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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 30th June, 1976

The following Act of Parliament received the assent of the President on the 28th June, 1976, and is hereby published for general information :—

ACT No. XLVII OF 1976

An Act to give effect to the financial Proposals of the Federal Government for the year beginning on the first day of July, 1976, and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 1976, and to amend certain laws for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. **Short title and extent.**—(1) This Act may be called the Finance Act, 1976.
- (2) It extends to the whole of Pakistan.

2. **Amendment of Act XI of 1922.**—The following amendments shall be made in the Income-tax Act, 1922 (XI of 1922), namely :—

- (1) after section 3B, the following new section shall be inserted, namely :—

“3C. *Charge of income-tax on undisclosed income.*—Subject to the provisions of the Fifth Schedule, every person shall pay income-tax, in respect of the undisclosed income, referred to in the said Schedule, at the rate of thirty per cent of such income.”;

- (2) in section 4, in sub-section (1), after *Explanation 7*, the following further *Explanation* shall be added, namely :—

“*Explanation 8.*—Where a company has made any loan to any person and has not charged any interest thereon, or the amount charged is at a rate which is less than the specified rate, then, interest calculated at the

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specified rate, as reduced by the amount of interest, if any, received by the company in respect of such loan, shall be deemed to be the income of the company ; and for the purposes of this Explanation—

- (i) 'specified rate' means rate of interest two per cent above the bank rate notified by the State Bank of Pakistan, as applicable on the date the loan is made by the company ; and
- (ii) 'loan' does not include any loan made by the company to any of its employees for a specific purpose and in accordance with his terms and conditions of service.”;

(3) In section 5A, in sub-section (3), for the words, comma and figure “Registered Accountant enrolled on the Register of Accountants maintained by the Federal Government under the Auditors Certificates Rules, 1950” the words, comma and figure “Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961” shall be substituted ;

(4) in section 10,—

(a) in sub-section (2), in clause (vi), in sub-clause (aa),—

- (i) for the words, figures and commas “the 1st day of April, 1954 and the thirtieth day of June, 1975” the words, figures and commas “the first day of July, 1976, and the thirtieth day of June, 1980” shall be substituted ; and
- (ii) in the Explanation, for the words “four hundred” the words “one thousand” shall be substituted ; and

(b) in sub-section (4), in clause (d), in *Explanation 3*, after the words “provident fund”, the words “or to an approved superannuation fund” shall be inserted ;

(5) in section 15A,—

(a) for clause (a) and clause (b) the following shall be substituted, namely :—

- “(a) where such income is chargeable under the head “Salaries” thirty *Per cent* of such income or seven thousand and five hundred rupees, whichever is the less.
- (b) where such income is chargeable under the head “Profits and gains of business, profession or vocation” and is derived from such profession as may be notified by the Central Board of Revenue twenty *Per cent* of such income or five thousand rupees, whichever is the less.
- (c) in other cases fifteen *Per cent* of such income or three thousand five hundred rupees, whichever is the less.”;
and

(b) in the proviso, for the words “be less than two thousand and five hundred rupees and not more than five thousand rupees” the words “exceed seven thousand five hundred rupees” shall be substituted ;

(6) In section 15B, in sub-section (2), the following proviso shall be added at the end, namely :—

“Provided that this section shall not apply to an industrial undertaking which is formed by the splitting up or the reconstruction or reconstitution of business already in existence or by transfer to a new business of

any machinery or plant used in a business which was being carried on in Pakistan on or before the first day of July, 1975.”;

(7) in section 15C, in sub-section (3), for clause (c) the following shall be substituted, namely :—

“(c) that it is declared by the Controller of Capital Issues or the Central Board of Revenue to be a company engaged in or formed for the purpose of carrying on in Pakistan any—

(i) industrial undertaking ;

(ii) insurance business ;

(iii) transport business ;

(iv) business of building houses for sale ; or

(v) business, in the case of a Government sponsored finance corporation,

approved by the Controller of Capital Issues or the Central Board of Revenue for the purposes of this Section.”;

