

The Gazette of Pakistan

PUBLISHED BY AUTHORITY

KARACHI, FRIDAY, MARCH 23, 1956

PART IX

Bills introduced in the Constituent Assembly and the Constituent Assembly (Legislature), Reports of Select Committees presented in the Constituent Assembly and the Constituent Assembly (Legislature), Bills published under Rule 43 of the Constituent Assembly Rules and Rule 18 of the Pakistan Constituent Assembly (Legislature) Rules.

GOVERNMENT OF PAKISTAN

CONSTITUENT ASSEMBLY (LEGISLATURE)

Karachi, the 19th March, 1956

The following Bill was introduced in the Constituent Assembly (Legislature) of Pakistan on the 15th March, 1956 :—

C. A. (L) BILL No. 1 of 1956

A Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1956.*

WHEREAS it is expedient to fix the duty on certain salt, to fix maximum rates of postage under the Post Office Act, 1898 (VI of 1898), to continue subject to certain modifications, for a further period of one year additional duties of customs imposed by section 6 of the Finance Act, 1942 (XII of 1942), and to alter the duty of excise on motor spirit, to continue the charge and levy of business profits tax, to make certain provisions relating to income-tax, super-tax, business profits tax, sales tax, excise duty and estate duty, to fix rates of income-tax and super-tax and to continue, subject to modifications, the taxes and duties imposed for the purpose of meeting expenditure on the rehabilitation of refugees;

It is hereby enacted as follows :

1. (1) This Act may be called the Finance Act, 1956. Short title
and extent.
- (2) It extends to the whole of Pakistan.

*Under sections 37 and 141 of the Government of India Act, 1935, the Governor-General has been pleased to recommend, and to accord previous sanction to the introduction of the Bill in the Constituent Assembly (Legislature).

10. Until the thirty-first day of March, 1957, each entry of duty set forth in the third column against sub-item II(2) of item 9 of the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944), shall have effect as if the words "plus one-fifth of the total duty" were added to it.

Additional
duty of
excise on
cigarettes.

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

Amendment
of Act XI of
1922.

(1) For sub-section (2) of section 1, the following sub-section shall be inserted, namely:—

"(2) It extends to the whole of Pakistan."

(2) In section 2—

(a) In clause (5A), after the words "and includes" the words "the Government of a Province and" shall be inserted.

(b) In clause (6C), after the words "profits under" the words "the second proviso to" shall be omitted.

(c) In clause (9), after the word "family", a comma and the words "Government of a Province" shall be inserted.

(3) In sub-section (3) of section 4—

(a) In clause (xii), for the figures "1957" the figures "1959" shall be substituted and the following proviso shall be added at the end, namely:—

"Provided that in the case of a building the erection of which is begun and completed at any time between the first day of April, 1957, and the thirty-first day of March, 1959 (both days inclusive), this clause shall apply only if—

(i) the bona fide annual value of such building does not exceed three thousand rupees; and

(ii) the building is intended to be, and is, actually used for residential purposes only:

Provided further that where an assessee claims exemption under this clause in respect of more than one such building, the exemption shall be restricted to such portion of the income as does not exceed three thousand rupees."

10. Until the thirty-first day of March, 1957, each entry of duty set forth in the third column against sub-item II(2) of item 9 of the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944), shall have effect as if the words "plus one-fifth of the total duty" were added to it. Additional
duty of
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cigarettes.

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

(1) For sub-section (2) of section 1, the following sub-section shall be inserted, namely:—

"(2) It extends to the whole of Pakistan."

(2) In section 2—

(a) In clause (5A), after the words "and includes" the words "the Government of a Province and" shall be inserted.

(b) In clause (6C), after the words "profits under" the words "the second proviso to" shall be omitted.

(c) In clause (9), after the word "family", a comma and the words "Government of a Province" shall be inserted.

