette, to the extent to which the amounts of such deposits do not exceed the maximum amount permitted to be deposited therein;] (xvi) ten year treasury savings deposit certificates, fifteen year annuity certificates, deposits in post office savings banks, post office cash certificates, post office national savings (with retrospective effect and twelve year national plan savings certificates, ten year defence deposit certificates and twelve year national defence

certificates 2*, to the extent to which the amount of such certificates or deposits do not exceed in each case the maximum amount permitted to be invested or deposited therein

[(xvia) 6 1/2 per cent. Gold Bonds, 1977, 7 per cent. Gold Bonds, 1980 and National Defence Gold Bonds, 1980;] (xvii) the amount standing to the credit of an assessee, being a salaried employee, in any provident fund maintained by his employer to which the Provident Funds Act, 1925, (19 of 1925.) applies or which is a recognised provident fund within the meaning of

xvii-a) the amount standing to the credit of an individual in any provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette;

(xviii) the property received by an assessee from Government in pursuance of any gallantry or merit award instituted or approved by the Central Government;

(xix) the value of any shares held by the assessee in any other company in any case where the assessee is a company; 6*[(xx) the value of any equity shares held by the assessee in any company of the type referred to in clause (d) of section 45, where such shares form part of the initial issue of equity share capital made by the company following the date on which such company commences the operations for which it has been established;

(xxi) that portion of the net wealth of a company established with the object of carrying on an industrial undertaking in India within the meaning of the Explanation to clause (d) of section 45, as is employed by it in a new and separate unit set up after the commencement of this Act by way of substantial expansion of its undertaking: Provided that—

(a) separate accounts are maintained in respect of such unit; and (b) the conditions specified in clause (d) of section 45 are complied with in relation to the establishment of such unit: Provided further that this exemption shall apply of any such company only for a period of five successive assessment years commencing with the assessment year next following the date on which the company commences operations for the establishment of such unit;

[(xxii) any security of the Central Government or a State Government [not being a security referred to in clause (xvi) or clause (xvia)

(xxiii) any shares [not being shares referred to in clause (xx)] held by the assessee in any Indian company where the assessee is an individual or a Hindu undivided family;

(xxiv) such debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(xxv) units in the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);

(xxvi) any deposits with a banking company to which the Banking Regulation Act, 1949, (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act), or with a co-operative society engaged in carrying on the business of banking or a co-operative land development bank);

(xxvii) any deposits with a financial corporation which is engaged in providing long-term finance for industrial development in India and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36 of the Income-tax Act;

xxviii) any shares held by the assessee in any co-operative society; (xxix) any deposits with a co-operative society, not being deposits referred to in clause (xxvi) or clause (xxx), made by a member of the society; (xxx) any deposits with a co-operative housing society made by a member of the society to whom a building or part thereof is allotted or leased under a house building scheme of the society, where such deposits have been made under such scheme

1A) Nothing contained in sub-section (1) shall operate to exclude from the net wealth of the assessee any assets referred to in clauses (xv), (xvi), (xxii), (xxiii), (xxiv), (xxv), [(xxvi), (xxvii), (xxviii), and (xxix)] not being deposits under the Post Office Savings bank (Cumulative Time Deposits) Rules, 1959, to the extent the value thereof exceeds in the aggregate, a sum of one hundred and fifty thousand rupees: Provided that where the assets include any assets referred to in clause (xv) or clause (xvi) [not being deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959] which have been held by the assessee continuously from a date prior to the 1st day of March, 1970 and the value of the assets so included exceeds the limit of one hundred and fifty thousand rupees by any amount, such limit shall be raised by the said amount.) Wealth-tax shall not be payable by an assessee in respect of any deposit made by the assessee with the Government or in any security of the Government or of a local authority not specified in clause (xv) or [clause (xvi) or clause (xvii)] of sub-section (1) which the Central Government may, by notification in the Official Gazette, exempt from wealth-tax; but the value of any deposit or security so exempted shall be included in computing the net wealth of the assessee. (3) Notwithstanding anything contained in sub-section (1), wealth-tax shall be payable by an assessee in respect of the assets referred to in [clauses (xv), (xvi), (xix), (xxii), (xxiii), (xxiv), (xxv)] [(xxvi), (xxvii), (xxviii), and (xxix)] of sub-section (1) or in sub-section (2) for any assessment year unless the assets are held by him-- (a) in the case of shares in a company, from the date on which the shares were first issued by the company, or for a "(xxvi) and (xxvii) (w.e.f. 1-4-1972). 787 period of at least six months ending with the relevant valuation date, whichever is shorter; and (b) in the case of other assets, for a period of at least six months ending with the relevant valuation date: [Provided that for the purpose of making any assessment for the assessment year commencing on the 1st day of April, 1963, the provisions of clause (b) shall not apply to ten year defence deposit certificates and twelve year national defence certificates held by the assessee on the relevant valuation date

[Explanation.--For the purposes of clause (a) or clause (b) of this sub-section, in computing the period of six months in relation to any asset (not being any share or security held as stock-in-trade for the purposes of the business of the assessee) in a case where such asset (hereafter in this Explanation referred to as the relevant asset) was acquired by the assessee by conversion of, or in exchange for, or with the proceeds of, or with the money constituting, any other asset exempt from wealth-tax under sub-section (1) or sub-section (2), there shall be included, if the assessee acquired the relevant asset within thirty days after he ceased to own] such other asset, so much of the period for which the assessee has owned such other asset] as falls within the period of twelve months ending with the relevant valuation date.] 6. Exclusion of assets and debts outside India. 6. Exclusion of assets and debts outside India. In computing the net wealth of an individual who is not a citizen of India or of an individual] or a Hindu undivided family not resident in India or resident but not

ordinarily resident in India, or of a company not resident in India during the year ending on the valuation date-

- (i) the value of the assets and debts located outside India; and (ii) the value of the assets in India represented by any loans or debts owing to the assessee in any case where the interest, if any, payable on such loans or debts is not to be included in the total income of the assessee under section 10 of the Income-tax Act; shall not be taken into account. Explanation 1.--An individual or a Hindu undivided family shall be deemed to be not resident in India or resident but not ordinarily resident in India during the year ending on the valuation date if in respect of that year the individual or the Hindu undivided family, as the case may be, is not resident in India or resident but not ordinarily resident in India within the meaning of the Income-tax Act. Explanation 2.--A company shall be deemed to be resident in India during the year ending on the valuation date, if-- (a) it is a company formed and registered under the Companies Act, 1956, (1 of 1956.) or is an existing company within the meaning of that Act; or (b) during that year the control and management of its affairs is situated wholly in India. Value of assets how to be determined.

7. Value of assets how to be determined. (1[Subject to any rules made in this behalf, the value] of any asset, other than cash, for the purposes of this Act, shall be estimated to be the price which in the opinion of the Wealth-tax Officer it would fetch if sold in the open market on the valuation date.

(2) Notwithstanding anything contained in sub-section (1) (a) where the assessee is carrying on a business for which accounts are maintained by him regularly, the Wealth- tax Officer may, instead of determining separately the value of each asset held by the assessee in such business, determine the net value of the assets of the business as a whole having regard to the balance-sheet of such business as on the valuation date and making such adjustments therein as[may be prescribed;

(b) where the assessee carrying on the business, is a company not resident in India and a computation in accordance with clause (a) cannot be made by reason of the absence of any separate balance-sheet drawn up for the affairs of such business in India, the Wealth-tax Officer may take the net value of the assets of the business in India to be that proportion of the net value of the assets of the business as a whole wherever carried on determined as aforesaid as the income arising from the business in India during the year ending with the valuation date bears to the aggregate income from the business wherever arising during that year.

3) Notwithstanding anything contained in sub-section (1), where the valuation of any asset is referred by the Wealth-tax officer to the Valuation Officer under section 16A, the value of such asset shall be estimated to be the price which, in the opinion of the Valuation Officer, it would fetch if sold in the open market on 5*[the valuation date, or, in the case of an asset being a house referred to in sub-section (4), the valuation date referred to in that sub- section]

[(4) Notwithstanding anything contained in sub-section (1), the value of a house belonging to the assessee and exclusively used by him for residential purposes throughout the period of twelve months immediately preceding the valuation date may, at the option of the assessee, be taken to be the price which, in the opinion of the Wealth-tax Officer, it would fetch if sold in the open market on the valuation date next following the date on which he became the owner of the house, or on the valuation date relevant to the assessment year commencing on the 1st day of April, 1971, whichever valuation date is later: Provided that where more than one house belonging to the assessee is exclusively used by him for residential purposes, the provisions of this sub-section shall apply only in

respect of one of such houses which the assessee may, at his option, specify in this behalf in the return of net wealth. Explanation.--For the purposes of this sub-section-- (i) where the house has been constructed by the assessee, he shall be deemed to have become the owner thereof on the date on which the construction of such house was completed; (ii) "house" includes a part of a house, being an independent residential unit.

CHAP WEALTH-TAX AUTHORITIES

8. Wealth-tax Officers. 8. Wealth-tax Officers. Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual, Hindu undivided family or company shall perform the functions of a Wealth-tax Officer under this Act in respect of such individual, Hindu undivided family or company: Provided that where two or more Income-tax Officers have jurisdiction or exercise powers under the Income-tax Act in respect of any individual, Hindu undivided family or company, they shall have concurrent jurisdiction and shall perform their functions in respect of such individual, Hindu undivided family or company, as the case may be, in accordance with such general or special orders in writing as the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf may make for the purpose of facilitating the performance of such functions. Explanation.--For the purposes of this section, the Income-tax Officer or the Income-tax Officers having jurisdiction in relation to a person who is not an assessee within the meaning of the Income-tax Act, shall be the Income-tax Officer or Income-tax Officers in respect of the area in which that person resides.

8A Power of Commissioner respecting specified areas, cases or persons.

Power of Commissioner respecting specified areas, cases or persons. (1) The Commissioner may, by general or special order in writing, direct that such of the functions assigned to the Wealth-tax Officer by or under this Act as are specified in any such order may, in respect of any specified area or specified cases or classes of cases or specified persons or classes of persons, be performed by an Inspector of Wealth-tax or any member of the ministerial staff, appointed to work under the Commissioner or any other Wealth-tax authority subordinate to him, and specified in such order, subject to such conditions, restrictions or limitations as may be specified therein: Provided that the Commissioner shall not, unless he is authorised in this behalf by the Board by general or special order in writing, make an order under this sub-section in relation to the functions of a Wealth-tax Officer mentioned in the following provisions of this Act, namely, sections 15B, 16, 17, 18, 20, 22, 24, 32, 37 and 37A. (2) For the purposes of any case or person or proceeding under this Act in respect of which or whom any order under sub-section (1) applies, references in this Act or in any rule made hereunder to the Wealth-tax Officer shall be deemed to include references to the Inspector of Wealth-tax or the member of the ministerial staff specified in such order.

8AA. Concurrent jurisdiction of Inspecting Assistant. "8AA. Concurrent jurisdiction of Inspecting Assistant.

1) The Commissioner may, by general or special order in writing, direct that all or any of the powers or functions conferred on or assigned to the Wealth-tax Officer or Wealth-tax Officers by or under this Act in respect of any area, or cases or classes of cases, or persons or classes of persons shall be exercised or performed concurrently by the Inspecting Assistant Commissioner. Commissioner and Wealth-tax Officer.

2) Where under sub-section (1), an Inspecting Assistant Commissioner exercises concurrent jurisdiction with one or more Wealth-tax Officers in respect of any area, cases or classes of cases, or persons or classes of persons, the Wealth-tax Officer or Wealth-tax Officers shall exercise the powers and perform the functions under this Act in relation thereto as the Inspecting Assistant Commissioner may direct.

(3) Without prejudice to the generality of the provisions contained in sub-section (2) of section 13, every Wealth-tax Officer shall also observe and follow such instructions as may be issued to him for his guidance by the Inspecting Assistant Commissioner within whose jurisdiction he performs his functions in relation to any particular proceeding or the initiation of any proceeding under this Act. Provided that no instructions which are prejudicial to the assessee shall be issued before an opportunity is given by the Inspecting Assistant Commissioner to the assessee to be heard. Explanation.--For the purposes of this sub-section, no instruction as to the lines on which an investigation connected with the assessment should be made shall be deemed to be an instruction prejudicial to the assessee.

