

# THE TAXATION LAWS (AMENDMENT) ACT, 1960

No. 28 OF 1960

[6th September, 1960]

An Act further to amend the Indian Income-tax Act, 1922, the Wealth-tax Act, 1957, the Expenditure-tax Act, 1957 and the Gift-tax Act, 1958.

BE it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

## CHAPTER I

### PRELIMINARY

Short title  
and com-  
mencement

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 1960.

(2) Subject to any provision made in this behalf in this Act, it shall be deemed to have come into force on the 1st day of April, 1960.

## CHAPTER II

### AMENDMENTS TO THE INDIAN INCOME-TAX ACT, 1922

Amendment  
of section 4.

2. In section 4 of the Indian Income-tax Act, 1922 (hereinafter referred to as the Income-tax Act), in sub-section (3),—

1 of 1922.

(i) after clause (xiva), the following clause shall be inserted, namely:—

“(xivb) Any income chargeable under the head “Salaries” received by or due to a person, not resident in the taxable territories and not being a citizen of India, as remuneration for services rendered in connection with his employment on a foreign ship where his total stay in the taxable territories does not exceed in the aggregate a period of ninety days in the previous year;”;

(ii) for clauses (xvii) and (xviii), the following clauses shall be substituted, namely:—

“(xvii) Monthly payments on the 15 Year Annuity Certificates issued by or under the authority of the Central Government or such other annuity certificates issued by or under the authority of that Government as that Government may, by notification in the Official Gazette, specify in this behalf, to the extent to which the amounts of the certificates do not exceed in each case the maximum amount which is permitted to be invested therein;

(xviii) Interest on Treasury Savings Deposit Certificates, Post Office Cash Certificates, Post Office National Savings Certificates, National Plan Certificates, 12 year National Plan Savings Certificates and such other certificates issued by the Central Government as that Government may, by notification in the Official Gazette, specify in this behalf, and interest on deposits in Post Office Savings Banks, to the extent to which the amounts of such certificates or deposits do not exceed in each case the maximum amount which is permitted to be invested or deposited therein;”.

3. In section 5 of the Income-tax Act,—

Amendment  
of Section 5.

(i) the *Explanation* to sub-section (7A) shall be omitted; and

(ii) after sub-section (8), the following *Explanation* shall be inserted, and shall be deemed always to have been inserted, namely:—

“*Explanation.*—In sub-sections (2), (5) and (7A), the word “case” in relation to any person whose name is specified in any order or direction issued in pursuance of any of the aforesaid sub-sections means all proceedings under this Act in respect of any year which may be pending on the date of such order or direction 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 or direction in respect of any year.”.

4. In section 10 of the Income-tax Act, in sub-section (2), after the proviso to clause (vib), the following further proviso shall be inserted, namely:—

Amendment  
of section 10.

“Provided further that no allowance under this clause shall be made in respect of any machinery or plant which consist of office appliances or road transport vehicles”.

Amendment  
of section  
15B.

5. In section 15B of the Income-tax Act, in sub-section (1), after the words "to which this section applies", the words "or in respect of any sums paid by him on or after the 1st day of April, 1960, as donations to the Government or to any local authority to be utilised for any charitable purpose as defined in sub-section (3) of section 4" shall be inserted.

Amendment  
of section 16.

6. (1) In section 16 of the Income-tax Act, in clause (a) of sub-section (1), for the words, figures and letters "section 15B and section 15C", the words, figures and letters "section 15B, section 15C and section 58F" shall be substituted.

(2) The amendment made by sub-section (1) shall be deemed to have had effect on and from the 1st day of April, 1957, for the purposes of sub-sections (2) and (2B) of section 18 of the Income-tax Act, and on and from the 1st day of April, 1958, for other purposes.

Amendment  
of section  
46.

7. In section 46 of the Income-tax Act,—

(i) for the proviso to sub-section (2), the following proviso shall be, and shall be deemed always to have been, substituted, namely:—

"Provided that without prejudice to the powers conferred by this sub-section, the Collector shall, for the purpose of recovering the amount specified in the certificate, have also all the powers which—

(a) a Collector has under the Revenue Recovery Act, 1890; 1 of 1890.

(b) a civil court has under the Code of Civil Procedure, 1908, for the purpose of the recovery of an amount due under a decree.";

(ii) for sub-section (8), the following sub-sections shall be, and shall be deemed always to have been, substituted, namely:—

"(7A) For the purposes of this section, the expression "Collector" shall include—

(a) an additional collector or any other officer authorised to exercise the powers of a Collector under any law for the time being in force in a State relating to land revenue; and

(b) a Collector in Pakistan.