(3) In sub-section (3) of section 4—

(a) In clause (xii), for the figures "1957" the figures "1959" shall be substituted and the following proviso shall be added at the end, namely:—

"Provided that in the case of a building the erection of which is begun and completed at any time between the first day of April, 1957, and the thirty-first day of March, 1959 (both days inclusive), this clause shall apply only if—

(i) the bona fide annual value of such building does not exceed three thousand rupees; and

(ii) the building is intended to be, and is, actually used for residential purposes only:

Provided further that where an assessee claims exemption under this clause in respect of more than one such building, the exemption shall be restricted to such portion of the income as does not exceed three thousand rupees."

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- (b) After clause (xii), the following new clause and the *Explanation* shall be inserted, namely :—

“(xiii) Any income chargeable under the head ‘salaries’ received by or due to any person (who is neither a citizen of Pakistan nor was resident in the taxable territories in any of the four financial years immediately preceding the financial year in which he arrived in Pakistan) during the financial year in which he arrived in Pakistan and the financial year next following as remuneration for services rendered by him as a technician in any undertaking to which section 15B applies under a contract of service approved by the Central Government for the purposes of this clause.

Explanation.—The expression ‘technician’ as used in this clause means a person who possesses specialised knowledge in industrial arts and sciences and has experience in industrial practice and whose employment in Pakistan, irrespective of his designation, is in a capacity in which such specialised knowledge and experience are brought into play.”

- (4) In sub-section (7) of section 5, after the words “subordinate to”, the words “the Director of Inspection and” shall be omitted.
- (5) In the second proviso to sub-section (1) of section 7, for the word “one-sixth” the word “one-fifth” shall be substituted.
- (6) In section 10—

- (a) In clause (b) of the proviso to clause (vi) of sub-section (2), for the word, brackets and letter “clause (a)” the word, brackets and letter “clause (b)” shall be substituted.
- (b) In clause (b) of sub-section (4), for the words “to any partner of the firm” the words “or an association of persons to any partner of the firm or any member of the association of persons, as the case may be,” shall be substituted.
- (c) To clause (a) of sub-section (5), the following provisos shall be added, namely :—

“Provided that where, before the date of acquisition by the assessee, the assets were at any time used by any other person for the purposes of his business and the Income-tax Officer is satisfied that the main purpose of

the transfer of such assets, directly or indirectly, to the assessee was the reduction of a liability to income-tax (by claiming depreciation with reference to an enhanced cost), the actual cost to the assessee shall be such an amount as the Income-tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, determine having regard to the circumstances of the case:

Provided further that where before the date of acquisition by the assessee, the assets, which belonged to the assessee and had been used by him for the purposes of his business, profession or vocation, had ceased to be his property by reason of transfer or otherwise, the actual cost to the assessee shall be the actual cost to him when he first acquired the assets less all depreciation actually allowed to him under any Act repealed hereby or under executive orders issued when the Income-tax Act, 1886 (II of 1886), was in force."

(d) In sub-section (7), for the words "the Schedule" the words "the First Schedule" shall be substituted.

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

"(8) Notwithstanding anything to the contrary contained in the preceding sub-sections of this section and in sections 3, 15B and 24, the profits or gains from the exploration and production of petroleum including natural gas and the tax payable thereon shall be computed in accordance with the rules contained in the Second Schedule to this Act:

Provided that nothing in this sub-section shall apply to the profits or gains attributable to the production of petroleum including natural gas which was discovered before the twenty-fourth day of September, nineteen hundred and fifty-four."

(7) To sub-section (2) of section 15B, the following proviso shall be added, namely:—

"Provided that in the case of an undertaking which falls under class (a) or class (e) and which is set up or commenced in Pakistan on or after the first day of

April, 1955, this sub-section shall apply as if for the words 'more than fifty 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', the words, brackets and letters '(a) 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 (b) 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' were substituted."