4) Where an order is made under sub-section (1) and the Inspecting Assistant Commissioner exercises the powers or performs the functions of a Wealth-tax Officer in respect of any case or person or proceeding, references in this Act or in any rule made thereunder to the Wealth-tax Officer and the Appellate Assistant Commissioner shall be construed as references to the Inspecting Assistant Commissioner and the Commissioner respectively and, accordingly,-- (i) any provision of this Act requiring approval or sanction of the Inspecting Assistant Commissioner shall not apply; (ii) any appeal which would otherwise have lain to the Appellate Assistant Commissioner shall lie to the Commissioner; (iii) any appeal which would have lain from an order of the Appellate Assistant Commissioner to the Appellate Tribunal shall lie from the order of the Commissioner.] 8B. Power to transfer cases

8B. Power to transfer cases. [(1) The Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from one or more of the following officers subordinate to him, namely:--

(a) any Wealth-tax Officer or Wealth-tax Officers;

(b) any Wealth-tax Officer or Wealth-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner, to any other Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) also subordinate to him and the Board any similarly transfer any case from-- (i) any Wealth-tax Officer or Wealth-tax Officers, or (ii) any Wealth-tax Officer or Wealth-tax Officers having concurrent jurisdiction with the Inspecting Assistant Commissioner, to any other Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner): Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where a transfer is from any Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) to any other Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) and the offices of all such officers are situated in the same city, locality or place: Provided further that-- (a) where any case has been transferred from any Wealth-tax Officer or

Wealth-tax Officers to two or more Wealth-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner or the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf, may make for the purpose of facilitating the performance of such functions; (b) where any case has been transferred from any Wealth-tax Officer or Wealth-tax Officers (whether with or without concurrent jurisdiction with the Inspecting Assistant Commissioner) to two or more Wealth-tax Officers with concurrent jurisdiction with the Inspecting Assistant Commissioner, the officers (including the Inspecting Assistant Commissioner) to whom the case is so transferred shall have concurrent jurisdiction over such case and shall perform their functions in accordance with such general or special orders in writing as the Board or the Commissioner may make for the purpose of facilitating the performance of such functions and the Wealth-tax Officers shall perform their functions also in accordance with such orders or directions as the Inspecting Assistant Commissioner may make under section 8 or, as the case may be, under sub-section (2) of section 8AA.

The transfer of a case under sub-section (1) may be made at any stage of the proceedings, and shall not render necessary the reissue of any notice already issued by the Wealth-tax Officer or Wealth-tax Officers from whom the case is transferred.

Explanation.--In this section and in section 8A, the word "case", in relation to any person whose name is specified in any order made thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order, or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of any year.]

9. Appellate Assistant Commissioners of Wealth-tax.

The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Wealth-tax, and on being so empowered the Appellate Assistant Commissioners shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissioners the same area or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.

10. Commissioners of Wealth-tax.

The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Wealth-tax, and on being so empowered the Commissioners of Wealth-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct and where such directions have assigned to two or more Commissioners the same area or the same persons or the same classes of persons they shall have concurrent jurisdiction and shall perform such functions in relation to the said area or persons or classes of persons as the Board may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed].

10A. Directors of Inspections.

(1) The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Director of Inspection. (2) A Director of Inspection shall perform such functions of any other Wealth-tax authority as may be assigned to him by the Board.

11. Inspecting Assistant Commissioners of Wealth-tax.

The Commissioner of Wealth-tax may empower as many persons as he thinks fit to exercise under this Act the functions of an Inspecting Assistant Commissioner of Wealth-tax, and on being so empowered the Inspecting Assistant Commissioners of Wealth-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Commissioner may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners the same area or the same persons or the same classes of persons they shall have concurrent jurisdiction and shall perform such functions in respect of the said areas or persons or classes of persons as the Commissioner may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed.

11A. Inspector of Wealth-tax.

A Commissioner may empower any Inspector of Income-tax within the meaning of the Income-tax Act to work as an Inspector of Wealth-tax under any other Wealth-tax authority sub-ordinate to him; and when he is so empowered, he shall perform such functions in the execution of this Act as are assigned to him by the Commissioner by an order, whether made under sub-section (1) of section 8A or otherwise, or by any other Wealth-tax authority under whom he is appointed to work.] 11AA Commissioner competent to perform any function or functions.

11AA. Commissioner competent to perform any function or functions. In respect of any function to be performed by a Commissioner under any provision of this Act in relation to an assessee, the Commissioner referred to therein shall,-- (a) in a case where only one Commissioner has jurisdiction over such assessee, be such Commissioner; (b) in a case where two or more Commissioners have concurrent jurisdiction over such assessee, be the Commissioner empowered to perform such function by the Board.]

11B. Wealth-tax Officer competent to perform any function or functions.

In respect of any function to be performed by a Wealth-tax Officer under any provision of this Act, in relation to any assessee, the Wealth-tax Officer referred to therein shall,-- (a) in a case where only one Wealth-tax Officer has jurisdiction over such assessee, be such Wealth-tax Officer; (b) in a case where two or more Wealth-tax Officers have concurrent jurisdiction over such assessee, be the Wealth-tax Officer empowered to perform such function by the Board, or, as the case may be, the Wealth-tax Officer to whom such function has been assigned by an order of the Commissioner or of the Inspecting Assistant Commissioner of Wealth-tax authorised by the Commissioner in this behalf.

12. Control of Wealth-tax authorities.

(1) Inspecting Assistant Commissioners shall be subordinate to the Commissioner within whose jurisdiction they perform their functions and also to the Director of Inspection. (2) Wealth-tax Officers shall be subordinate to the Commissioner and the Inspecting Assistant Commissioner within whose jurisdiction they perform their functions and also to the Director of Inspection. (3) Inspectors

of Wealth-tax shall be subordinate to the Wealth- tax Officer or other Wealth-tax authority under whom they are empowered to work and to any other Wealth-tax authority to whom the said officer or other authority is subordinate.

Explanation.--For the purposes of sub-section (1), "Director of Inspection" does not include a Deputy Director of Inspection or an Assistant Director of Inspection; and for the purposes of sub-section (2) of this section and sub-section (2) of section 13, "Director of Inspection" does not include an Assistant Director of Inspection.

13. Wealth-tax authorities to follow orders, etc., of the Board

All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board: Provided that no orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Wealth-tax in the exercise of his appellate function. Every Wealth-tax Officer employed in the execution of this Act shall observe and follow such instructions as may be issued to him for his guidance by the Director of Inspection or by the Commissioner or by the Inspecting Assistant Commissioner within whose jurisdiction he performs his functions.]

13A. Powers of Director of Inspection, Commissioner and InspectingAssistant Commissioner to make enquiries.

The Director of Inspection, the Commissioner of Wealth-tax and the Inspecting Assistant Commissioner of Wealth-tax shall be competent to make any enquiry under this Act, and for this purpose shall have all the powers that a Wealth-tax Officer has under this Act in relation to the making of enquiries.

CHAP ASSESSMENT CHAPTER IV ASSESSMENT

14. Return of wealth.

(1) Every person, if his net wealth or the net wealth of any other person in respect of which he is assessable under this Act on the valuation date was of such an amount as to render him liable to wealth-tax under this Act, shall, before the 30th day of June of the corresponding assessment year, furnish to the Wealth-tax Officer a return in the prescribed form and verified in the prescribed manner setting forth the net wealth as on that valuation date.

[Provided that in the case of a person whose net wealth or the net wealth of any other person in respect of which he is assessable under this Act includes the value of any assets held in a business or profession and the time (whether fixed originally or on extension for furnishing the return of his total income or, as the case may be, of the total income of the other person aforesaid for the said assessment year under sub-section (1) or sub-section (2) or sub-section (3) of section 139 of the Income-tax Act, expires on or after the 30th day of June aforesaid, the return in respect of such net wealth for the assessment year may be furnished before the expiry of the time for furnishing such return of income If the Wealth-tax Officer is of the opinion that any person is assessable under this Act, whether in respect of his net wealth or the net wealth of any other person,] then, notwithstanding anything contained in sub-section (1), he may serve a notice upon such person requiring him to furnish within such period, not being less than thirty days, as may be specified in

the notice, a return in the prescribed form and verified in the prescribed manner setting forth (along with such other particulars as may be required by the notice)], the net wealth of such person as on the valuation date mentioned in the notice, The Wealth-tax Officer may, if he is satisfied that it is necessary so to do, extend the date for the delivery of the return under this section.

15. Return after due date and amendment of return.

If any person has not furnished a return within the time allowed under section 14, or having furnished a return under that section discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

15A. Return by whom to be signed.

The return made under section 14 or section 15 shall be signed and verified-- (a) in the case of an individual, by the individual himself; where the individual is absent from India, by the individual concerned or by some person duly authorised by him in this behalf; where the individual is mentally incapacitated from attending to his affairs, by his guardian or any other person competent to act on his behalf; and where for any other reason it is impossible for the individual to sign the return, by any person competent to act on his behalf; (b) in the case of a Hindu undivided family, by the karta, and, where the karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family; and (c) in the case of a company, by the principal officer thereof.

15B. Self assessment.

(1) Where a return has been furnished under section 14 or section 15 and the tax payable on the basis of that return exceeds five hundred rupees, the assessee shall pay the tax so payable within thirty days of furnishing the return. (2) After a provisional assessment under section 15C or a regular assessment under section 16 has been made, any amount paid under sub-section (1) shall be deemed to have been paid towards the provisional assessment or regular assessment, as the case may be. (3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), he shall, unless a provisional assessment under section 15C or a regular assessment under section 16 has been made before the expiry of thirty days referred to in that sub-section, be liable, by way of penalty, to pay such amount as the Wealth-tax Officer may direct, and in the case of a continuing failure, such further amount or amounts as the Wealth-tax Officer may from time to time direct, so, however, that the total amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be:] Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard. 15C. Provisional assessment.

15C. Provisional assessment. (1) The Wealth-tax Officer may, at any time after the receipt of a return made under section 14 or section 15, proceed to make, in a summary manner, a provisional assessment of the tax payable by the assessee, on the basis of his return and the accounts and documents, if any, accompanying it. After a regular assessment has been made, any amount paid towards the provisional assessment made under sub-section (1), shall be deemed to have been paid towards the regular assessment; and where the amount paid towards the provisional assessment exceeds the amount payable under the regular assessment, the excess shall be refunded to the assessee. (3) Nothing done or suffered by reason or in consequence of any provisional assessment

made under this section shall prejudice the determination, on the merits, of any issue which may arise in the course of the regular assessment. (4) There shall be no right of appeal against a provisional assessment made under sub-section (1). (5) For the removal of doubts, it is hereby declared that the provisions of section 31 excepting sub-section (6) thereof, and section 32 shall apply in relation to any tax payable in pursuance of a provisional assessment made under this section as if it were a regular assessment under section 16.

16. Assessment.

(1) If the Wealth-tax Officer is satisfied without requiring the presence of the assessee or production by him of any evidence that a return made under section 14 or section 15 is correct and complete], he shall assess the net wealth of the assessee and determine the amount of wealth-tax payable by him or the amount refundable to him on the basis of such return.

(2) If the Wealth-tax Officer is not so satisfied, he shall serve a notice on the assessee either to attend in person at his office on a date to be specified in the notice or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return. (3) The Wealth-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points 3*[and after taking into account all relevant material which the Wealth-tax Officer has gathered], shall, by order in writing, assess the net wealth of the assessee and determine the amount of wealth-tax payable by him or the amount refundable to him on the basis of such assessment. For the purpose of making an assessment under this Act the Wealth-tax Officer may serve, on any person who has made a return under sub-section (1) of section 14 or upon whom a notice has been served under sub-section (2) of that section or who has made a return under section 15, a notice requiring him to produce or cause to be produced on a date specified in the notice such accounts, records or other documents as the Wealth-tax Officer may require. (5) If any person fails to make a return in response to any notice under sub-section (2) of section 14, or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Wealth-tax Officer after taking into account all relevant material which he has gathered, shall estimate the net wealth to the best of his judgment and determine the amount of wealth-tax payable by the person or the amount refundable to him on the basis of such assessment.