(8) The Income-tax Officer may forward a certificate under sub-section (2) to a Collector in Pakistan through the Central Board of Revenue of Pakistan if the assessee has property in the district of that Collector."

8. In section 56A of the Income-tax Act, in clause (i) of sub-section (1),— Amendment  
of section  
56A.

(a) for item No. (2), the following item shall be substituted, namely:—

"(2) Iron and steel (metal), ferro-alloys, and special steels;"

(b) for item No. (4), the following items shall be substituted, namely:—

"(4) Chemicals (other than fertilisers) of the following types:—

- (i) Inorganic heavy chemicals;
- (ii) Organic heavy chemicals;
- (iii) Fine chemicals including photographic chemicals;
- (iv) Synthetic rubber;
- (v) Man-made fibres other than viscose rayon;
- (vi) Coke oven by-products;
- (vii) Coal tar distillation products like naphthalene, anthracene and the like;
- (viii) Explosives including gun powder and safety fuses;

(4A) Inorganic, organic and mixed fertilisers;"

(c) for item No. (5), the following item shall be substituted, namely:—

"(5) Industrial machinery of the following types (including gear wheels and parts thereof, boilers and steam generating plants):—

*A. Major items of specialised equipment used in specific industries:*

(i) Textile machinery (such as frames, carding machines, powerlooms and the like) including textile accessories;

(ii) Jute machinery;

(iii) Rayon machinery;

- (iv) Sugar machinery;
- (v) Tea machinery;
- (vi) Mining machinery;
- (vii) Metallurgical machinery;
- (viii) Cement machinery;
- (ix) Chemical machinery;
- (x) Pharmaceuticals machinery;
- (xi) Paper machinery;

*B. General items of machinery used in several industries, such as the equipment required for various 'unit processes':*

(i) Size reduction equipment—crushers, ball mills and the like;

(ii) Conveying equipment—bucket elevators, skip hoists, cranes, derricks and the like;

(iii) Size separation units—screens, classifiers and the like;

(iv) Mixers and reactors—kneading mills, turbo mixers and the like;

(v) Filtration equipment—filter presses, rotary filters and the like;

(vi) Centrifugal machines;

(vii) Evaporators;

(viii) Distillation equipment;

(ix) Crystallisers;

(x) Driers;

(xi) Power driven pumps—reciprocating, centrifugal and the like;

(xii) Air and gas compressors and vacuum pipes (excluding electrical furnaces);

(xiii) Refrigeration plants for industrial use;

(xiv) Fire fighting equipment and appliances including fire engines;

*C. Other items of Industrial Machinery:*

(i) Ball, roller and tapered bearings;

(ii) Speed reduction units;

(iii) Grinding wheels and abrasives;".

9. After section 59 of the Income-tax Act, the following sections shall be inserted, namely:—

insertion of  
new sections  
59A and  
59B.

“59A. (1) The Central Government shall cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

Publication  
of information  
respecting  
penalties in cer-  
tain cases.

(a) persons on each of whom a penalty amounting to not less than five thousand rupees or such lower amount as may be fixed by the Central Government, by notification in the Official Gazette, has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 28; and

(b) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under section 52 or under any provision of the Indian Penal Code for any offence connected with any proceedings under this Act.

(2) If in the interests of revenue the Central Government considers it necessary so to do, it may also cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

(a) persons on each of whom a penalty has been imposed at any time on or after the 1st day of April, 1960, under clause (a) or clause (b) of sub-section (1) of section 28; or

(b) persons on each of whom a penalty of an amount not exceeding the amount referred to in clause (a) of sub-section (1) has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 28; or

(c) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under any provision of this Act other than section 52.

(3) No publication under this section shall be made—

(i) in the case of an assessee mentioned in clause (a) of sub-section (1) or in clause (a) or clause (b) of sub-section (2) who has presented an appeal under section 30 against the order of penalty, until the appeal is disposed of by the Appellate Assistant Commissioner;

(ii) in the case of an assessee mentioned in clause (b) of sub-section (1) or clause (c) of sub-section (2), until the time for appealing has expired without an appeal having been presented, or an appeal if presented has been disposed of.

(4) Notwithstanding anything contained in this section, the Central Government may refrain from publishing the name of any person if it is satisfied that in the interests of revenue it is necessary so to do, and where the Central Government refrains from publishing the name of any person, the reason for not publishing the name shall be recorded in writing.