(8) after section 15G, the following new section shall be inserted, namely :—

“15GG. *Tax credit on investment in balancing or modernization or replacement of machinery.*—(1) Where a company, not being a company declared as such under clause (5A) of section 2, installs any machinery between the first day of July, 1976, and the thirtieth day of June, 1979, for the purposes of replacing old machinery or the modernization or balancing of its industrial undertaking, and such machinery is the property of the company and is wholly used for the purposes of such industrial undertaking, a credit equal to ten per cent of the actual cost to the company of such machinery shall be given to it, against the tax payable by it, in the manner hereinafter provided.

(2) The amount of the credit shall first be deducted from the income-tax payable by the company in respect of the previous year in which the machinery was installed and the balance, if any, shall be deducted from super-tax payable in respect of that year :

Provided that where no income-tax or super-tax is payable by a company in respect of such year or where the aggregate amount of income-tax and super-tax payable is less than the amount of the credit, the amount of credit or so much of it as has not been deducted, as the case may be, shall be carried forward and deducted in the manner aforesaid from the income-tax and super-tax payable by the company in the following year and so on, but in no case for more than two years following the year in which the credit under this section becomes admissible for the first time.”;

(9) in section 15H, for the words and commas “as does not exceed three thousand rupees where such total income consists of or includes any income chargeable under the head “Salaries” and two thousand rupees in other cases” the following shall be substituted, namely :—

“as does not exceed the following limits, namely :—

(a) where such income is chargeable under five thousand rupees. the head “Salaries”

- (b) where such income is chargeable under the head "Profits and gains of business, profession or vocation" and is derived from such profession as may be notified by the Central Board of Revenue three thousand rupees.
- (c) in other cases Two thousand and five hundred rupees.";

(10) in section 16,—

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

- (i) after the word, figure, letters and comma "section 15CC," the word, figure, letters and comma "section 15CCC," shall be inserted; and
- (ii) for the words, figures, letters and comma "and section 15F," the commas, words, figures and letters "section 15F, section 15H and section 15HH" shall be substituted;

(b) in sub-section (3), in the proviso, after the word "gift" at the end, the words "on which tax under the Gift Tax Act, 1963 (XIV of 1963), if leviable, has been paid" shall be inserted;

(11) in section 17, in sub-section (5), in the proviso, for the figure "1977", the figure "1979" shall be substituted;

(12) in section 18, after sub-section (3C), the following new sub-section shall be inserted, namely:—

"(3CC) The Collector of Customs shall, in the case of every person who has imported goods into Pakistan against an import licence of the face value of one hundred thousand rupees or more, collect income-tax at the rate of three per cent of the value of the goods as increased by customs duty and sales tax, if any payable thereon; and the tax so collected shall be given credit for in the assessment for the year next following the year in which it is paid:

Provided that nothing in this sub-section shall apply to any class of persons as may be specified in this behalf by the Central Board of Revenue by notification in the official Gazette.";

(13) in section 34, in sub-section (2), in the proviso,—

- (a) in clause (iv), for the full stop at the end a semi-colon shall be substituted; and
- (b) after clause (iv) amended as aforesaid, the following new clause shall be added and shall be deemed to have been so added on the twenty-ninth day of June, 1970, namely:—

"(v) nothing contained in this section limiting the time within which any action may be taken or any order, assessment or reassessment may be made, shall apply to an assessment or reassessment, as the case may be, made on any person in conformity with a decision of the Supreme Court in any case under section 66A or Article 185 of the Constitution.";

(14) in section 37, in sub-section (1), for the words "Commissioner and" the words and comma "Commissioner, any other officer under the administrative control of the Central Board of Revenue authorised by it in this behalf and the" shall be substituted;

(15) in section 38A,—

(a) in sub-section (1), for the words “ and the Inspecting Assistant Commissioner ” the comma and words “, the Inspecting Assistant Commissioner or any other Officer under the administrative control of the Central Board of Revenue authorised by it in this behalf ” shall be substituted ; and