- (8) After section 15D, the following new section shall be inserted :—

"15E. The exemption of a portion of income on account of the educational expenses of children.—Where an assessee, whose total income does not exceed twenty-five thousand rupees, proves to the satisfaction of the Income-tax Officer that any one or more of his children (not being less than five or more than twenty-one years of age) was or were, as the case may be, receiving education at an educational institution at any time during the financial year next preceding the year (not commencing before the first day of April, 1956) for which the assessment is to be made, no tax shall be payable on such portion of his total income as does not exceed the sum of two hundred rupees for every such child, subject to a maximum of six hundred rupees :

Provided that as respects the year ending on the thirty-first day of March, 1957, this section shall not apply if more than half the total income of the assessee consists of income chargeable under the head 'salaries'."

- (9) In section 16—

- (a) In clause (a) of sub-section (1), for the words, figures and letters "section 15C and section 15D" the words, figures, letters and comma "section 15C, section 15D and section 15E" shall be substituted.

(b) In sub-section (2) and the proviso thereto—

- (i) for the words and commas “paid, credited or distributed or deemed to have been paid, credited or distributed”, wherever they appear, the word “paid” shall be substituted;
- (ii) after the words “a company”, the commas and words “, or, where a company has obtained double taxation relief, at the net Pakistan rate,” shall be inserted; and
- (iii) after the words “the amount of the dividend”, the semi-colon, words, brackets, figures and letter “; and the provisions of sub-section (2) of section 49C shall apply accordingly,” shall be inserted.

(10) For sub-section (1) of section 17, the following sub-section shall be inserted, namely :—

“Where a person, not being a company, is not resident in the taxable territories, the tax, including super-tax, payable by him or on his behalf on his total income shall be an amount equal to—

- (a) the income-tax which would be payable on his total income at the maximum rate, *plus*
- (b) either the super-tax which would be payable on his total income at the rate applicable in the case of an individual to the slab next to the slab exempt from super-tax,

or the super-tax which would be payable on his total income if it were the total income of a person resident in the taxable territories, whichever is the greater :

Provided that any such person may, on the first occasion subsequent to the thirty-first day of March, 1956, on which he is assessable for any year by notice in writing given to the Income-tax Officer before the thirtieth day of September in the year of assessment declare (such declaration being final and being applicable to all assessments thereafter) that the tax, including super-tax, payable by him or on his behalf on his total income shall be determined with reference to his total world income, and thereupon such tax shall be an amount bearing to the total amount of tax, including super-tax, which would have been payable on his total world income had it been his total income the same proportion as his total income bears to his total world income :

Provided further that for the year of assessment ending on the thirty-first day of March, 1957, such notice may be given at any time before the first day of January, 1957 :

Provided further that where any such person satisfies the Income-tax Officer that he was prevented by sufficient cause from making such declaration on the first occasion on which he became assessable and his failure to make such declaration has not resulted in reducing his liability to tax for any year, the Income-tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, allow such person to make the declaration at any time on or after the expiry of the period specified, and such declaration shall have effect in relation to the assessment for the year in which the declaration is made (if such assessment has not been completed before such declaration) and all assessments thereafter."

(11) In section 18—

(a) In sub-section (2B), for the words "at the rate or rates applicable to the estimated income of the assessee under this head" the following shall be substituted, namely :—

"On the estimated income of the assessee under this head in accordance with the provisions of clause (b) of sub-section (1) of section 17 :

Provided that where—

(i) the person not so resident has obtained a certificate in writing from the Income-tax Officer (which certificate the Income-tax Officer shall give in every proper case on the application of the assessee) stating that income-tax and super-tax may be deducted at the rates specified therein, or

(ii) the Income-tax Officer has, by an order in writing, required the person responsible for making payment to deduct income-tax and super-tax at the rates specified in that order, the person responsible for making payment shall, until such certificate or order is cancelled by the Income-tax Officer, deduct income-tax and super-tax at the rates specified in such certificate or order, as the case may be".

(b) For sub-sections (3A), (3B), (3C), (3D) and (3E), the following sub-sections shall be substituted, namely :—

"(3A) The person responsible for paying any income chargeable under the head "Interest on securities" to a person whom he has no

reason to believe to be resident in the taxable territories, shall, at the time of payment, deduct super-tax on the amount of such interest—

- (i) if such person is a company, at the rate applicable to a company,
- (ii) if such person is not a company, in accordance with the provisions of clause (b) of sub-section (1) of section 17 :

Provided that where such person is not a company, the proviso to sub-section (2B) shall apply to the deduction of super-tax under this sub-section as it applies to the deduction of super-tax under sub-section (2B).