17. Wealth escaping assessment.

17. Wealth escaping assessment. If the Wealth-tax Office (a) has reason to believe that by reason of the omission or failure on the part of any person to make a return under section 14 of his net wealth or the net wealth of any other person in respect of which he is assessable under this Act for any assessment year or to disclose fully and truly all material facts necessary for assessment of his net wealth or the net wealth of such other person for that year, the net wealth chargeable to tax has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise; or] (b) has, in consequence of any information in his possession, reason to believe, notwithstanding that there has been no such omission or failure as is referred to in clause (a), that the net wealth chargeable to tax has escaped assessment for any year, whether by reason of under-assessment or assessment at too low a rate or otherwise; he may, in cases falling under clause (a) at any time within eight years and in cases falling under clause (b) at any time within four years of the end of that assessment year, serve on such person a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 14, and may

proceed to assess or re-assess such net wealth, and the provisions of this Act shall, so far as may be, apply as if the notice had issued under that sub-section.

2) Nothing contained in this section limiting the time within which any proceeding for assessment or re-assessment may be commenced, shall apply to an assessment or re-assessment to be made on such person in consequence of or to give effect to any finding or direction contained in an order under section 23, 24, 25, 27 or 29: Provided that the provisions of this sub-section shall not apply in any case where any such assessment or re-assessment relates to an assessment year in respect of which an assessment or re-assessment could not have been made at the time the order which was the subject matter of the appeal, reference or revision, as the case may be, was made by reason of any provision limiting the time within which any action for assessment or re-assessment may be taken.

18. Penalty for failure to furnish returns, to comply with notices and concealment of assets, etc.

(1) If the Wealth-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal in the course of any proceedings under this Act is satisfied that any person-- (a) has without reasonable cause failed to furnish the return which he is required to furnish under sub-section (1) of section 14 or by notice given under sub-section (2) of section 14 or section 17, or has without reasonable cause failed to furnish it within the time allowed and in the manner required by sub-section (1) of section 14 or by such notice, as the case may be; or (b) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 16; or (c) has concealed the particulars of any assets or furnished inaccurate particulars of any assets or debts

s. 17, for "serve on the assessee" he or it may, by order in writing, direct that such person shall pay by way of penalty (i) in the cases referred to in clause (a), in addition to the amount of wealth-tax, if any, payable by him, a sum, for every month during which the default continued, equal to one-half per cent. of-- A) the net wealth assessed under section 16 as reduced by the amount specified in sub-section (1A), or (B) the net wealth assessed under section 17, where assessment has been made under that section, as reduced by-- (1) the net wealth, if any, assessed previously under section 16 or section 17, or (2) the amount specified in sub-section (1A), whichever is greater,] but not exceeding, in the aggregate, an amount equal to the net wealth assessed under section 16, or, as the case may be, the net wealth assessed under section 17, as reduced in either case in the manner aforesaid; (ii) in the cases referred to in clause (b), in addition to the amount of wealth-tax payable by him, a sum which shall not be less than one per cent. of the assessed net wealth but which shall not exceed the amount of the assessed net wealth. Explanation.--For the purposes of clause (ii), "assessed net wealth" shall be taken to be the net wealth assessed under section 16 as reduced by the net wealth declared in the return, if any, furnished by such person, or, as the case may be, the net wealth assessed under section 17 as reduced by-- (i) the net wealth, if any, assessed previously under section 16 or section 17, or (ii) the net wealth declared in the return, if any, furnished by such person under section 17, whichever is greater; (iii) in the cases referred to in clause (c), in addition to any wealth-tax payable by him, a sum which shall not be less than, but which shall not exceed twice, the amount representing the value of any assets in respect of which the particulars have been concealed or any assets or debts in respect of which inaccurate particulars have been furnished.]

Explanation 1.--Where,-- (i) the value of any asset returned by any person is less than seventy-five per cent. of the value of such asset as determined in an assessment under section 16 or section 17

(the value so assessed being referred to hereafter in this Explanation as the correct value of the asset), or (ii) the value of any debt returned by any person exceeds the value of such debt as determined in an assessment under section 16 or section 17 by more than twenty-five per cent. of the value so assessed (the value so assessed being referred to hereafter in this Explanation as the correct value of the debt), or (iii) the net wealth returned by any person is less than seventy-five per cent. of the net wealth as assessed under section 16 or section 17 (the net wealth so assessed being referred to hereafter in this Explanation as the correct net wealth), then, such person shall, unless he proves that the failure to return the correct value of the asset or, as the case may be, the correct value of the debt or the correct net wealth did not arise from any fraud or any gross or wilful neglect on his part, be deemed to have concealed the particulars of assets or furnished inaccurate particulars of assets or debts for the purposes of clause (c) of this sub-section. Explanation 2.--For the purposes of clause (iii),-- (a) the amount representing the value of any assets in respect of which the particulars have been concealed or any assets in respect of which inaccurate particulars have been furnished, shall be the value of such assets determined for the purposes of this Act as reduced by the value thereof, if any, declared in the return made under section 14 or section 15; (b) the amount representing the value of any debts in respect of which inaccurate particulars have been furnished, shall be the amount by which the value of such debts declared in the return made under section 14 or section 15 exceeds the value thereof determined for the purposes of this Act.

(1A) The amount referred to in sub-clause (A) and sub-clause (B) (2) of clause (i) of sub-section (1) shall be,-- (a) in the case of an individual, Rs. 1,00,000; (b) in the case of a Hindu undivided family, Rs. 2,00,000; and (c) in the case of a company, Rs. 5,00,000.] (2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

2A) Notwithstanding anything contained in clause (i) or clause (iii) of sub-section (1), the Commissioner may, in his discretion,-- (i) reduce or waive the amount of minimum penalty imposable on a person under clause (i) of sub-section (1) for failure, without reasonable cause, to furnish the return of net wealth which such person was required to furnish under sub-section (1) of section 14, or (ii) reduce or waive the amount of minimum penalty imposable on a person under clause (iii) of sub-section (1), if he is satisfied that such person-- (a) in the case referred to in clause (i) of this sub-section has, prior to the issue of notice to him under sub-section (2) of section 14, voluntarily and in good faith, made full disclosure of his net wealth; and in the case referred to in clause (ii) of this sub-section has, prior to the detection by the Wealth-tax Officer of the concealment of particulars of assets or of the inaccuracy of particulars furnished in respect of the assets or debts in respect of which the penalty is imposable, voluntarily and in good faith, made full and true disclosure of such particulars

(b) has co-operated in any enquiry relating to the assessment of the wealth represented by such assets;

and (c) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year: Provided that if in a case falling under clause (c) of sub-section (1) the amount in respect of which penalty is imposable for the relevant assessment year, or where such disclosure relates to more than one assessment year, such amount for any one of the relevant assessment years, exceeds five hundred thousand rupees, no order reducing or waiving the penalty shall be made by the

Commissioner unless the previous approval of the Board has been obtained.] (2B) An order under sub-section (2A) shall be final and shall not be called in question before any court of law or any other authority.] (3) Notwithstanding anything contained in clause (iii) of sub-section (1), if in a case falling under clause (c) of that sub-section, 2*[the amount (as determined by the Wealth-tax Officer on assessment) in respect of which penalty is imposable under clause (c) of sub-section (1) exceeds a sum of twenty-five thousand rupees], the Wealth-tax Officer shall refer the case to the Inspecting Assistant Commissioner who shall, for the purpose, have all the powers conferred under this section for the imposition of penalty. (4) An Appellate Assistant Commissioner, a Commissioner or the Appellate Tribunal on making an order under this section imposing a penalty, shall forthwith send a copy of the same to the Wealth-tax Officer. (5) No order imposing a penalty under this section shall be passed-- (a) in a case where the assessment to which the proceedings for imposition of penalty relate is the subject-matter of an appeal to the Appellate Assistant Commissioner under section 23 or an appeal to the Appellate under sub-section (2) of section 24, after the expiration of a period of-- (i) two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed, or (ii) six months from the end of the month in which the order of the Appellate Assistant Commissioner or, as the case may be, the Appellate Tribunal is received by the Commissioner, whichever period expires later; (b) in any other case, after the expiration of two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed. Explanation.- -In computing the period of limitation for the purposes of this section, the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 39 and any period during which a proceeding under this section for the levy of penalty is stayed by an order or injunction of any court shall be excluded

CHAP LIABILITY TO ASSESSMENT IN SPECIAL CASES CHAPTER V LIABILITY TO ASSESSMENT IN SPECIAL CASES

19. Tax of deceased person payable by legal representative.

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 wealth-tax assessed as payable by such person, or any sum, which would have been payable by him under this Act if he had not died. (2) Where a person dies without having furnished a return under the provisions of section 14 or after having furnished a return which the Wealth-tax Officer has reason to believe to be incorrect or incomplete, the Wealth-tax Officer may make an assessment of the net wealth of such person and determine the wealth-tax payable by the person on the basis of such assessment, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived, require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which might under the provisions of section 16 have been required from the deceased person. (3) The provisions of sections 14, 15 and 17 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in those sections.

19A. Assessment in the case of executors.

(1) Subject as hereinafter provided, the net wealth of the estate of a deceased person shall be chargeable to tax in the hands of the executor or executors. (2) The executor or executors shall for

the purposes of this Act be treated as an individual. (3) The status of the executor or executors shall for the purposes of this Act as regards residence and citizenship be the same as that of the deceased on the valuation date immediately preceding his death. (4) The assessment of an executor under this section shall be made separately from any assessment that may be made on him in respect of his own net wealth or on the net wealth of the deceased under section Separate assessments shall be made under this section in respect of the net wealth as on each valuation date as is included in the period from the date of the death of the deceased to the date of complete distribution to the beneficiaries of the estate according to their several interests. (6) In computing the net wealth on any valuation date under this section, any assets of the estate distributed to, or applied to the benefit of, any specific legatee of the estate prior to that valuation date shall be excluded, but the assets so excluded shall, to the extent such asset are held by the legatee on any valuation date, be included in the net wealth of such specific legatee on that valuation date. Explanation.--In this section, "executor" includes an administrator or other person administering the estate of a deceased person.

20. Assessment after partition of a Hindu undivided family.

(1) Where, at the time of making an assessment, it is brought to the notice of the Wealth-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Wealth-tax Officer, after inquiry, is satisfied that the joint family property has been partitioned as a whole among the various members or groups of members in definite portions, he shall record an order to that effect and shall make assessments on the net wealth of the undivided family as such for the assessment year or years, including the year relevant to the previous year in which the partition has taken place, if the partition has taken place on the last day of the previous year and each member or group of members shall be liable jointly and severally for the tax assessed on the net wealth of the joint family as such. (2) Where the Wealth-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family liable to be assessed as such.

21. Assessment when assets are held by courts of wards, administrators-general, etc. 21.

Assessment when assets are held by courts of wards, administrators-general, etc. (1) In the case of assets chargeable to tax under this Act which are held by a court of wards or an administrator-general or an official trustee or any receiver or manager or any other person, by whatever name called, appointed under any order of a court to manage property on behalf of another, or any trustee appointed under a trust declared by a duly executed instrument in writing, whether testamentary or otherwise (including a trustee under a valid deed of wakf, the wealth-tax shall be levied upon and recoverable from the court of wards, administrator-general, official trustee, receiver, 803 manager or trustee, as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from the person on whose behalf or for whose benefit] the assets are held, and the provisions of this Act shall apply accordingly. (2) Nothing contained in sub-section (1) shall prevent either the direct assessment of the person on whose behalf or for whose benefit] the assets above referred to are held, or the recovery from such person of the tax payable in respect of such assets. (3) Where the guardian or trustee of any person being a minor, lunatic or idiot holds any assets on behalf or for the benefit of such beneficiary, the tax under this Act shall be levied upon and recoverable from such guardian or trustee, as the case may be, in the like manner

and to the same extent as it would be leviable upon and recoverable from any such beneficiary if of full age or sound mind and in direct ownership of such assets.