(b) in sub-section (2), after the words “ in writing ”, the words “ or any other officer under the administrative control of the Central Board of Revenue authorised by it in this behalf ” shall be inserted ;

(16) after section 66B, the following new section shall be inserted, namely :—

“ 66 BB. *Officers to assist income-tax authorities.*—It shall be the duty of all officers of the Police, Customs, Central Excise and Provincial Excise and Taxation Departments to render to the income-tax authorities such assistance in the execution of this Act as may be required of them. ” ;

(17) In the First Schedule,—

(a) in rule 2A, the words, brackets and letter ‘ clause (b) of ’ shall be omitted ; and

(b) in rule 3, the words, brackets and letter ‘ clause (b) of ’ shall be omitted ; and

(18) After the Fourth Schedule, the following new Schedule shall be added, namely :—

“ THE FIFTH SCHEDULE

(See section 3C)

1. **Definition.**—For the purposes of this Schedule and section 3C, “undisclosed income” of a person means all income, profits and gains of any previous year or years ending before the first day of July, 1975, which were chargeable to tax but were not so charged.

2. **Declaration of income.**—Every person who is chargeable to income-tax under the provisions of section 3C, shall, on or before the thirty-first day of August, 1976, furnish a declaration of his undisclosed income to the Income-tax Officer in such form and verified in such manner as may be prescribed by rules made by the Central Board of Revenue.

3. **Payment of tax.**—(1) Save as provided in sub-rule (2), the income-tax payable on the undisclosed income declared by any person under this Schedule shall be paid by the declarant before making the declaration and the declaration shall be accompanied by proof thereof.

(2) Where the undisclosed income is in the form of assets other than cash, the Commissioner may, on production of such security as he may require, allow the declarant to pay the tax in such manner and within such period as the Commissioner may determine :

Provided that any concession so granted shall not absolve the declarant from paying the additional amount of tax under rule 4.

4. **Additional tax.**—Where any person does not pay the tax due from him as provided for in rule 3, he shall, without prejudice to his liability under any other provision of law, pay an additional amount of tax equal to two per cent per month for the period during which the default continues :

Provided that section 45A shall not apply in the case of a default under this rule.

5. **Prosecution.**—Any person who fails to declare his undisclosed income, or has not declared his undisclosed income fully and truly, shall, on conviction by a special judge under section 54A, be punishable with imprisonment for a term which may extend to five years and also with fine which shall be equal to the income, profits and gains not disclosed.

6. **Concession and immunity.**—Where a person has made a declaration under this Schedule,—

- (1) he shall be entitled to incorporate in his books of account such undisclosed income as is in tangible form ; and
- (2) he shall not be liable to any charge, levy, penalty, or prosecution under this Act (except the provisions of section 3C and this Schedule), the Sales Tax Act, 1951 (III of 1951), the Wealth-tax Act, 1963 (XV of 1963), or the Central Excises and Salt Act, 1944 (I of 1944), in respect of the income declared under this Schedule :

Provided that for the purposes of the said Wealth-tax Act, the provisions of this clause shall apply only to assessment years preceding the assessment year beginning on the first day of July, 1976.

7. **Power to make rules.**—The Central Board of Revenue may make such rules, or issue such orders, instructions or directions as it may consider necessary to give effect to the provisions of this Schedule or concerned matters connected therewith for which no provision or no sufficient provision exists in this Schedule.

8. **Exceptions.**—Nothing in section 3C and this Schedule shall apply to any person whose case has been assigned or transferred to the Commissioner of Income-tax (Investigation) by the Central Board of Revenue, under section 5, unless the Central Board of Revenue, on application by such person and on such conditions as it deems fit to impose, permits him to make a declaration under this Schedule.