- (3B) Any person responsible for paying to a person not resident in the taxable territories any interest not being 'Interest on securities' or any other sum chargeable under the provisions of this Act shall, at the time of payment, unless he is himself liable to pay any income-tax and super-tax thereon as an agent, deduct income-tax at the maximum rate and super-tax at the rate applicable to a company or in accordance with the provisions of sub-clause (b) of sub-section (1) of section 17, as the case may be :

Provided that where the person not resident is not a company, the proviso to sub-section (2B) shall apply to the deduction of income-tax and super-tax under this sub-section as it applies to the deduction of income-tax and super-tax under sub-section (2B) :

Provided further that nothing in this section shall apply to any payment made in the course of transactions in respect of which a person responsible for the payment is deemed under the first proviso to section 43 not to be an agent of the payee.

- (3C) The principal officer of a company incorporated in Pakistan or a company which has made such effective arrangements as may be prescribed for the deduction of super-tax from dividends shall, at the time of paying any dividend to a shareholder whom the principal officer has no reason to believe to be resident in the taxable territories, deduct super-tax on the amount of such dividend as increased in accordance with the provisions of sub-section (2) of section 16—

- (i) if the shareholder is a company, at the rate applicable to a company,

- (ii) if the shareholder is a person other than a company, in accordance with the provisions of clause (b) of sub-section (1) of section 17 :

Provided that in the case of shareholder other than a company, the proviso to sub-section (2B) shall apply to the deduction of super-tax under this sub-section as it applies to the deduction of super-tax under sub-section (2B)."

- (c) In sub-section (5), after the words "any deduction made" the words "and paid to the account of the Central Government" shall be inserted; after the words "given to him therefor" the words "on the production of the certificate furnished under sub-section (9) or section 20, as the case may be," shall be inserted.
- (d) In sub-section (7), for the words, brackets, figures and letters "sub-sections (3D) and (3E)" the word, brackets, figure and letter "sub-section (3C)" shall be substituted.
- (e) In sub-section (9), for the brackets, figures, letters and word "(3C), (3D) or (3E)" the word, brackets, figure and letter "or (3C)" shall be substituted.
- (f) After sub-section (9), the following Explanation shall be inserted, namely :—
- "Explanation.—For the purposes of this section and section 20A, the expression 'person responsible for paying' means—*
- (i) in the case of payments of income chargeable under the head 'Salaries' other than payments by the Central Government or the Government of a Province, the employer himself or if the employer is a company, the company itself including the principal officer thereof;
- (ii) in the case of payments of income chargeable under the head 'Interest on securities', other than payments made by or on behalf of the Central Government or the Government of a Province, the local authority or company including the principal officer thereof; and
- (iii) in the case of payment of interest not being 'Interest on securities', the payer himself or if the payer is a company, the company itself including the principal officer thereof."

(12) In section 18A—

(a) In sub-sections (1) and (3), for the words “six thousand rupees” the words “twenty-five thousand rupees” shall be substituted.

(b) Sub-section (9) shall be omitted.

(13) In sub-section (1) of section 23A and the second proviso thereto, after the words “the amount of income-tax and super-tax payable by the company in respect thereof”, wherever they appear, the commas, words, figures and letters “, before taking into account any credit that may be due under an agreement referred to in section 49AA,” shall be inserted.