4) Notwithstanding anything contained in this section, where the shares of the persons on whose behalf or for whose benefit any such assets are held are indeterminate or unknown, the wealth-tax shall be levied upon and recovered from the court of wards, administrator-general, official trustee, receiver, manager, or other person aforesaid as if the persons on whose behalf or for whose benefit the assets are held were an individual who is a citizen of India and resident in India for the purposes of this Act, and-- (a) at the rates specified in Part I of the Schedule, or (b) at the rate of one and one-half per cent., whichever course would be more beneficial to the revenue: Provided that in a case where-- (i) such assets are held under a trust declared by will; or (ii) such assets are held under a trust created before the 1st day of March, 1970, by a non-testamentary instrument and the Wealth-tax Officer is satisfied, having regard to all the circumstances existing at the relevant time, that the trust was created bona fide for the benefit of the relatives of the settlor or where the settlor is a Hindu undivided family, exclusively for the benefit of the members of such family, in circumstances where such relatives or members were mainly dependent on the settlor for their support and maintenance; or (iii) such assets are held by the trustees on behalf of a provident fund, superannuation fund, gratuity fund, pension fund or any other fund created bona fide by a person carrying on a business or profession exclusively for the benefit of persons employed in such business or profession, wealth-tax shall be charged at the rates specified in Part I of the Schedule .

Explanation.--Notwithstanding anything contained in section 5, in computing the net wealth for the purposes of this sub-section in any case, not being a case referred to in the proviso, any assets referred to in clauses (xv), (xvi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), (xxviii) and (xxix) of sub-section (1) of that section shall not be excluded.] 3*[(5) Any person who pays any sum by virtue of the provisions of this section in respect of the net wealth of any beneficiary, shall be entitled to recover the sum so paid from such beneficiary, and may retain out of any assets that he may hold on behalf or for the benefit of such beneficiary, an amount equal to the sum so paid. Explanation.--In this section, the term "beneficiary" means any person including a minor, lunatic or idiot on whose behalf or for whose benefit assets are held by any other person.]

22. Assessment of persons residing Outside India.

(1) Where the person liable to tax under this Act resides outside India, the tax may be levied upon and recovered from his agent, and the agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such tax. (2) Any person employed by or on behalf of a person referred to in sub-section (1) or through whom such person is in the receipt of any income, profits or gains, or who is in possession or has custody of any asset of such person and upon whom the Wealth-tax Officer has caused a notice to be served of his intention of treating him as the agent of such person shall, for the purposes of sub-section (1), be deemed to be the agent of such person. (3) No person shall be deemed to be the agent of any person residing outside India unless he has had an opportunity of being heard by the Wealth-tax Officer as to his being treated as such. (4) Any agent, who, as such, pays any sum under this Act, shall be entitled to recover the sum so paid from the person on whose behalf it is paid or to retain out of any moneys that may be in his possession or may come to him in his capacity as such agent, an amount equal to the sum so paid. (5) Any agent, or any person who apprehends that he may be assessed as an agent, may retain out of any money

payable by him to the person residing outside India on whose behalf he is liable to pay tax (hereinafter in this section referred to as the principal), a sum equal to his estimated liability under this section, and in the event of any disagreement between the principal and such agent or person, as to the amount to be so retained, such agent or person may secure from the Wealth-tax Officer a certificate stating the amount to be so retained pending final settlement of the liability, and the certificate so obtained shall be his warrant for retaining that amount. (6) The amount recoverable from such agent or person at the time of final settlement shall not exceed the amount specified in such certificate, except to the extent to which such agent or person may at such time have in his hands additional assets of the principal. (7) Notwithstanding anything contained in this section, any arrears of tax due from a person residing outside India may be recovered also in accordance with the provisions of this Act from any assets of such person which are or may at any time come within India.

CHAP APPEALS, REVISIONS AND REFERENCES CHAPTER VI APPEALS, REVISIONS AND REFERENCES

23. Appeal to the Appellate Assistant Commissioner from orders of Wealth-tax Officers.

(1) Any person,— (a) objecting to the amount of net wealth determined under this Act;

or (b) objecting to the amount of wealth-tax determined as payable by him under this Act;

or (c) denying his liability to be assessed under this Act;

or (d) objecting to any penalty imposed by the Wealth-tax Officer under 2*[section 15B or] section 18;

or (e) objecting to any order of the Wealth-tax Officer under sub-section (2) of section 20;

or (f) objecting to any penalty imposed by the Wealth-tax Officer under the provisions of section 21 of the Income-tax Act as applied under section 32 for the purposes of wealth-tax; or

g) objecting to any order made by the Wealth-tax Officer under section 22 treating him as the agent of a person residing outside India;

or (h) objecting to any order of the Wealth-tax Officer under section 35 having the effect of enhancing the assessment or reducing a refund or refusing to allow the claim made by the assessee under the said section;

or [(ha) objecting to any order of the Valuation Officer under section 35 having the effect of enhancing the valuation of any asset or refusing to allow the claim made by the assessee under the said section; or] (i) objecting to an order of the [Wealth tax Officer or Valuation Officer] 4* imposing a fine under sub-section (2) of section 37;] may appeal to the Appellate Assistant Commissioner against the assessment or order, as the case may be, in the prescribed form and verified in the prescribed manner. (2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to, is communicated to him, but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period. [(2A) Where a return has been filed by an assessee, no appeal under this section shall be admitted unless at the time of filing of the appeal he has paid the

tax due on the net wealth returned by him: Provided that, on an application made by the appellant in this behalf, the Appellate Assistant Commissioner may, for any good and sufficient reason to be recorded in writing, exempt him from the operation of the provision of this sub-section The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may, from time to time, adjourn the hearing.

3A) If the valuation of any asset is objected to in an appeal under clause (a) of sub-section (1), the Appellate Assistant Commissioner shall,-- (a) in a case where such valuation has been made by a Valuation Officer under section 16A, give such Valuation Officer an opportunity of being heard; (b) in any other case, on a request being made in this behalf by the Wealth-tax Officer, give an opportunity of being heard to any Valuation Officer nominated for the purpose by the Wealth-tax Officer.] (4) The Appellate Assistant Commissioner may-- (a) at the hearing of an appeal, allow an appellant to go into any ground of appeal not specified in the grounds of appeal; (b) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Wealth-tax Officer or, as the case may be, the Valuation Officer]. (5) In disposing of an appeal, the Appellate Assistant Commissioner may pass such order as he thinks fit which may include an order enhancing the assessment or penalty: Provided that no order enhancing the assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement. 5A) In disposing of an appeal, the Appellate Assistant Commissioner may consider and decide any matter arising out of the proceedings in which the order appealed against was passed, notwithstanding that such matter was not raised before the Appellate Assistant Commissioner by the appellant. (5B) The order of the Appellate Assistant Commissioner disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for the decision.] (6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the appellant and the Commissioner. 24. Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioners. 24. Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioners. (1) An assessee objecting to an order passed by the Appellate Assistant Commissioner under section 18 or section 18A or section 23 or sub-section (2) of section 37, or to an order passed by the Inspecting Assistant Commissioner under section 18A, may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.] (2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 23, direct the Wealth-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

[(2A) The Wealth-tax Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Appellate Assistant Commissioner has been preferred under sub-section (1) or sub-section (2) by the other party, may, notwithstanding that he may not have appealed against such order or any part thereof, within thirty days of the receipt of the notice, file a memorandum of cross objections, verified in the prescribed manner, against any part of the order of the Appellate Assistant Commissioner and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1) or sub-section (2).]

[(3) The Appellate Tribunal may admit an appeal or permit the filing of a memorandum of cross objections after the expiry of the relevant period referred to in sub-section (1) or sub-section (2) or

sub-section (2A) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of one hundred and twenty-five rupees.

(5) The Appellate Tribunal may, after giving both parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the assessment or penalty: Provided that no order enhancing an assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement. 4*

[(6) (a) Where the appellant object to the valuation of any property, the Appellate Tribunal may, and if the appellant so requires, shall, refer the question of the disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent, and the Tribunal shall, so far as that question is concerned, pass its orders under sub-section (5) conformably to the decision of the valuers.

Provided that-- (i) where the appellant or the respondent does not nominate any valuer within the time specified by the Appellate Tribunal or within such further time as the Appellate Tribunal may allow, the Appellate Tribunal may nominate a valuer on his behalf

(ii) if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement, or failing agreement, by the Appellate Tribunal, and the decision of that valuer on the question of valuation shall be final;

(iii) where any person has at any time expressed any opinion on the valuation of any property to which the provisions of this clause apply, such person shall not be nominated as a valuer in relation to that property.

(b) The valuers to whom a reference under clause (a) has been made by the Appellate Tribunal shall communicate their decision to the Appellate Tribunal within six months of the date of such reference or within such further time as the Tribunal may allow:

Provided that if the decision of the valuers is not communicated within the period aforesaid, the Appellate Tribunal may order that the reference made under this sub-section shall be deemed to be withdrawn and proceed to dispose of the case on the evidence before it, including the report of either of the valuers if any such report has been submitted.

(7) The extent to which the costs of arbitration proceedings (including a case where a reference is deemed to be withdrawn) under sub-section (6) shall be borne by the appellant or the respondent shall be at the discretion of the Appellate Tribunal.

(8) The valuers may, in disposing of any matter referred to them for arbitration under this section, hold or cause to be held such enquiry as they think fit and after giving the appellant and the respondent an opportunity of being heard, make such decision as they think fit and shall communicate such decision in writing to the Appellate Tribunal.

(8A) The valuers appointed under this section, while acting as such, shall have all powers of a Civil Court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908.) in respect of the following matters, namely:-- (i) summoning and enforcing the attendance of any person and examining him on oath; 808A

(9) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assessee and the Commissioner.

(10) Save as provided in section 27, any order passed by the Appellate Tribunal on appeal shall be final.

(11) The provisions of 1*[sub-sections (1), (4) and (5) of section 255] of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Income-tax Act.

25. Powers of Commissioner to revise orders of subordinate authorities.

(1) The Commissioner may, either of his own motion or on application made by an assessee in this behalf, call for the record of any proceeding under this Act in which an order has been passed by any authority subordinate to him, and may make such inquiry, or cause such inquiry to be made, and, subject to the provisions of this Act, pass such order thereon, not being an order prejudicial to the assessee, as the Commissioner thinks fit: Provided that the Commissioner shall not revise any order under this sub-section in any case-- (a) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal, the time within which such appeal can be made has not expired or in the case of an appeal to the Appellate Tribunal the assessee has not waived his right of appeal; (b) where the order is the subject of an appeal before the Appellate Assistant Commissioner or the Appellate Tribunal; (c) where the application is made by the assessee for such revision, unless-- (i) the application is accompanied by a fee of twenty-five rupees; (ii) the application is made within one year from the date of the order sought to be revised or within such further period as the Commissioner may think fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within that period; and (d) where the order is sought to be revised by the Commissioner of his own motion, if such order is made more than one year previously.

Explanation.--For the purposes of this sub-section,-- (a) the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner; and (b) an order by the Commissioner declining to interfere shall be deemed not to be an order prejudicial to the assessee.

(2) Without prejudice to the provisions contained in sub-section (1), the Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by a Wealth-tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the assessee an opportunity of being heard, and after making or causing to be made such inquiry as he deems necessary pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling it and directing a fresh assessment. (3) No order shall be made under sub-section (2) after the expiry of two years from the date of the order sought to be revised. (4) Notwithstanding anything contained in sub-section (3), an order in revision under sub-section (2) may be passed at any time in the case of an order which has been passed in consequence of, or to give effect to, any finding or direction

contained in an order of the Appellate Tribunal, the High Court or the Supreme Court. Explanation.-- In computing the period of limitation for the purposes of sub-section (3), the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 39 and any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

26. Appeal to the Appellate Tribunal from orders of enhancement by Commissioners.

(1) Any assessee objecting to 1*[an order passed by the Commissioner under section 18 or sub-section (2) of section 25] may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him. (2) An appeal to the Appellate Tribunal under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by fee of one hundred and twenty-five rupees]. (3) The provisions of sub-sections (3) and (5) to (10) inclusive of section 24 shall apply in relation to any appeal under this section as they apply in relation to any appeal under that section. 27. Reference to High Court. 27. Reference to High Court. (1) The assessee or the Commissioner may, within sixty days of the date upon which he is served with notice of an order under section 24 or section 26, by application in the prescribed form, accompanied, where the application is made by the assessee, by [a fee of one hundred and twenty-five rupees], require the Appellate Tribunal to refer to the High Court any question of law arising out of such order and, subject to the other provisions contained in this section, the Appellate Tribunal shall, within one hundred and twenty days of the receipt of such application, draw up a statement of the case and refer it to the High Court. (2) The Appellate Tribunal may, if it is satisfied that the applicant was prevented by sufficient cause from presenting the application within the period specified in sub-section (1), allow it to be presented within a further period not exceeding thirty days.] (3) If, on an application made under sub-section (1), the Appellate Tribunal,-- (a) refuses to state a case on the ground that no question of law arises; or (b) rejects it on the ground that it is time barred; the applicant may, within 5*[ninety days] from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case: Provided that, if in any case where the Appellate Tribunal has been required by an assessee to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the assessee may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application, and if he does so, the fee paid by him under sub-section (1) shall be refunded to him. 1*[(3A) If, on an application made under this section the Appellate Tribunal is of the opinion that, on account of a conflict in the decisions of the High Courts in respect of any particular question of law, it is expedient that a reference should be made direct to the Supreme Court, the Appellate Tribunal may draw up a statement of the case and refer it through its President direct to the Supreme Court.] (4) The statement to the High Court or the Supreme Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case. (5) If the High Court or the Supreme Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct. (6) The High Court or the Supreme Court], upon hearing any such case, shall decide the question of law raised therein, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the ground on which such decision is founded and shall send a copy of the judgment

under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment. 2*[(7) The costs of any reference to the High Court or the Supreme Court which shall not include the fee for making the reference, shall be in the discretion of the Court.]