3. **Income-tax and Super-tax.**—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), in making any assessment for the year beginning on the first day of July, 1976,—

- (a) income-tax shall be charged at the rates specified in Part I of the First Schedule ; and
- (b) the rates of super-tax shall, for the purposes of section 55 of the Income-tax Act, 1922 (XI of 1922), be those specified in Part II of the First Schedule.

(2) In making any assessment for the year beginning on the first day of July, 1976 where the total income of a company includes any profits and gains from the life insurance business, super-tax payable by the company shall be reduced by an amount equal to 12.5 per cent of that part of its total income which consists of such inclusion.

(3) In making any assessment for the year beginning on the first day of July, 1976, where the assessee is a cooperative society, the tax shall be payable at the rates specified in paragraph A of Part I, or paragraph B of Part I and paragraph A of Part II of the First Schedule as if the assessee were a company to which the proviso to paragraph A of the said Part II applied, whichever treatment is more beneficial to the assessee.

(4) (a) In making any assessment for the year beginning on the first day of July, 1976, where the total income of an assessee includes any profits and gains derived from export of goods manufactured in Pakistan, income-tax and super-tax, if any, payable in respect of such profits and gains shall, subject to the provisions of clauses (b), (c) and (d), be reduced by an amount equal to fifty per cent of the income-tax and super-tax, if any, attributable to sale proceeds of such goods :

Provided that in the case of a registered firm, super-tax payable by it under paragraph C of Part II of the First Schedule shall be reduced under this clause by so much of such amount calculated on the basis of the income tax payable on its total income under paragraph A of Part I as if it were the total income of an un-registered firm as does not exceed the said super-tax.

(b) Nothing in clause (a) shall apply to a company which has not made such effective arrangements as may be prescribed by the Central Board of Revenue for the declaration and payment in Pakistan of dividends payable out of its profits and gains liable to tax under the Income-tax Act, 1922 (XI of 1922), and for the deduction of tax from such dividends.

(c) Nothing contained in clauses (a) and (b) shall apply in respect of the following goods or class of goods, namely :—

(i) raw cotton ;

(ii) such other goods as may be notified by the Central Board of Revenue from time to time.

(d) The Central Board of Revenue may make rules providing for the computation of profits and the tax attributable to export sales and for such other matters as may be necessary to give effect to the provisions of this sub-section.

(5) In cases to which section 17 of the said Act applies, the tax chargeable shall be determined as provided in that section, but with reference to the rates referred to in sub-section (1).

(6) For the purposes of making deduction of tax under section 18, of the said Act, the rates specified in Part I and Part II of the First Schedule shall apply as respects the year beginning on the first day of July, 1976, and ending on the thirtieth day of June, 1977.

(7) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the said Act ; and the expression "public company" means a company—

(i) in which not less than fifty per cent of the shares are held by the Government ; or

(ii) whose shares were the subject of dealings in a registered stock exchange in Pakistan at any time during the previous year and remained listed on the stock exchange till the close of that year.

4. Surcharge under Act XI of 1922.—Surcharge under the Income-tax Act, 1922 (XI of 1922), shall be charged in respect of any assessment for the year beginning on the first day of July, 1976 at the rates specified in Part III of the First Schedule.

5. Amendment of Act X of 1950.—In the Estate Duty Act, 1950 (X of 1950), in section 67, in sub-section (3), after the words "provisions of", the words, brackets and figure "sub-section (1) and" shall be inserted.

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6. **Amendment of Act XV of 1963.**—The following amendments shall be made in the Wealth-tax Act, 1963 (XV of 1963), namely :—

(1) In section 2,—

(a) in clause (e), for sub-clause (iii) the following shall be substituted, namely :—

“ (iii) one residential house owned by an assessee who has exercised the option under sub-paragraph (i) of paragraph (1) of the Schedule ;” ;

(b) after clause (o), the following new clause shall be inserted, namely :—

“ (oo) “ public company ” means a company—

(i) in which not less than fifty per cent of the shares are held by the Government ; or

(ii) the shares of which were listed on a registered stock exchange in Pakistan at any time during the previous year and remained so listed till the close of that year ;” ; and