(14) In section 28—

(a) After sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) If the Income-tax Officer in the course of any proceedings in connection with an assessment under section 23 is satisfied that any person—

(a) has furnished under sub-section (2) or sub-section (3) of section 18A estimates of the tax payable by him which he knew or had reason to believe to be untrue, or,

(b) has without reasonable cause failed to comply with the provisions of sub-section (3) of the said section 18A, he may direct that such person shall pay by way of penalty, in the case referred to in clause (a), a sum not exceeding one-and-a-half times the amount by which the tax actually paid during the year under the provisions of section 18A falls short of the tax that should have been paid by the assessee under sub-section (1) of section 18A, or eighty per cent of the tax determined on the basis of the regular assessment as modified in the manner provided in sub-section (6) of section 18A, whichever is the less; and, in the case referred to in clause (b), a sum not exceeding one-and-a-half times the said eighty per cent, and the provisos to sub-section (1) shall so far as may be, apply accordingly.”

(b) In sub-section (3), after the words, brackets and figure “sub-section (1)”, a comma and the word, brackets, figure and letter “, sub-section (1A)” shall be inserted.

(15) Section 49A shall be omitted.

(16) For section 49AA, the following section shall be substituted, namely :—

"49AA. Agreement for avoidance of double taxation in Pakistan and other countries.—

- (1) The Central Government may enter into an agreement with the Government of any territory outside the taxable territories for the avoidance of double taxation of income, profits and gains under this Act or the Business Profits Tax Act, 1947, and under the corresponding law in force in that territory, and may by notification in the official Gazette make such provisions as may be necessary for implementing the agreement.
- (2) If an agreement is made in accordance with the preceding sub-section then the agreement and the provision made by notification for implementing the agreement shall, notwithstanding anything in any enactment, have effect in relation to income-tax (including super-tax) and business profits tax in so far as—
 - (a) they provide for relief from tax ; or
 - (b) they provide for—
 - (i) assessing the income arising from sources in the taxable territories to persons not resident therein ; or
 - (ii) determining the income to be attributed to such persons and their agencies, branches or establishments in the taxable territories ; or
 - (iii) determining the income to be attributed to persons resident in the taxable territories who have special relationships with persons not so resident.
- (3) The provisions of the Third Schedule to this Act shall have effect where an agreement which has effect by virtue of this section provides that tax payable under the laws of the territory concerned shall be allowed as a credit against tax payable in Pakistan.
- (4) This section shall have effect for the years of assessment commencing on or after the first day of April, 1955.
- (5) Notwithstanding anything in the preceding provisions of this section any agreement to which effect is given under this section may include provision for relief from tax for periods before the passing of this Act or before the making of the agreement and provisions as to income, profits and gains which are not themselves subject to double taxation."

(17) For section 49C, the following section shall be substituted, namely :—

“49C. Rate of tax applicable to dividends where double taxation relief allowed.—(1) Where any dividend has been paid to a shareholder of a company which has obtained double taxation relief, the shareholder shall be deemed in respect of such dividend himself to have paid income-tax at the rate (referred to as ‘the net Pakistan rate’) of income-tax payable directly or deemed by virtue of this section and the preceding section of this Act to have been paid, after taking double taxation relief into account.

(2) In this section and in sub-section (2) of section 16 and the proviso thereto—

(i) ‘double taxation relief’ means relief granted by virtue of an agreement having effect under section 49AA or granted under section 49D ;

(ii) ‘the net Pakistan rate’ means the rate which is produced by deducting—

(a) the rate of double taxation relief for the period for which the dividend is paid from ;

(b) the rate of income-tax (but not super-tax) applicable to the total income of the company for the financial year in which the dividend is paid ;

(iii) ‘paid’ in relation to a dividend, means paid, credited or distributed or deemed to have been paid, credited or distributed.

(3) The rate of double taxation relief for the period for which the dividend is paid shall be taken to be the rate which is produced by dividing the amount of double taxation relief allowed against income-tax (but not super-tax) for the year of assessment for which the profits of that period are assessed by the total income of the company as computed for income-tax purposes for that year of assessment.

(4) For the purposes of this section a dividend which is not expressed to be paid for any specified period shall be deemed to be paid for the last period for which accounts of the company were made up which ended before the dividend was paid.”