28. Hearing by High Court.

When a case has been stated to the High Court under section 27, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority of such Judges, if any: Provided that where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the 808E High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it. 29. Appeal to Supreme Court. 29. Appeal to Supreme Court. (1) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 27 in any case which the High Court certifies as a fit case for appeal to the Supreme Court. (2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 27. (3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any court subordinate to the High Court.

29A. Tax to be paid notwithstanding reference, etc

Notwithstanding that a reference has been made to the High Court or the Supreme Court, or an appeal has been preferred to the Supreme Court, wealth-tax shall be payable in accordance with the assessment made in the case. 29B. Definition of High Court. 29B. Definition of High Court. In this Chapter, "High Court" means-- (i) in relation to any State, the High Court of that State; 2*[(ii) in relation to the Union territory of Delhi, the High Court of Delhi; 3*xxx 4*[(iii) in relation to the Union territories of Arunachal Pradesh and Mizoram, the Gauhati High Court (the High Court of Assam, Nagaland, Meghalaya, Manipur and Tripura);] (iv) in relation to the Union territory of Andaman and Nicobar Islands, the High Court at Calcutta; (v) in relation to the Union territory of 5*[Lakshadweep] the High Court of Kerala; (vi) in relation to the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, the High Court at Bombay;

CHAP PAYMENT AND RECOVERY OF WEALTH-TAX CHAPTER VII PAYMENT AND RECOVERY OF WEALTH-TAX

30. Notice of demand.

When any tax, interest, penalty, fine or any other sum is payable in consequence of any order passed under this Act, the Wealth-tax Officer shall serve upon the assessee a notice of demand in the prescribed form specifying the sum so payable. 31. When tax, etc., payable and when assessee deemed in default. 31. When tax, etc., payable and when assessee deemed in default. (1) Any amount specified as payable in a notice of demand under section 30 shall be paid within thirty-five days of the service of the notice at the place and to the person mentioned in the notice: Provided that, where the Wealth-tax Officer has any reason to believe that it will be detrimental to revenue if

the full period of thirty-five days aforesaid is allowed, he may, with the previous approval of the Inspecting Assistant Commissioner, direct that the sum specified in the notice of demand shall be paid within such period being a period less than the period of thirty-five days aforesaid, as may be specified by him in the notice of demand. (2) If the amount specified in any notice of demand under section 30 is not paid within the period limited under sub-section (1), the assessee shall be liable to pay simple interest at 4*[twelve per cent.] per annum from the day commencing after the end of the period mentioned in sub-section (1): Provided that where as a result of an order under section 23, or section 24, or section 25, or section 26, or section 27, or section 29, or section 35, the amount on which interest was payable under this section had been reduced, the interest shall be reduced accordingly and the excess interest paid, if any, shall be refunded. (3) Without prejudice to the provisions contained in sub-section (2), on an application made by the assessee before the expiry of the due date under sub-section (1), the Wealth-tax Officer may extend the time for payment or allow payment by instalments, subject to such conditions as he may think fit to impose in the circumstances of the case.

(3), as the case may be, at the place and to the person mentioned in the said notice, the assessee shall be deemed to be in default.

(5) If in a case where payment by instalments is allowed under sub-section (3), the assessee commits default in paying any one of the instalments within the time fixed under that sub-section, the assessee shall be deemed to be in default as to the whole of the amount then outstanding, and the other instalment or instalments shall be deemed to have been due on the same date as the instalment actually in default.

(6) Where an assessee has presented an appeal under section 23, the Wealth-tax Officer may, in his discretion, and subject to such conditions, as he may think fit to impose in the circumstances of the case, treat the assessee as not being in default in respect of the amount in dispute in the appeal, even though the time for payment has expired, as long as such appeal remains undisposed of

(7) Where an assessee has been assessed in respect of assets located in a country outside India, the laws of which prohibit or restrict the remittance of money to India, the Wealth-tax Officer shall not treat the assessee as in default in respect of that part of the tax which is attributable to those assets, and shall continue to treat the assessee as not in default in respect of that part of the tax until the prohibition or restriction of remittance is removed. 32. Mode of recovery. 32. Mode of recovery. The provisions contained in sections 221 to 227, 229, 231 and 232 of the Income-tax Act and the Second and Third Schedules to that Act and any rules made thereunder shall, so far as may be, apply as if the said provisions were provisions of this Act and referred to wealth-tax and sums imposed by way of penalty, fine and interest under this Act instead of to Income-tax and sums imposed by way of penalty, fine and interest under that Act and to Wealth-tax Officer and Commissioner of Wealth-tax instead of to Income-tax Officer and Commissioner of Income-tax. Explanation I.--Any reference to section 173 and sub-section (2) or sub-section (6) or sub-section (7) of section 220 of the Income-tax Act in the said provisions of that Act or the rules made thereunder shall be construed as references to sub-section (7) of section 22 and 808H sub-section (2) or sub-section (6) or sub-section (7) of section 31 of this Act respectively.

Explanation II.--The Tax Recovery Commissioner and the Tax Recovery Officer referred to in the Income-tax Act shall be deemed to be the Tax Recovery Commissioner and the Tax Recovery Officer]

for the purposes of recovery of wealth-tax and sums imposed by way of penalty, fine and interest under this Act

33. Liability of transferees of properties in certain cases.

(1) Where by reason of the provisions contained in section 4, the value of any assets transferred to any of the persons mentioned in that section have to be included in the net wealth of an individual, the person in whose name such assets stand shall, notwithstanding anything contained in any law to the contrary, be liable, on the service of a notice of demand by the Wealth-tax Officer in this behalf, to pay that portion of the tax assessed on the assessee as is attributable to the value of the asset standing in his name as aforesaid: Provided that where any such asset is held jointly by more than one person, they shall be jointly and severally liable to pay the tax as is attributable to the value of the asset so jointly held.

(2) Where any such person as is referred to in sub-section (1) defaults in making payment of any tax demanded from him, he shall be deemed to be an assessee in default in respect of such sum, and all the provisions of this Act relating to recovery shall apply accordingly. 34. Restrictions on registration of transfers of immovable property in certain cases.

34. [CHAPTER VIIA REFUNDS 34A.

Refunds. (1) Where, as a result of any order passed in appeal or other proceeding (including a rectification proceeding) under this Act, refund of any amount becomes due to the assessee, the Wealth-tax Officer shall, except as otherwise provided in this Act, refund the amount to the assessee without his having to make any claim in that behalf.

2) Where an order giving rise to a refund is the subject matter of an appeal or further proceeding or where any other proceeding under this Act is pending and the Wealth-tax Officer is of the opinion that the grant of the refund is likely to adversely affect the revenue, the Wealth-tax Officer may, with the previous approval of the 808I Commissioner, withhold the refund till such time as the Commissioner may determine.

(3) Where a refund is due to the assessee in pursuance of an order referred to in sub-section (1) and the Wealth-tax 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 twelve per cent. per annum on the amount of refund due from the date immediately following the expiry of the period of six months aforesaid to the date on which the refund is granted.

3A) Where the whole or any part of the refund referred to in sub-section (3) is due to the assessee as a result of any amount having been paid by him after the 31st day of March, 1975 in pursuance of any order of assessment or penalty and such amount or any part thereof having been found in appeal or other proceeding under this Act to be in excess of the amount which such assessee is liable to pay as tax or penalty, as the case may be, under this Act, the Central Government shall pay to such assessee simple interest at the rate specified in sub-section (3) on the amount so found to be in excess from the date on which such amount was paid to the date on which the refund is granted: Provided that, where the amount so found to be in excess was paid in instalments, such interest shall be payable on the amount of each such instalment or any part of such instalment, which was in excess, from the date on which such instalment was paid to the date on which the refund is granted:

Provided further that no interest under this sub-section shall be payable for a period of one month from the date of the passing of the order in appeal or other proceeding: Provided also that, where any interest is payable to an assessee under this sub-section, no interest under sub-section (3) shall be payable to him in respect of the amount so found to be in excess.] (4) Where a refund is withheld under the provisions of sub- section (2), the Central Government shall pay interest at the aforesaid rate on the amount of refund ultimately determined to be due as a result of the appeal or further proceeding for the period commencing after the expiry of six months from the date of the order referred to in that sub-section to the date the refund is granted. (5) Where under any of the provisions of this Act, a refund is found to be due to any person, the Wealth-tax Officer, Appellate 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 sum, if any, remaining payable under this Act by the person to whom the refund is due, after giving an intimation in writing to such person of the action proposed to be taken under this section.

CHAPTER VIIB REGISTERED VALUERS 3

34AA. Appearance by registered valuers.

Notwithstanding anything contained in this Act, any assessee who is entitled to or required to attend before any wealth-tax authority or the Appellate Tribunal in connection with any matter relating to the valuation of any asset, except where he is required under this Act to attend in person, may attend by a registered valuer.

34AB Registration of valuers

(1) The Board shall maintain a register to be called the Register of Valuers in which shall be entered the names and addresses of persons registered under sub- section

(2) as valuers. (2) Any person who possesses the qualifications prescribed in this behalf may apply to the Board in the prescribed form for being registered as a valuer under this section: Provided that different qualification may be prescribed for valuers of different classes of assets.

(3) Every application under sub-section (2) shall be verified in the prescribed manner, shall be accompanied by such fees as may be prescribed and shall contain a declaration to the effect that the applicant will—

(i) make an impartial and true valuation of any asset which he may be required to value;

(ii) furnish a report of such valuation in the prescribed form;

(iii) charge fees at a rate not exceeding the rate or rates prescribed in this behalf;

(iv) not undertake valuation of any asset in which he has a direct or indirect interest

. (4) The report of valuation of any asset by a registered valuer shall be in the prescribed form and be verified in the prescribed manner. 34AC Restrictions on practice as registered valuer

34AC. Restrictions on practice as registered valuer.

(1) No person, either alone or in partnership with any other person, shall practise, describe himself or hold himself out as registered valuer for the purposes of this Act or permit himself to be so described or held out, unless he is registered as a valuer or, as the case may be, unless he and all his partners are so registered under this Chapter. (2) No company or other body corporate shall practise, describe itself or hold itself out as registered valuers for the purposes of this Act or permit itself to be so described or held out.

34AD Removal from register of names of valuers and restoration.

(1) The Board may remove the name of any person from the register of valuers where it is satisfied, after giving that person a reasonable opportunity of being heard and after such further inquiry, if any, as it thinks fit to make,-- (i) that his name has been entered in the register by error or on account of misrepresentation or suppression of a material fact; (ii) that he has been convicted of any offence and sentenced to a term of imprisonment or has been guilty of misconduct in his professional capacity which, in the opinion of the Board, renders him unfit to be kept in the register. (2) The Board may, on application and on sufficient cause being shown, restore to the register the name or any person removed therefrom.]

CHAP MISCELLANEOUS CHAPTER VIII MISCELLANEOUS

34B. Transfers to defraud revenue to be void.