(c) the existing clause “ (oo) ” shall be re-lettered as clause “ (ooo) ” ;

(2) in section 5, in sub-section (1),—

(a) in clause (vi), for the semicolon at the end a colon shall be substituted and thereafter the following proviso shall be added, namely :—

“ Provided that where the assessee owns more than one car, only one car specified by him shall be so excluded from his net wealth ;” ;

(b) after clause (xii), the following new clauses shall be added, namely :—

“ (xiii) investment not exceeding one lakh rupees in stocks or shares of a public company engaged in an industrial undertaking acquired otherwise than by purchase or transfer from a previous holder of such stocks or shares, for a period of two years commencing from the year in which the stocks or shares are issued for public subscription ;

(xiv) final payment of accumulations in a provident fund referred to in clause (x) and the commuted amount of pension received during the year ;

(xv) in the case of a person who is not resident in Pakistan,—

(i) assets brought by him into Pakistan, in the year in which they are brought and the following five years ; and

(ii) any amount invested in the acquisition of shares or stocks of a company out of remittances received in Pakistan through normal banking channels in the year in which it is invested and the following five years ;” ;

(3) after section 44, the following new section shall be inserted, namely :—

“ 44 A. *Officers to assist wealth-tax authorities.*—It shall be the duty of all officers of the Police, Customs, Central Excise and Provincial Excise and Taxation Departments to render to the officers and other persons employed in the execution of this Act such assistance in its execution as may be required of them.” ; and

(4) for the Schedule the following shall be substituted, namely:—

“THE SCHEDULE

(See section 3)

RATES OF WEALTH-TAX

(1) In the case of every individual and Hindu undivided family:—

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| (i) on the first rupees three lakhs of net wealth, or where an assessee exercises the option to have the value of a house specified by him excluded from his assets, on the first rupees two lakhs of net wealth..... Nil. | | | |
| (ii) on the next rupees two lakhs of net wealth | .. | .. | 1/2% |
| (iii) on the next rupees five lakhs of net wealth | .. | .. | 1% |
| (iv) on the next rupees five lakhs of net wealth | .. | .. | 1-1/2% |
| (v) on the next rupees five lakhs of net wealth | .. | .. | 2% |
| (vi) on the balance of net wealth.. | .. | .. | 2-1/2%.” |

7. **Amendment of Act III of 1951.**—In the Sales Tax Act, 1951 (III of 1951), after section 38, the following new section shall be inserted, namely:—

“38A. *Officers to assist sales tax authorities.*—It shall be the duty of all officers of the Police, Customs, Central Excise and Provincial Excise and Taxation Departments to render to the officers and other persons employed in the execution of this Act such assistance in its execution as may be required of them.”

8. **Amendment of Act I of 1944.**—The First Schedule to the Central Excises and Salt Act, 1944 (I of 1944), shall be amended in the manner specified in the Second Schedule to this Act.

9. **Amendment of Act IV of 1969.**—The amendments set out in the Third Schedule shall be made in the First Schedule to the Customs Act, 1969 (IV of 1969).

10. **Modification of First Schedule to Act IV of 1969.**—The First Schedule to the Customs Act, 1969 (IV of 1969), as amended by this Act, shall have effect as if in the third column thereof,—

- (a) where the rate of duty is *ad valorem*, for such rate a rate of duty ten per cent *ad valorem* above that rate were substituted; and
- (b) where the rate of duty is not *ad valorem*, or is composed of a specific rate and a rate *ad valorem*, a rate of duty ten per cent *ad valorem* above that rate were added.