(5) Every notification issued under this section shall be laid before Parliament as soon as may be after it is made.

(6) The provisions of this section shall have effect notwithstanding anything to the contrary contained in section 54.

*Explanation.*—In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Central Government, the circumstances of the case justify it.

Disclosure of information respecting tax payable

59B. Where a person makes an application to the Commissioner in the prescribed form and after payment of the prescribed fee for information as to the amount of tax determined as payable by any assessee in respect of any assessment made on or after the 1st day of April, 1960, the Commissioner may, notwithstanding anything contained in section 54, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for."

Insertion of new section 60B.

10. After section 60A of the Income-tax Act, the following section shall be inserted, and shall be deemed always to have been inserted, namely:—

Tax may be levied for period other than previous year or deducted at source or paid in advance, wherever so provided.

"60B. (1) Where by virtue of any provision of this Act income-tax or super-tax is to be charged in respect of the income of a period other than the previous year, income-tax or super-tax, as the case may be, shall be charged accordingly.

(2) In respect of income chargeable under this Act, income-tax or super-tax shall be deducted at the source or paid in advance, where it is so deductible or payable under any provision of this Act."

CHAPTER III

AMENDMENTS TO THE WEALTH-TAX ACT, 1957

11. In the Wealth-tax Act, 1957, after section 42, the following sections shall be inserted, namely:—

Insertion of new sections 42A and 42B in Act 27 of 1957.

"42A. (1) The Central Government shall cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

Publication of information respecting penalties in certain cases.

(a) persons on each of whom a penalty amounting to not less than five thousand rupees or such lower amount as may be fixed by the Central Government, by notification in the Official Gazette, has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 18; and

(b) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under sub-section (2) of section 36 or under any provision of the Indian Penal Code for any offence connected with any proceedings under this Act.

45 of 1960.

(2) If in the interests of revenue the Central Government considers it necessary so to do, it may also cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

(a) persons on each of whom a penalty has been imposed at any time on or after the 1st day of April, 1960, under clause (a) or clause (b) of sub-section (1) of section 18; or

(b) persons on each of whom a penalty of an amount not exceeding the amount referred to in clause (a) of sub-section (1) has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 18; or

(c) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under any provision of this Act other than sub-section (2) of section 36.



(3) No publication under this section shall be made—

(i) in the case of an assessee mentioned in clause (a) of sub-section (1) or in clause (a) or clause (b) of sub-section (2) who has presented an appeal under section 23 against the order of penalty, until the appeal is disposed of by the Appellate Assistant Commissioner;

(ii) in the case of an assessee mentioned in clause (b) of sub-section (1) or clause (c) of sub-section (2), until the time for appealing has expired without an appeal having been presented, or an appeal if presented has been disposed of.

(4) Notwithstanding anything contained in this section, the Central Government may refrain from publishing the name of any person if it is satisfied that in the interests of revenue it is necessary so to do, and where the Central Government refrains from publishing the name of any person, the reason for not publishing the name shall be recorded in writing.

(5) Every notification issued under this section shall be laid before Parliament as soon as may be after it is made.

(6) The provisions of this section shall have effect notwithstanding anything to the contrary contained in section 42.

42B. Where a person makes an application to the Commissioner in the prescribed form and after payment of the prescribed fee for information as to the amount of wealth-tax determined as payable by any assessee in respect of any assessment made on or after the 1st day of April, 1960, the Commissioner may, notwithstanding anything contained in section 42, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for."

#### CHAPTER IV

##### AMENDMENTS TO THE EXPENDITURE-TAX ACT, 1957

12. In the Expenditure-tax Act, 1957, after section 38, the following sections shall be inserted, namely:—

"38A. (1) The Central Government shall cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

(a) persons on each of whom a penalty amounting to not less than five thousand rupees or such lower amount as

Disclosure of information respecting tax payable.

Insertion of new sections 38A and 38B in Act 29 of 1957.

Publication of information respecting penalties in certain cases.

may be fixed by the Central Government, by notification in the Official Gazette, has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 17; and

(b) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under sub-section (2) of section 32 or under any provision of the Indian Penal Code for any offence connected with any proceedings under this Act.