(18) In section 49D—

(a) In sub-section (1), the following proviso shall be inserted at the end, namely :—

“Provided that for the purposes of section 49C the amount of double taxation relief allowed against income-tax (but not super-tax) shall be the amount (if any)

by which the said deduction exceeds a sum equal to the tax calculated on such doubly taxed income at a rate of tax determined in accordance with Explanation (ii), but as if for the reference to income-tax therein there were substituted a reference to super-tax."

(b) In Explanation (ii)—

(i) after the word "section" the words, figures and letters "or by virtue of an agreement having effect under section 49AA" shall be inserted;

(ii) after the words "total income" the words, brackets and figures "computed in accordance with paragraph (5) of rule 6 of the Third Schedule" shall be added.

(c) In Explanation (iv), for the words "the expression 'income-tax in relation to any country'" the words "income-tax in relation to any country" shall be substituted and the comma after the word "country", where it last appears, shall be omitted.

(19) In sub-section (3) of section 54, for the existing clause (i), the following clause shall be substituted, namely—

"(i) of such facts to an authorised officer of the Government of a territory outside the taxable territories as may be necessary to enable the proper relief to be given under the law in force in that territory providing for the allowance, in respect of the payment of Pakistan tax, of relief from tax payable under that law, or under the provisions of this Act, and of such other information to an authorised officer of the Government with which an agreement referred to in section 49AA has been entered into as is required to be disclosed under the terms of the agreement."

(20) In the second proviso to section 55, for the words and comma "a company, or a registered firm" the words "either a company or a registered firm" shall be substituted and shall be deemed always to have been so substituted.

(21) In section 59, clauses (c) and (d) of sub-section (2) shall be omitted.

(22) In section 66—

(a) In sub-section (7A), after the word "under", the words, brackets and figure "sub-section (1) or" shall be inserted.

(b) Sub-section (8) shall be omitted.

(23) In the Schedule to the Act, for the words "The Schedule" the words "The First Schedule" shall be substituted.

Provided that no such loss in respect of an area surrendered before the 24th of September, 1954, or in respect of a dry hole which was completed before that date shall be allowed as a deduction.

- (ii) After the commencement of commercial production all expenditure prior thereto not deemed to be lost under clause (i) and not represented by physical assets in use at the time commercial production commenced, shall be allowed as a deduction. The portion of such deduction to be allowed in any year shall be such amount (not being greater than 10 per cent. of the aggregate amount deductible) as may be selected by the assessee.
- (iii) Expenditure incurred after the commencement of commercial production in connection with production and exploration shall be allowed as a deduction :

Provided that such expenditure on assets with respect to which depreciation is allowable shall not be deducted and the provisions of clauses (vi) and (vii) of sub-section (2) of section 10 of this Act shall apply to such expenditure. Depreciation shall also be allowed in respect of the expenditure referred to in the preceding clause on physical assets acquired prior to the date on which commercial production commenced, which were in use on that date, as if the assets were newly acquired at their original cost at the time of commencement of commercial production.

- (iv) If in any year the deductions admissible under sub-section (2) of section 10 of this Act, and the foregoing clauses (ii) and (iii) of this rule, exceed the gross receipts from the sale of petroleum produced in Pakistan such excess shall be set off against other income, not being a dividend, and carried forward in the manner and subject to the limitations laid down in section 24 of this Act.

3. In determining the profits or gains for any year ending after the date on which commercial production commenced an additional allowance shall be made equal to 15 per cent of the gross receipts representing the well-head value of the production from the business or part of the business to which the provisions of this Schedule apply : provided that such allowance shall not exceed one-half of the profits or gains as computed without the deduction of such allowance.

4. (1) The sum of payments to the Government and taxes on income in respect of the profits or gains derived from the business or part of the business to which the provisions of this Schedule apply for any year of assessment shall equal one-half of the profits or gains derived from the said business or part of the business before

deduction of payments to the Government and the additional allowance referred to in rule 3.

(2) For the purpose of this rule, the term 'payments to the Government' means amounts payable to the Government or to any governmental authority in Pakistan :

- (a) in respect of royalties as specified in Pakistan Petroleum (Production) Rules, 1949 ; and
- (b) in respect of any tax or levy imposed in Pakistan peculiarly applicable to oil production or to extractive industries or any of them and not generally imposed upon all industrial and commercial activities.