THE FIRST SCHEDULE

(See section 3)

PART I

RATES OF INCOME-TAX

A. In the case of every individual, unregistered firm, an association of persons, Hindu undivided family and every artificial juridical person referred to in clause (9) of section 2 of the Income-tax Act, 1922 (XI of 1922), not being a case to which paragraph B of this part applies —

1. Where the taxable income does not exceed 10% of Rs. 5,000.

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| 2. Where the taxable income exceeds Rs. 5,000 but does not exceed Rs. 10,000. | Rs. 500 + 20 % of the amount exceeding Rs. 5,000. |
| 3. Where the taxable income exceeds Rs. 10,000 but does not exceed Rs. 20,000. | Rs. 1,500 + 30% of the amount exceeding Rs. 10,000. |
| 4. Where the taxable income exceeds Rs. 20,000 but does not exceed Rs. 30,000. | Rs. 4,500 + 40% of the amount exceeding Rs. 20,000. |
| 5. Where the taxable income exceeds Rs. 30,000 but does not exceed Rs. 70,000. | Rs. 8,500 + 50% of the amount exceeding Rs. 30,000. |
| 6. Where the taxable income exceeds Rs. 70,000. | Rs. 28,500 + 60% of the amount exceeding Rs. 70,000. |

Provided that —

- (i) no income-tax shall be payable on a total income which before deduction of the sums, if any, exempt under the first and third proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15CC, section 15CCC, section 15D, section 15F, section 15H, section 15HH, section 58F and section 58W of the Income-tax Act, 1922 (XI of 1922) does not exceed Rs. 12,000;
- (ii) where the total income of an assessee exceeds Rs. 12,000 but does not exceed Rs. 15,000, the income-tax payable shall not exceed fifty per cent of the amount by which the total income exceeds Rs. 12,000 ;
- (iii) where the total income includes any income from a share of the income, profits and gains of a firm to which paragraph C of Part II applies, such portion of the super-tax payable under the said paragraph as bears to the total amount of such super-tax the same proportion as his share of income, profits and gains of the firm bears to the total income of the firm shall be added to the income-tax payable by such partner under this paragraph and, if the sum so arrived at exceeds sixty per cent of the total income of such partner (including his share of income, profits and gains of the firm), the amount of income-tax payable by him under this paragraph shall be reduced by the amount of such excess.

Explanation.—The expression “taxable income”, as used in this paragraph, means —

- (a) in the case of an assessee to whom or to which clause (a) of sub-section (1) of section 17 of the Income-tax Act, 1922 (XI of 1922), applies, the total income ;
- (b) in any other case, the total income of an assessee as diminished by the allowance admissible under the first and third provisos to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15CC, section 15CCC, section 15D, section 15F, section 15H, section 15HH, section 58F and section 58W of the Income-tax Act, 1922 (XI of 1922).

B. In the case of every local authority and in every case in which, under the provisions of the Income-tax Act, 1922 (XI of 1922), income-tax is to be charged at the maximum rate. 30 per cent of the total amount.

C. In the case of every company, being a public company or a foreign association declared to be a company by the Central Board of Revenue under clause (5A) of section 2 of the Income-tax Act, 1922 (XI of 1922), on the total income excluding such part of the total income as consists of any dividends or bonus or bonus shares to which sub-paragraph (3) or sub-paragraph (4) of paragraph A of Part II applies. 30 per cent of such income.

D. In the case of every other company, on the total income excluding such part thereof as consists of any bonus or bonus shares to which sub-paragraph (4) of paragraph A of Part II applies. 30 per cent of such income.

PART II

RATES OF SUPER-TAX

A. In the case of a company,—

Rates

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| <p>(1) on the total income, excluding such part of the total income as consists of dividends or bonus or bonus shares to which sub-paragraphs (3) and (4) apply, where such company is a company to which paragraph C of Part I applies.</p> <p>(2) on the total income excluding such part of the total income as consists of bonus or bonus shares to which sub-paragraph (4) applies where such company is a company to which sub-paragraph (1) does not apply.</p> | <p>35 per cent of such income in the case of a banking company and 30 per cent of such income in the case of a company other than a banking company.</p> <p>35 per cent of such income in the case of a banking company and 30 per cent of such income in the case of a company other than a banking company :</p> |
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Provided that where a company, in respect of the profits and gains liable to tax under the Income-tax Act, 1922 (XI of 1922), has made such effective arrangements as may be prescribed by the Central Board of Revenue in this behalf for the declaration and payment in Pakistan of dividends payable out of such profits and gains and for the deduction of tax from such dividends, rebate shall be allowed as follows :—