(2) If in the interests of revenue the Central Government considers it necessary so to do, it may also cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

(a) persons on each of whom a penalty has been imposed at any time on or after the 1st day of April, 1960, under clause (a) or clause (b) of sub-section (1) of section 17; or

(b) persons on each of whom a penalty of an amount not exceeding the amount referred to in clause (a) of sub-section (1) has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 17; or

(c) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under any provision of this Act other than sub-section (2) of section 32.

(3) No publication under this section shall be made—

(i) in the case of an assessee mentioned in clause (a) of sub-section (1) or in clause (a) or clause (b) of sub-section (2) who has presented an appeal under section 21 against the order of penalty, until the appeal is disposed of by the Appellate Assistant Commissioner;

(ii) in the case of an assessee mentioned in clause (b) of sub-section (1) or clause (c) of sub-section (2), until the time for appealing has expired without an appeal having been presented, or an appeal if presented has been disposed of.

(4) Notwithstanding anything contained in this section, the Central Government may refrain from publishing the name of

any person if it is satisfied that in the interests of revenue it is necessary so to do, and where the Central Government refrains from publishing the name of any person, the reason for not publishing the name shall be recorded in writing.

(5) Every notification issued under this section shall be laid before Parliament as soon as may be after it is made.

(6) The provisions of this section shall have effect notwithstanding anything to the contrary contained in section 38.

38B. Where a person makes an application to the Commissioner in the prescribed form and after payment of the prescribed fee for information as to the amount of expenditure-tax determined as payable by any assessee in respect of any assessment made on or after the 1st day of April, 1960, the Commissioner may, notwithstanding anything contained in section 38, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for."

Disclosure of information respecting tax payable.

## CHAPTER V

### AMENDMENTS TO THE GIFT-TAX ACT, 1958

Insertion of new sections 41A and 41B in Act 18 of 1958.

13. In the Gift-tax Act, 1958, after section 41, the following sections shall be inserted, namely:—

Publication of information respecting penalties in certain cases.

"41A. (1) The Central Government shall cause to be published, by notification in the Official Gazette, the names and such other particulars as may be relevant of—

(a) persons on each of whom a penalty amounting to not less than five thousand rupees or such lower amount as may be fixed by the Central Government, by notification in the Official Gazette, has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 17; and

(b) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under sub-section (2) of section 35 or under any provision of the Indian Penal Code for any offence connected with any proceedings under this Act. 45 of 1860.

(2) If in the interests of revenue the Central Government considers it necessary so to do, it may also cause to be published,

by notification in the Official Gazette, the names and such other particulars as may be relevant of—

(a) persons on each of whom a penalty has been imposed at any time on or after the 1st day of April, 1960, under clause (a) or clause (b) of sub-section (1) of section 17; or

(b) persons on each of whom a penalty of an amount not exceeding the amount referred to in clause (a) of sub-section (1) has been imposed at any time on or after the 1st day of April, 1960, under clause (c) of sub-section (1) of section 17; or

(c) persons who have been convicted as a result of any proceedings initiated on or after the 1st day of April, 1960, under any provision of this Act other than sub-section (2) of section 35.

(3) No publication under this section shall be made—

(i) in the case of an assessee mentioned in clause (a) of sub-section (1) or in clause (a) or clause (b) of sub-section (2) who has presented an appeal under section 22 against the order of penalty, until the appeal is disposed of by the Appellate Assistant Commissioner;

(ii) in the case of an assessee mentioned in clause (b) of sub-section (1) or clause (c) of sub-section (2), until the time for appealing has expired without an appeal having been presented, or an appeal if presented has been disposed of.

(4) Notwithstanding anything contained in this section, the Central Government may refrain from publishing the name of any person if it is satisfied that in the interests of revenue it is necessary so to do, and where the Central Government refrains from publishing the name of any person, the reason for not publishing the name shall be recorded in writing.

(5) Every notification issued under this section shall be laid before Parliament as soon as may be after it is made.

(6) The provisions of this section shall have effect notwithstanding anything to the contrary contained in section 41.

*Explanation.*—In the case of a firm, company or an association or a body of individuals or persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers or managers of the company, or the members of the

association or body, as the case may be, may also be published if in the opinion of the Central Government the circumstances of the case justify it.

Disclosure  
of infor-  
mation res-  
pecting tax  
payable.

41B. Where a person makes an application to the Commissioner in the prescribed form and after payment of the prescribed fee for information as to the amount of gift-tax determined as payable by any assessee in respect of any assessment made on or after the 1st day of April, 1960, the Commissioner may, notwithstanding anything contained in section 41, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for."

---