5. If in any year the aggregate of the sum of payments to the Government and taxes on income is less or greater than the amount specified in rule 4, an additional income-tax shall be payable by the assessee or an abatement of income-tax shall be allowed to the assessee, as the case may be, so as to make the aggregate of the sum of payments to the Government and taxes on income equal to one-half of the said profits or gains.

6. If in any year the payments to the Government referred to in rule 4 exceed one-half of the profits or gains computed in the manner laid down in that rule, the excess shall be carried forward and treated as payments to the Government for the purposes of rules 4 and 5 for the succeeding year.

7. For the purposes of these rules—

- (i) 'petroleum' means crude oil, natural gas and casing-head petroleum spirit as defined in the Pakistan Petroleum (Production) Rules, 1949, but does not include refined petroleum products ;
- (ii) 'surrender' means the termination of rights with respect to an area including the expiration of rights according to the terms of an agreement ;
- (iii) 'surrendered area' means an area with respect to which the rights of a person have terminated by surrender or by assignments or by termination of the business ;
- (iv) 'well-head value' has the same meaning as in the Pakistan Petroleum (Production) Rules, 1949 ;
- (v) 'Government' means the Government of Pakistan ;
- (vi) 'commercial production' means production as determined by the Government.

8. These rules shall have effect for the years of assessment commencing on or after the first day of April, 1955.

"THE THIRD SCHEDULE"

[See section 49AA (3)]

Rules for the computation of relief from income-tax and business profits tax by way of credit in respect of foreign tax

Interpreta-
tion.

1. (1) In these rules—

- (a) 'Pakistan taxes' means income-tax and super-tax charged in accordance with the provisions of the Income-tax Act, 1922 (XI of 1922), and tax charged in accordance with the provisions of the Business Profits Tax Act, 1947 (XXI of 1947);
- (b) 'foreign tax' means, in relation to any territory an agreement with the Government of which has effect by virtue of section 49AA of this Act, any tax chargeable under the laws of that territory for which credit may be allowed under the agreement;
- (c) 'foreign income-tax' means any foreign tax which corresponds to income-tax and super-tax;
- (d) 'income', in relation to business profits tax, means profits;
- (e) 'the Act' means the Income-tax Act, 1922.

(2) Where an agreement having effect by virtue of the said section 49AA provides for any tax chargeable under the laws of the territory concerned being treated as income-tax or as a profit tax, that tax shall, notwithstanding anything in the preceding provisions of this rule, be treated as foreign income-tax or foreign tax other than foreign income-tax, as the case may be.

(3) Any reference in these rules to foreign tax or foreign income-tax shall be construed, in relation to credit to be allowed under any agreement, as a reference only to tax chargeable under the laws of the territory with the Government of which the agreement was made.

General.

2. (1) Subject to the provisions of these rules where, under the agreement, credit is to be allowed against any of the Pakistan taxes chargeable in respect of any income, the amount of the Pakistan taxes so chargeable shall be reduced by the amount of the credit.

(2) The credit to be allowed shall be applied first in reducing the amount of any business profits tax chargeable in respect of the income and, so far as it cannot be so applied, in reducing the super-tax chargeable in respect thereof and, so far as it cannot be so applied, in reducing the income-tax chargeable in respect thereof.

(3) Nothing in this rule authorizes the allowance of credit against any Pakistan tax against which credit is not allowable under the agreement.

been made, the time within which such appeal may 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; or

(b) where an appeal against the order has been made to the Appellate Assistant Commissioner, the appeal is pending before the Appellate Assistant Commissioner; or

(c) the order has been made the subject of an appeal to the Appellate Tribunal:

Provided further that an order by the Commissioner declining to interfere shall be deemed not to be an order prejudicial to the assessee.

(3) Every application by an assessee under subsection (2) shall be accompanied by a fee of twenty-five rupees."