(1) Where, during the pendency of any proceeding under this Act or after the completion thereof, but before the service of notice under rule 2 of the Second Schedule to the Income-tax Act as made applicable to this Act by section 32, any assessee creates a charge on, or parts with (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) the possession of, any of his assets in favour of any other person, such charge or transfer shall be void as against any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the assessee as a result of the completion of the said proceeding or otherwise: Provided that such charge or transfer shall not be void, if it is made-- (i) for adequate consideration and without notice of the pendency of such proceeding or, as the case may be, without notice of such tax or other sum payable by the assessee; or (ii) with the previous permission of the Wealth-tax Officer. (2) This section applies to cases where the amount of tax or other sum payable or likely to be payable exceeds five thousand rupees and the assets charged or transferred exceed ten thousand rupees in value. Explanation.--In this section, "assets" means land, building, machinery, plant, shares, securities and fixed deposits in banks to the extent to which any of the assets aforesaid does not form part of the stock in trade of the business of the assessee.

34C. Provisional attachment to protect revenue in certain cases. 34C. Provisional attachment to protect revenue in certain cases. (1) Where, during the pendency of any proceeding for the assessment of net wealth or for the assessment or re-assessment of net wealth which has escaped assessment, the Wealth-tax Officer is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, he may, with the previous approval of the Commissioner, by order in writing, attach provisionally any property belonging to the assessee in the manner provided in the Second Schedule to the Income-tax Act as made applicable to this Act by section 32. (2) Every such provisional attachment shall cease to have effect after the expiry of a period of six months from the date of the order made under sub-section (1): Provided that the Commissioner may, for reasons

to be recorded in writing, extend the aforesaid period by such further period or periods as he thinks fit, so however, that the total period of extension shall not in any case exceed two years

35. Rectification of mistakes.

(1) With a view to rectifying any mistake apparent from the record-- (a) the Wealth-tax Officer may amend any order of assessment or of refund or any other order passed by him; (aa) the Valuation Officer may amend any order passed by him under section 16A;] (b) the Appellate Assistant Commissioner may amend any order passed by him under section 18 or under section 23; (d) the Commissioner may amend any order passed by him under section 18 or under section 25; (e) the Appellate Tribunal may amend any order passed by it under section 18 or under section 24. (2) Where the amount of tax, penalty or interest determined as a result of the first appeal or revision against the order referred to in sub-clause (iii) of clause (m) of section 2 is paid within six months of the date of the order passed in such appeal or revision, the Wealth-tax Officer may, notwithstanding anything to the contrary in this Act, rectify the assessment by allowing a deduction to the extent the tax, penalty or interest so paid stood disallowed therein as if such rectification were rectification of a mistake apparent from the record. (3) Subject to the other provisions of this section, the authority concerned-- (a) may make an amendment under sub-section (1) or sub-section (2) of its own motion; and (b) shall make such amendment for rectifying any such mistake which has been brought to its notice by the assessee, and where the authority concerned is the Valuation Officer or the Appellate Assistant Commissioner] or the Appellate Tribunal, by the Wealth-tax Officer also. (4) An amendment, which has the effect of enhancing an assessment or reducing a refund or otherwise increasing the liability of the assessee, shall not be made under this section unless the authority concerned has given notice to the assessee of its intention so to do and has allowed the assessee a reasonable opportunity of being heard. (5) Where an amendment is made under this section, an order shall be passed in writing by the Wealth-tax authority concerned or the Tribunal, as the case may be. Where any such amendment has the effect of enhancing the assessment or reducing a refund already made, the Wealth-tax Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum payable, and such notice of demand shall be deemed to be issued under section 30 and the provisions of this Act shall apply accordingly. (6A) Where any amendment made by the Valuation Officer under clause (aa) of sub-section (1) has the effect of enhancing the valuation of any asset, he shall send a copy of his order to the Wealth-tax Officer who shall thereafter proceed to amend the order of assessment in conformity with the order of the Valuation Officer and the provisions of sub-section (6) shall apply accordingly. (7) No amendment under this section shall be made after the expiry of four years-- (a) in the case of an amendment under sub-section (2), from the date of the order passed in the first appeal or revision referred to in that sub-section; and (b) in any other case, from the date of the order sought to be amended. 7A) Notwithstanding anything contained in sub-section (7), where the valuation of any asset has been enhanced by the Valuation Officer under this section, the consequential amendment to the order of assessment may be made by the Wealth-tax Officer at any time before the expiry of one year from the date of the order of the Valuation Officer under this section. (8) Where any matter has been considered and decided in a profiling by way of an appeal or revision relating to an order referred to in sub-section (1), the authority passing such order may, notwithstanding anything contained in any other law for the time being in force, amend the order under this section in relation to any matter other than the matter which has been so considered and decided.]

35A. Wilful attempt to evade tax, etc.

(1) If a person wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable,— (i) in a case where the amount sought to be evaded exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine; (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine. (2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine.

Explanation.—For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person— (a) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement or (b) makes, or causes to be made, any false entry or statement in such books of account or other documents, or (c) wilfully omits, or causes to be omitted, any relevant entry or statement in such books of account or other documents, or (d) causes any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

35B Failure to furnish returns of net wealth.

If a person wilfully fails to furnish in due time the return of his net wealth which he is required to furnish under sub-section (1) of section 14 or by notice given under sub-section (2) of section 14 or under sub-section (1) of section 17, he shall be punishable,— (i) in a case where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine; (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine: Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of net wealth under sub-section (1) of section 14— (i) for any assessment year commencing prior to the 1st day of April, 1975; or (ii) for any assessment year commencing on or after the 1st day of April, 1975, if— (a) the return is furnished by him before the expiry of the assessment year; or (b) the tax payable by him on his net wealth determined on regular assessment does not exceed three thousand rupees. 35C. Failure to produce accounts, records, etc. 35C. Failure to produce accounts, records, etc. If a person wilfully fails to produce, or cause to be produced, on or before the date specified in any notice under sub-section (4) of section 16, such accounts, records and documents as are referred to in the notice, he shall be punishable with rigorous imprisonment for a term which may extend to one year or with fine equal to a sum calculated at a rate which shall not be less than four rupees or more than ten rupees for every day during which the default continues, or with both. 35D. False statement in verification, etc. made under certain provisions of the Act.

35D. False statement in verification, etc. made under certain provisions of the Act. If a person makes a statement in any verification under this Act (other than under section 34AB) or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable,-- (i) in a case where the amount of tax which would have been evaded if the statement or account had been accepted as true, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine; (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine. 35E. False statement in verification mentioned in section 34AB. 35E. False statement in verification mentioned in section 34AB. If a person makes a statement in a verification mentioned in section 34AB which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to six months or with fine or with both. 35F. Abetment of false return, etc. 35F. Abetment of false return, etc. If a person abets or induces in any manner another person to make and deliver an account, statement or declaration relating to any net wealth chargeable to tax which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 35A, he shall be punishable,-- (i) in a case where the amount of tax, penalty or interest, which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine; (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine

35G. Punishment for second and subsequent offences.

35G. Punishment for second and subsequent offences. If any person convicted of an offence under sub-section (1) of section 35A or section 35B or section 35D or section 35F is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and for every subsequent offence with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine. 35H. Offences by Hindu undivided families. 35H. Offences by Hindu undivided families. (1) Where an offence under this Act has been committed by a Hindu undivided family, the Karta thereof shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render the Karta liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence. (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Hindu undivided family and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any member thereof, such member shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

35I. Prosecutions to be at the instance of Commissioner and power of Commissioner to compound offences.

(1) A person shall not be proceeded against for an offence under this Act except at the instance of the Commissioner. (2) The Commissioner may, either before or after the institution of proceedings, compound any offence under this Act. 35J. Certain offences to be non-cognizable. 35J. Certain offences to be non-cognizable. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under section 35A or section 35B or section 35D or section 35F shall be deemed to be non-cognizable within the meaning of that Code. 35K. Bar on prosecutions and on inadmissibility of evidence in certain circumstances. 35K. Bar on prosecutions and on inadmissibility of evidence in certain circumstances. (1) A person shall not be proceeded against for an offence under section 35A or section 35D in relation to the assessment for an assessment year in respect of which the penalty imposed or imposable on him under clause (iii) of sub-section (1) of section 18 has been reduced or waived by an order under section 18B. (2) Where any proceeding for prosecution has been taken against any person under this Act, any statement made or account or other document produced by such person before any of the wealth-tax authorities specified in sections 8, 9, 10, 10A and 11 shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposable would be reduced or waived under section 18B or that the offence in respect of which such proceeding was taken would be compounded. 35L. Jurisdiction of courts. 35L. Jurisdiction of courts. No court inferior to that of a Metropolitan Magistrate or a Magistrate of the first class shall try any offence under this Act. 35M. Section 360 of the Code of Criminal Procedure, 1973 and the Probation of Offenders Act, 1958, not to apply. 35M. Section 360 of the Code of Criminal Procedure, 1973 and the Probation of Offenders Act, 1958, not to apply. Nothing contained in section 360 of the Code of Criminal Procedure, 1973, or in the Probation of Offenders Act, 1958, shall apply to a person convicted of an offence under this Act unless that person is under eighteen years of age. 35N. Presumption as to books of account, etc., in certain cases. 35N. Presumption as to books of account, etc., in certain cases. (1) Where during the course of any search made under section 37A, any books of account or other documents, articles or things including money have been found in the possession or control of any person and such books of account or other documents are tendered, or such articles or things including money are relied upon, by the prosecution in evidence against such person or against such person and the person referred to in section 35F for an offence under this Act, the provisions of sub-section (5) of section 37A shall, so far as may be, apply in relation to such books of account or other documents articles or things including money. (2) Where-- (i) any books of account or other documents taken into custody, from the possession or control of any person by any officer or authority under clause (a) or clause (b) of sub-section (1) of section 37B, are delivered to the requisitioning officer under sub-section (2) of that section; or (ii) any note or inventory of any articles or things including money taken into custody, from the possession of any person, by any officer or authority under clause (c) of sub-section (1) of section 37B, is furnished to the requisitioning officer under sub-section (2) of that section, and such books of account or other documents are tendered, or such note or inventory is relied upon, by the prosecution in evidence against such person or against such person and the person referred to in section 35F for an offence under this Act, the provisions of sub-section (5) of section 37A shall, so far as may be, apply in relation to such books of account or other documents or, as the case may be, the articles or things including money, covered by such note or inventory

36A. Power to tender immunity from prosecution.

(1) The Central Government may, if it is of opinion (the reasons for such opinion being recorded in writing) that with a view to obtaining the evidence of any person appearing to have been directly or indirectly concerned in or privy to the concealment of particulars of net wealth or the evasion of payment of tax on net wealth, it is necessary or expedient so to do, tender to such person immunity from prosecution for any offence under this Act or under the Indian Penal Code (45 of 1860.) or under any other Central Act for the time being in force and also from the imposition of any penalty under this Act on condition of his making a full and true disclosure of the whole circumstances relating to the concealment of particulars of net wealth or evasion of payment of tax on net wealth. (2) A tender of immunity made to, and accepted by, the person concerned shall, to the extent to which the immunity extends, render him immune from prosecution for any offence in respect of which the tender was made or from the imposition of any penalty under this Act. (3) If it appears to the Central Government that any person to whom immunity has been tendered under this section has not complied with the condition on which the tender was made or is wilfully concealing anything or is giving false evidence, the Central Government may record a finding to that effect, and thereupon the immunity shall be deemed to have been withdrawn, and any such person may be tried for the offence in respect of which the tender of immunity was made or for any other offence of which he appears to have been guilty in connection with the same matter and shall also become liable to the imposition of any penalty under this Act to which he would otherwise have been liable.]

37. Power to take evidence on oath, etc. 37. Power to take evidence on oath, etc. (1) [The Wealth-tax officer, Valuation Officer,] 3* Appellate Assistant Commissioner, Commissioner and the Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908.), when trying a suit in respect of the following matters, namely:-- (a) discovery and inspection; (b) enforcing the attendance of any person, including any officer of a banking company and examining him on oath; (c) compelling the production of books of account and other documents; and (d) issuing commissions. (2) Without prejudice to the provisions of any other law for the time being in force, where a person to whom a summons is issued either to attend to give evidence or produce books of account or other documents at a certain place and time, intentionally omits to attend or produce the books of account or documents at the place or time, the authority empowered to issue such summons may impose upon him such fine not exceeding five hundred rupees, as it thinks fit, and the fine so levied may be recovered in the manner provided in Chapter VII of this Act. (3) Subject to any rules made in this behalf, any authority referred to in sub-section (1) may impound and retain in its custody for such period as it thinks fit any books of account or other documents produced before it in any proceeding under this Act; Provided that a Wealth-tax Officer or a Valuation Officer] shall not-- (a) impound any books of account or other documents without recording his reasons for so doing, or (b) retain in his custody any such books or documents for a period exceeding fifteen days (exclusive of holidays) without obtaining the approval of the Commissioner therefor. (4) Any proceeding under this Act before a wealth-tax authority or the Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196, of the Indian Penal Code. (45 of 1860.)