- (i) a rebate of 5 per cent to such company not being a banking company if it is a public company ;
- (ii) a rebate of 5 per cent to such company not being a banking company if it is a public company to which clause (iii) does not apply, if its paid-up capital plus free reserves as on the last day of the previous year does not exceed Rs. 5,00,000 ;
- (iii) a rebate of 5 per cent on so much of the income, profits and gains of such company, being a public company, as are derived by it from an industrial undertaking if its paid-up capital plus free reserves as on the last day of the previous year does not exceed Rs. 10,00,000 ;
- (iv) a rebate of 5 per cent on so much of the income, profits and gains of such company, as are derived by it from an industrial undertaking commencing commercial production at any time between the first day of July, 1975 and the thirtieth day of June, 1980 (both dates inclusive) if the original cost of fixed assets (excluding the cost of land) owned by the company and used by the undertaking does not exceed Rs. 30,00,000,

so however that no rebate under clauses (ii) and (iii) shall be allowed to such company ;

- (v) a rebate of 10 per cent to such company in respect of its income, profits and gains to which sub-section (9) of section 10 of the Income-tax Act, 1922 (XI of 1922), applies or which are derived by it in Pakistan from processing, freezing, preserving and canning of food, vegetable, fruit, grain, meat, fish and poultry ;
- (vi) a rebate of 15 per cent to such company on so much of the income, profits and gains accruing or arising outside Pakistan to which sub-section (4) of section 3 does not apply as are brought by it in Pakistan.

Explanation.—The term “industrial undertaking”, as used in clause (iii) means an undertaking which is set up or commenced in Pakistan on or after the 14th day of August, 1947, and which employs (i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency or (ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency and which is —

(i) engaged in —

- (a) the manufacture of goods or materials or the subjection of goods or materials to any process, which substantially changes their original condition ;
- (b) ship-building ;
- (c) generation, transformation, conversion, transmission or distribution of electrical energy, or the supply of hydraulic power ;
- (d) the working of any mine, oil-well or other source of mineral deposits not being an undertaking to which the Second and Third Schedules to the Income-tax Act, 1922 (XI of 1922) apply ; or
- (ii) any other industrial undertaking which may be approved by the Central Board of Revenue for the purposes of this clause.
- (3) to which paragraph C of Part I applies, on the amount representing income from dividends from a company having its registered office in Pakistan—

Rates

- (a) where such dividends are received by a public company and are declared and paid by a company formed and registered in Pakistan under the Companies Act, 1913 (VII of 1913), or a body corporate formed in pursuance of a law within the legislative competence of Parliament in respect of the share-capital issued, subscribed and paid after the fourteenth day of August, 1947. 15 per cent of such amount.
- (b) in other cases. 20 Per cent of such amount.

- (4) on the whole of the amount representing the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders with a view to increasing its paid-up capital—

Rates

- | | |
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| (a) where a company which issued shares or bonus, as the case may be, is a public company. | 15 Per cent of such amount. |
| (b) in other cases. | 20 Per cent of such amount. |
| B. In the case of every local authority on the whole of the total income. | 12.5 Per cent of the total income. |
| C. In the case of every registered firm— | |
| (1) where the total income does not exceed Rs. 15,000. | Nil. |
| (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 30,000. | 5 Per cent of the amount exceeding Rs. 15,000. |
| (3) where the total income exceeds Rs. 30,000 but does not exceed Rs. 60,000. | Rs. 750 plus 10 per cent of the amount exceeding Rs. 30,000. |
| (4) where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,00,000. | Rs. 3,750 plus 20 Per cent of the amount exceeding Rs. 60,000. |
| (5) where the total income exceeds Rs. 1,00,000. | Rs. 11,750+30 Per cent of the amount exceeding Rs. 1,00,000. |

Explanation.—The term “registered firm” as used in this paragraph means a firm registered under section 26A of the Income-tax Act, 1922 (XI of 1922), or a firm treated as a registered firm under clause (b) of sub-section (5) of section 23 of the said Act.

PART III*(See section 4)***RATES OF SURCHARGE**

In the case of persons deriving income from the business of manufacture, purchase or sale of jewellery including gold, silver, precious metals, stones and ornaments or other articles made thereof : 6 Per cent of such income ;

Provided that the surcharge shall not be payable by any persons (not being a company) whose total income does not exceed Rs. 12,000.

THE SECOND SCHEDULE*(See section 8)***AMENDMENT TO THE FIRST SCHEDULE TO THE CENTRAL EXCISES AND SALT ACT, 1944 (I OF 1944)**

In PART I, in SECTION III, in item 6, in sub-item (1), for the entry in column (3) the following shall be substituted, namely :—

“Twenty-five paise per bottle.”

THE THIRD SCHEDULE

(See section 9)

AMENDMENTS IN THE CUSTOMS ACT, 1969 (IV OF 1969)

In the Customs Act, 1969 (IV of 1969), in the First Schedule, against heading Nos. and sub-heads, if any, specified in the first column of the table below, for the entries relating to the "Name of article" and "Rate of duty" the corresponding entries in the second and third columns of the table shall be substituted.

TABLE

Heading No. and sub-head	Name of article	Rate of duty
1	2	3
09.10	Thyme, saffron and bay leaves ; other spices :	
	A. Ginger (fresh)	Rs. 2.00 per lb.
	B. Other	50% <i>ad val.</i>
22.03	Beer made from malt	Rs. 30.00 per liquid gallon + 25% <i>ad val.</i>
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	200% <i>ad val.</i>
22.05	Wine of fresh grapes ; grape must with fermentation arrested by the addition of alcohol :	
	A. Wines not containing more than 42% of proof spirit :	
	(i) Champagne and other sparkling wines	Rs. 100.00 per liquid gallon.
	(ii) Other sorts	Rs. 75.00 per liquid gallon.
	B. Wines containing more than 42% of proof spirit	Rs. 500.00 per proof gallon + 25% <i>ad val.</i>
22.06	Vermouths, and other wines of fresh grapes flavoured with aromatic extracts	The duties applicable to heading No. 22.05.
22.07	Other fermented beverages (for example, cider, perry and mead) :	
	A. Cider	200% <i>ad val.</i>
	B. Other	The duties applicable to headings Nos. 22.03 and 22.05.
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher ; denatured spirits (including ethyl alcohol and neutral spirits) of any strength :	
	A. Denatured spirits	62-1/2% <i>ad val.</i>
	B. Other	Rs. 500.00 per proof gallon + 25% <i>ad val.</i>

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1	2	3
22.09	Spirits (other than those of heading No. 22.08) ; liqueurs and other spirituous beverages ; compound alcoholic preparations (known as " concentrated extracts ") for the manufacture of beverages :	
	A. Brandy, Gin, Whisky and other sorts of spirits, not otherwise specified	Rs. 500.00 per proof gallon + 25% <i>ad val.</i>
	B. Liqueurs, cordials and mixtures and other preparations containing spirit, not otherwise specified :	
	(i) Entered in such a manner as to indicate that the strength is not to be tested :	Rs. 750.00 per liquid gallon + 50% <i>ad val.</i>
	(ii) Not so entered	Rs. 500.00 per proof gallon + 50% <i>ad val.</i>
48.01	Paper and paperboard (including cellulose wadding), machine-made, in rolls or sheets :	
B (ii)	B. Printing and writing paper weighing more than 32 but not more than 220 gramme per square metre :	
	(ii) Other	40% <i>ad val.</i> subject to a minimum of Rs. 1500.00 per ton.

M. A. HAQ,
Secretary.