37A. Power of search and seizure.

(1) Where the Director of Inspection or the Commissioner or any such Deputy Director of Inspection or Inspecting Assistant Commissioner as may be empowered in this behalf by the Board, in consequence of information in his possession, has reason to believe that-- (a) any person to whom a

notice under sub-section (4) of section 16 or a summons under section 37 was issued to produce, or cause to be produced, any books of account or other documents, has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such notice or summons, or (b) any person to whom a notice or summons as aforesaid has been or might be issued will not, or would not, produce, or cause to be produced, any books of account or other documents which will be useful for, or relevant to, any proceeding under this Act, or (c) any person is in possession of any articles or things including money disproportionate to his known assets, particulars of which will be useful for, or relevant to, any proceeding under this Act, then,-- (A) the Director of Inspection or the Commissioner, as the case may be, may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Wealth-tax Officer, or (B) such Deputy Director of Inspection or Inspecting Assistant Commissioner may authorise any Assistant Director of Inspection or Wealth-tax Officer, (the officer so authorised in all cases being hereafter in this section referred to as the authorised officer) to-- (i) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such books of account or other documents, articles or things including money are kept; (ii) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account or other documents, articles or things including money; (iii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available; (iv) seize any such books of account or other documents; (v) place marks of identification on any such books of account or other documents or make, or cause to be made, extracts or copies therefrom; (vi) make a note or an inventory of any articles or things including money found which, in his opinion, will be useful for, or relevant to, any proceeding under this Act: Provided that where any building, place, vessel, vehicle or aircraft referred to in clause (i) is within the area of jurisdiction of any Commissioner but such Commissioner has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of this sub-section, then, notwithstanding anything contained in section 10, it shall be competent for him to exercise the powers under this sub-section in all cases where he has reason to believe that any delay in getting the authorisation from the Commissioner having jurisdiction over such person may be prejudicial to the interests of the revenue. (2) Where any Commissioner, in consequence of information in his possession, has reason to suspect that any books of account or other documents, articles or things including money in respect of which an officer has been authorised by the Director of Inspection or Inspecting Assistant Commissioner as may be empowered in this behalf by the Board to take action under clauses (i) to (vi) of sub-section (1) are kept in any building, place, vessel, vehicle or aircraft not mentioned in the authorisation under sub-section (1), such Commissioner may, notwithstanding anything contained in section 10, authorise the said officer to take action under any of the clauses aforesaid in respect of such building, place, vessel, vehicle or aircraft. (3) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both to assist him for all or any of the purposes specified in sub-section (1) or sub-section (2) and it shall be the duty of every such officer to comply with such requisition. (4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of account or other documents, articles or things including money and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under this Act. (5) Where any books of account or other documents, articles or things including money are found in the possession or

control of any person in the course of a search, it may be presumed that-- (i) such books of account or other documents, articles or things including money belong to such person; (ii) the contents of such books of account or other documents are true; and (iii) the signature and every other part of such books of account or other documents which purport to be in the hand- writing of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a document stamped, executed or attested, that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested. (6) The books of account or other documents seized under sub- section (1) or sub-section (2) shall not be retained by the authorised officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained: Provided that the Commissioner shall not authorise the retention of the books of account or other documents for a period exceeding thirty days after all the proceedings under this Act in respect of the years for which the books of account or other documents are relevant are completed. (7) The person from whose custody any books of account or other documents are seized under sub- section (1) or sub-section (2) may make copies thereof, or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf at such place and time as the authorised officer may appoint in this behalf. (8) Where the authorised officer has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of sub- section (1), the books of account or other documents seized under that sub-section shall be handed over by the authorised officer to the Wealth-tax Officer having jurisdiction over such person within a period of fifteen days of such seizure and thereupon the powers exercisable by the authorised officer under sub-section (6) or sub- section (7) shall be exercisable by such Wealth-tax Officer. (9) If a person legally entitled to the books of account or other documents seized under sub-section (1) or sub- section (2) objects for any reason to the approval given by the Commissioner under sub-section (6), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents. (10) On receipt of the application under sub-section (9), the Board may, after giving the applicant an opportunity of being heard, pass such orders thereon as it thinks fit. (11) The provisions of the Code of Criminal Procedure, 1973 relating to searches shall apply, so far as may be, to searches under this section. (12) The Board may make rules in relation to searches or seizure under this section; and in particular and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer-- (i) for obtaining ingress into any building, place, vessel, vehicle or aircraft to be searched where free ingress thereto is not available; (ii) for ensuring the safe custody of any books of account or other documents seized.

37B. Power to requisition books of account, etc.

(1) Where the Director of Inspection or the Commissioner, in consequence of information in his possession, has reason to believe that-- (a) any person to whom a notice under sub-section (4) of section 16 or a summons under section 37 was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such notice or summons and the said books of account or other documents have been taken into custody by any officer or authority under any other law for the time being in force, or (b) any books of account or other documents will be useful for, or relevant to, any proceeding under this Act and any person to whom a notice or summons as aforesaid has been or might be issued will not, or would not, produce or cause to be produced such books of account or

other documents on the return of such books of account or other documents by any officer or authority by whom or which such books of account or other documents have been taken into custody under any other law for the time being in force, or (c) any articles or things including money disproportionate to the known assets of any person, particulars of which will be useful for, or relevant to, any proceeding under this Act, have been taken into custody by any officer or authority, under any other law for the time being in force, from the possession of such person, then, the Director of Inspection or the Commissioner may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Wealth-tax Officer (hereafter in this section referred to as the requisitioning officer) to require such officer or authority,-- (i) in a case falling under clause (a) or clause (b), to deliver such books of account or other documents to the requisitioning officer; (ii) in a case falling under clause (c), to furnish a note or an inventory of such articles or things including money to the requisitioning officer. (2) On a requisition being made under sub-section (1),-- (i) in a case falling under clause (a) or clause (b) of that sub-section, the officer or authority referred to therein shall deliver the books of account or other documents to the requisitioning officer either forthwith or when such officer or authority is of the opinion that it is no longer necessary to retain the same in his or its custody; (ii) in a case falling under clause (c), the officer or authority referred to therein shall furnish the note or inventory to the requisitioning officer within a reasonable period. (3) Where any books of account or other documents have been delivered to the requisitioning officer, the provisions of sub-sections (5) to (12) (both inclusive) of section 37A shall, so far as may be, apply as if such books of account or other documents had been seized under sub-section (1) of that section by the requisitioning officer from the custody of the person referred to in clause (a) or clause (b), as the case may be, of sub-section (1) of this section and as if for the words "the authorised officer" occurring in any of the aforesaid sub-sections, the words "the requisitioning officer" were substituted. Information, returns and statements. 38. Information, returns and statements. Where, for the purposes of determining the wealth-tax payable by any person, it appears necessary for the Wealth-tax Officer to obtain any statement or information from any, individual, company, firm, Hindu undivided family or other person, the Wealth-tax Officer may serve a notice requiring such individual, company, firm, Hindu undivided family or other person, on or before a date to be therein specified, to furnish such statement or information on the points specified in the notice, and the individual or the principal officer concerned or the manager of the Hindu undivided family, as the case may be, shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Wealth-tax Officer: Provided that no legal practitioner shall be bound to furnish any statement or information under this section based on any professional communications made to him otherwise than as permitted by section 126 of the Indian Evidence Act, 1872 (1 of 1872.). 38A. Powers of Valuation Officer, etc

38A. Powers of Valuation Officer, etc. (1) For the purposes of this Act, a Valuation Officer or any overseer, surveyor or assessor authorised by him in this behalf may, subject to any rules made in this behalf and at such reasonable times as may be prescribed,-- (a) enter any land within the limits of the area assigned to the Valuation Officer, or (b) enter any land, building or other place belonging to or occupied by any person in connection with whose assessment a reference has been made section 16A to the Valuation Officer, or (c) inspect any asset in respect of which a reference under section 16A has been made to the Valuation Officer, and require any person in charge of, or in occupation or possession of, such land, building or other place or asset to afford him the necessary facility to

survey or inspect such land, building or other place or asset or estimate its value or inspect any books of account, document or record which may be relevant for the valuation of such land, building or other place or asset and gather other particulars relating to such land, building or other place or asset; Provided that no Valuation Officer, overseer, surveyor or assessor shall enter any building or place referred to in clause (b) or inspect any asset referred to in clause (c) (unless with the consent of the person in charge of, or in occupation or possession of, such building, place or asset) without previously giving to such person at least two days' notice in writing of his intention to do so. (2) If a person who, under sub-section (1), is required to afford any facility to the Valuation Officer or the overseer, surveyor or assessor, either refuses or evades to afford such facility, the Valuation Officer shall have all the powers under sub-sections (1) and (2) of section 37 for enforcing compliance of the requirements made."] 39. Effect to transfer of authorities on pending proceedings. 39. Effect to transfer of authorities on pending proceedings. Whenever in respect of any proceeding under this Act wealth-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the authority so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor: Provided that the assessee concerned may demand that before the proceeding is so continued the previous proceeding or any part thereof be re-opened or that before any order of assessment is passed against him, he be re-heard.

40. Computation of periods of limitation.

In computing the period of limitation prescribed for an appeal under this Act or for an application under section 27, the day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded. 41. Service of notice. 41. Service of notice. (1) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908.). (2) Any such notice or requisition may, in the case of a firm or a Hindu undivided family, be addressed to any member of the firm or to the manager or any adult male member of the family, and in the case of any other association of persons be addressed to the principal officer thereof. 1*[(3) After a finding of total partition has been recorded by the Wealth-tax Officer under section 20 in respect of any Hindu family, notices under this Act in respect of the net wealth of the Hindu family shall be served on the person who was the last manager of the Hindu family, or, if such person is dead, then on all surviving adults who were members of the Hindu family immediately before the partition.] 42. Prohibition of disclosure of information.

42A. Publication of information respecting assesseees.

. (1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assesseees and any other particulars relating to any proceedings [or prosecutions under this Act in respect of such assesseees, it may cause to be published such names and particulars in such manner as it thinks fit. 2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner has expired without an appeal having been presented or the appeal, if presented, has been disposed of 42B. Disclosure of information respecting assesseees. 42B. Disclosure of information respecting assesseees. Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any

assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.

42C. Return of wealth, etc., not to be invalid on certain grounds

No return of wealth, assessment, notice, summons or other proceeding furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of wealth, assessment, notice, summons or other proceeding if such return of wealth, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act." 43. Bar of jurisdiction. 43. Bar of jurisdiction. No suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against the Government or any officer of the Government for anything in good faith done or intended to be done under this Act. 44. Appearance before wealth-tax authorities by authorised representatives. 44. Appearance before wealth-tax authorities by authorised representatives. (1) Any assessee who is entitled to or required to attend before any Wealth-tax authority or the Appellate Tribunal in connection with any proceeding under this Act, except where he is required under this Act to attend in person, may attend by a person who would be entitled to represent him before any income-tax authority or the Appellate Tribunal under section 288 of the Income-tax Act. (2) Notwithstanding anything in sub-section (1)-- (i) no person who has been convicted of an offence connected with any wealth-tax proceeding or on whom a penalty has been imposed under this Act other than a penalty imposed on him under clause (i) or clause (ii) of sub-section (1) of section 18 shall be qualified to represent an assessee under sub-section (1) for such time as the Commissioner may be order determine; (ii) if any person who is not a legal practitioner or a chartered accountant, if found guilty of misconduct in connection with any wealth-tax proceeding by the prescribed authority, the prescribed authority may direct that he shall thenceforth be disqualified to represent an assessee under sub-section (1); (iii) no person not qualified to represent an assessee under the Indian Income-tax Act, 1922 (11 of 1922.), the Estate Duty Act, 1953 (34 of 1953.), the Expenditure- tax Act, 1957 (29 of 1957.), or the Gift-tax shall be entitled to appear on behalf of any assessee under this Act: Provided that any order or direction under clause (i) or clause (ii) shall be subject to the following conditions, namely:-- (a) no such order or direction shall be made in respect of any person unless he has been given a reasonable opportunity of being heard; (b) any person against whom any such order or direction is made may, within one month of the making of the order or direction, appeal to the Board to have the order or direction cancelled; and (c) no such order or direction shall take effect until the expiration of one month from the making thereof, or, where an appeal has been preferred, until the disposal of the appeal. 44A. Agreement for avoidance or relief of double taxation with respect to wealth-tax. 44A. Agreement for avoidance or relief of double taxation with respect to wealth-tax. The Central Government may enter into any agreement with the Government of any reciprocating country for the avoidance or relief of double taxation with respect to wealth-tax payable under this Act and under the corresponding law in force in the reciprocating country and may, by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement. Explanation.--The expression "reciprocating country" for the purposes of this Act means any country which the Central Government may, by notification in the Official

Gazette, declare to be a reciprocating country. 44B. Countries with which no agreement exists. 44B. Countries with which no agreement exists. Where the net wealth of any assessee includes any foreign wealth and he proves that, in respect of such foreign wealth, he has paid in any country, with which there is no reciprocal arrangement under section 44A for the relief or avoidance of double taxation, a tax in respect of wealth, under the law in force in that country, he shall be entitled to the deduction from the Indian wealth-tax payable by him of a sum calculated on such doubly taxed foreign wealth at the Indian rate of tax or the rate of tax of the said country, whichever is the lower, or at the Indian rate of tax if both the rates are equal. Explanation.--In this section-- (1) the expression "Indian wealth-tax" means wealth-tax charged in accordance with the provisions of this Act; the expression "Indian rate of tax" means the rate determined by dividing the amount of Indian wealth-tax after deduction of any relief due under the provisions of this Act but before the deduction of any relief due under this section by the net wealth; (3) the expression "rate of tax of the said country" means any tax in respect of wealth, actually paid in the said country, in accordance with the corresponding laws in force in the said country after deduction of all relief due, but before deduction of any relief due in the said country in respect of double taxation, divided by the whole amount of the wealth assessed in the said country; (4) the expression "foreign wealth" in relation to any assessee means the value of all his assets located in any country outside India as reduced by the value of his debts in that country.

44C. Rounding off of net wealth.

The amount of net wealth computed in accordance with the foregoing provisions of this Act shall be rounded off to the nearest multiple of one hundred rupees and, for this purpose, any part of a rupee consisting of paise shall be ignored and thereafter, if such amount contains a part of one hundred rupees, then, if such part is fifty rupees or more, the amount shall be increased to the next higher amount which is a multiple of one hundred and, if such part is less than fifty rupees, the amount shall be reduced to the next lower amount which is a multiple of one hundred; and the amount so rounded off shall be deemed to be the net wealth of the assessee for the purposes of this Act. 44D. Rounding off of tax, etc. 44D. Rounding off of tax, etc. The amount of wealth-tax, interest, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of this Act, shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee, and if such part is less than fifty paise, it shall be ignored.] 45. Act not to apply in certain cases. 45. Act not to apply in certain cases. The provisions of this Act shall not apply to-- (a) a banking company as defined in section 5 of the Banking Companies Act, 1949 (c) any company established with the object of financing, whether by way of making loans or advances to, or subscribing to the capital of, private industrial enterprises in India, in any case where the Central Government has made or agreed to make to the company a special advance for the purpose or has guaranteed or agreed to guarantee the payment of moneys borrowed by the company from any institution outside India; (d) any company established with the object of carrying on an industrial undertaking in India in any case where the company is not formed by the splitting up, or the reconstruction of a business already in existence or by the transfer to a new business of any building, machinery or plant used in a business which was being previously carried on: Provided that the exemption granted by clause (d) shall apply to any such company as is referred to therein only for a period of five successive assessment years commencing with the assessment year next following the date on which the company is established, which period shall, in the case of a company established before the commencement of this Act, be

computed in accordance with this Act from the date of its establishment as if this Act had been in force on and from the date of its establishment; Explanation.--For the purposes of clause (d), "industrial undertaking" means an undertaking engaged in the manufacture, production or processing of goods or articles or in mining or in the generation or distribution of electricity or any other form of power; (e) any company solely engaged in the business of transporting goods or passengers by ships: (f) any company registered under section 25 of the Companies Act, 1956 (1 of 1956.). 46. Power to make rules.

46. Power to make rules. (1) The Board may, by notification in the Official Gazette make rules for carrying out the purposes of this Act. 808V (2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for-- (a) the manner in which the market value of any asset may be determined; (b) the form in which returns under this Act shall be made and the manner in which they shall be verified; (c) the form in which appeals and applications under this Act may be made, and the manner in which they shall be verified; (d) the form of any notice of demand under this Act; [(dd) the procedure to be followed in calculating interest payable by assesseees or interest payable by the Government to assesseees under any provision of this Act, including the rounding off of the period for which such interest is to be calculated in cases where such period includes a fraction of a month, and specifying the circumstances in which and the extent to which petty amounts of interest payable by assesseees may be ignored;] (e) the areas for which lists of valuers may be drawn up; (f) any other matter which has to be, or may be, prescribed for the purposes of this Act. (3) The powers to make rules conferred by this section shall on the first occasion of the exercise thereof include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act. 2*[(4) The Central Government shall cause every rule made under this Act to be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule

RATES OF WEALTH-TAX THE SCHEDULE (See section 3)

RATES OF WEALTH-TAX -PART I Paragraph A Rate of tax 1) In the case of every individual or Hindu undivided family-- (a) where the net wealth does not exceed Rs. 5,00,000 1 per cent. of the net wealth; (b) where the net wealth exceeds Rs. 5,00,000 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; (c) where the net wealth exceeds Rs. 15,00,000 plus 3 per cent. of Rs. 10,00,000 but does not the amount by which the net exceed Rs. 15,00,000 wealth exceeds Rs. 10,00,000; (d) where the net wealth exceeds Rs. 30,00,000 plus 8 per cent. of Rs. 15,00,000 the amount by which the net wealth exceeds Rs. 15,00,000; Provided that for the purposes of this item,-- (i) no wealth-tax shall be payable where the net wealth does not exceed the following limit, namely:-- (A) Rs. 1,00,000, in the case of an individual; (B) Rs. 2,00,000, in the case of a Hindu undivided family; (ii) the wealth-tax payable shall, in no case, exceed 10 per cent. of the amount by which the net wealth exceeds the limit specified in sub-clause (A) or, as the case may be, sub-clause (B) of clause (i) of this proviso.(2)] In addition, in the case of every

individual and Hindu undivided family, where the net wealth of the individual or Hindu undivided family includes the value of any asset, being building or land (other than business premises) or any right in such building or land, situated in an urban area (such asset being hereafter in this Part referred to as urban asset):-- Rate of tax (a) where the total value of Nil; urban assets determined in accordance with the rules in Paragraph B does not exceed Rs. 5,00,000 (b) where the total value of 5 per cent. of the amount by urban assets determined which such total value exceeds in accordance with the Rs. 5,00,000; rules in Paragraph B exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 (c) where the total value of Rs. 25,000 plus 7 per cent. of urban assets determined the amount by which such total in accordance with the value exceeds Rs. 10,00,000 rules in Paragraph B exceeds Rs. 10,00,000 Paragraph B Rule 1.--In this Part,-- (i) "business premises" means any building or land or part of such building or land, or any right in building or land or part thereof, owned by the assessee and used throughout the previous year for the purposes of his business or profession, and includes any building used for the purpose of residence of persons employed in the business or any building used for the welfare of such person as a hospital, creche, school, canteen, library, recreational centre, shelter, rest-room or lunch-room, but does not include any premises in the nature of a guest house; (ii) "previous year", in relation to a business or profession, means the period which would be the previous year if an assessment of the profits and gains of such business or profession were to be made under the Income-tax Act for the assessment year; (iii) "urban area" means,-- (a) any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the valuation date; or (b) any area within such distance, not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in sub- clause (a), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette. Rule 2.--In determining, for the purposes of 1*[item (2)] of Paragraph A, the value of any urban asset,-- (a) any debt (whether secured or not) incurred for the purpose of acquiring, improving, constructing, repairing, renewing or reconstructing such asset shall be deducted from the gross value of such asset; (b) other debts which are deductible in computing the net wealth shall be deducted from the gross value of such asset [as reduced by the debts, if any, under clause (a)] only if, and to the extent that, such debts exceed the aggregate gross value of assets other than urban assets. Rule 3.--Where the net wealth of the assessee includes the value of his interest as a partner in a firm or as a member of an association of persons and the assets of such firm or association include any urban assets, then, notwithstanding anything contained in the Indian Partnership Act, 1932, (9 of 1932.) or in any other law for the time being in force, the interest of the assessee in such firm or association, to the extent specified in the Explanation below, shall be deemed to be an urban asset and the provisions of 1*[item (2)] of Paragraph A shall apply accordingly. Explanation.--The extent of the interest of the assessee in a firm or association deemed to be an urban asset as aforesaid shall be a sum which bears to the value of the whole of the interest of the assessee in the firm or association the same proportion which the net value of the urban assets of the firm or association (determined under rule 2 as if they were urban assets belonging to an individual or a Hindu undivided family) bears to the net wealth of the firm or, as the case may be, the association, computed as if such firm or association were an individual. Rule 4.--Where the net wealth of the assessee includes the value of any share (not being a share issued for full cash consideration where the holder of the share is not

entitled, in the event of liquidation, to participate in the surplus assets) in a company which is not a company in which the public are substantially interested [within the meaning of clause (18) of section 2 of the Income-tax Act] and the assets of such company include any urban assets, then, notwithstanding anything contained in the Companies Act, 1956, (1 of 1956.) or in any other law for the time being in force, the value of such share, to the extent specified in the Explanation below, shall be deemed to be an urban asset and the provisions of item (2)] of Paragraph A shall apply accordingly. Explanation.--The extent to which the value of the share in a company is to be deemed to be an urban asset as aforesaid shall be a sum which bears to the value of such share the same proportion which the net value of the urban assets of the company (determined under rule 2 as if they were urban assets belonging to an individual or a Hindu undivided family) bears to the net wealth of the company.] PART II In the case of every company:-- (i) on the first rupees five lakhs of net wealth. . . Nil (ii) on the balance of net wealth. . . . 1/2 : Provided that in the case of a company which has incurred a net loss in any year computed in the manner hereinafter provided and which has not declared any dividend on its equity capital in respect of that year, the rate of tax for the relevant year shall be nil. the loss referred to in the above proviso shall be computed in accordance with the provisions of [Chapter IV of the Income-tax Act other than the provisions under heads of income "A--Salaries" and "E-- Capital Gains" thereof, but without deducting the allowances referred to in sub-section (2) of section 32, section 33 and section 34] of that Act or the allowance in respect of any losses brought forward from earlier years. Rule 1.--Where the net wealth of an assessee includes the value of any asset on which wealth-tax is not payable under sub-section (2) of section 5, the amount of tax payable by the assessee shall be an amount bearing to the total amount of wealth-tax which would have been payable on the net wealth had no property been exempt the same proportion as the unexempted portion of net wealth bears to the net wealth. 2* Rule 3.-- Where an assessee is an individual who is not a citizen of India and who is not resident in India, the wealth-tax payable by him in respect of any assessment year computed in accordance with the rates specified in this Schedule shall be reduced by an amount equal to 50 per cent. thereof. Rule 4.-- Where the net wealth of an assessee, being an individual who is a citizen of India, or a Hindu undivided family, includes any assets located outside India, the wealth-tax payable by the assessee in respect of any assessment year shall be reduced by an amount which bears to the amount of tax that would have been payable by the assessee if the rates of tax had been reduced to one-half of the rates specified in this Schedule the same proportion as the value of the assets located outside India as reduced by the debts located outside India bears to the net wealth of the assessee. Rule 5.-- Where the profits of a company in respect of any year, before deducting any of the allowances referred to in the second paragraph of the proviso to Part II, are less than the amount of wealth-tax payable by it in respect of the relevant assessment year, the wealth-tax payable by the company for such assessment year shall be limited to the amount of such profits: Provided that the company has not declared any dividend on its equity capital in respect of that year.