(5) For section 18, the following section shall be substituted:—

"18. (1) The Commissioner or the Appellate Assistant Commissioner may at any time within four years from the date of any order passed by him in appeal or in the case of the Commissioner in revision under section 17A and the Income-tax Officer may at any time within four years from the date of any assessment order passed by him on his own motion rectify any mistake apparent from the records of appeal, revision or assessment, as the case may be, and shall within the like period rectify any such mistake which has been brought to his notice by a person to whose business this Act applies:

Provided that no such rectification shall be made having the effect of enhancing the liability of any person unless that person has been given a reasonable opportunity of being heard.

(2) The provisions of sub-section (1) shall also apply in like manner to the rectification of mistakes by the Appellate Tribunal.

(3) Where any such rectification has the effect of reducing the assessment, the Income-tax Officer shall make any refund which may be due to such assessee.

(4) Where any such rectification has the effect of enhancing the assessment, the Income-tax Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum payable and such notice shall be deemed to be issued under section 25 and the provisions of this Act shall apply accordingly.

(6) Section 18A shall be omitted.

14. The following amendment shall be made in the Sales Tax Act, 1951 (III of 1951), namely :—

Amendment
of
Act III of
1951.

(1) In section 3—

(a) in clause (i) of sub-section (3), after the words "sale price", the following shall be inserted, namely :—

"or, where the goods are chargeable with the duty of excise under the Central Excises and Salt Act, 1944 (I of 1944), the value determined for the levy of the said duty plus the said duty",

(b) to sub-section (4), the following proviso shall be added, namely :—

"Provided that where the goods are also chargeable with the duty of excise under the Central Excises and Salt Act, 1944 (I of 1944), (hereinafter referred to as 'the said Act'), the tax shall be payable at the same time and in the same manner as the said duty and the provisions of the said Act relating to the payment of duty and the removal of goods shall, so far as may be, apply to the payment of the tax under this Act as they apply for the purposes of the said Act."

(2) In sub-section (1) of section 10, after the words "manufacturer or producer", the following shall be inserted, namely :—

"[not being a manufacturer or producer of goods chargeable with the duty of excise under the Central Excises and Salt Act, 1944 (I of 1944)]."

(3) To sub-section (1) of section 12, the following proviso shall be added, namely :—

"Provided that nothing contained in this sub-section shall apply in the case of goods which are also chargeable with the duty of excise under the Central Excises and Salt Act, 1944 (I of 1944)."

(4) In section 13, after sub-section (3), the following sub-sections shall be inserted, namely :—

"(4) The Sales Tax Officer may at any time, or from time to time, by notice in writing (a copy of which shall be forwarded to the assessee at his last address known to the Sales Tax Officer) require any person from whom any money is due or may become due to the assessee or any person who holds or may subsequently hold money for or on account of the assessee to pay to the Sales Tax Officer, either forthwith, or forthwith upon the money becoming due, or coming into the possession of the person who holds or may hold it as aforesaid, or at or within the time specified

in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the tax payer in respect of arrears of sales tax and penalty or the whole of the money when it is equal to or less than that amount.

- (5) The Sales Tax Officer may at any time, or from time to time, amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.
- (6) Any person making any payment in compliance with a notice under sub-section (4) shall be deemed to have made the payment under the authority of the assessee and the receipt of the Sales Tax Officer shall constitute a good and sufficient discharge of the liability of such person to the assessee to the extent of the amount referred to in the receipt.
- (7) Any person discharging any liability to the assessee after the receipt of the notice referred to in sub-section (4) shall be personally liable to the Sales Tax Officer to the extent of the liability discharged or to the extent of the liability of the assessee for tax and penalties, whichever is the less.
- (8) If the person to whom a notice under sub-section (4) is sent fails to make payment in compliance therewith to the Sales Tax Officer, the notice issued by the Sales Tax Officer shall have the same effect as an attachment by the Collector in exercise of his powers under the proviso to sub-section (1) and further proceedings may be taken by and before the Collector accordingly".
- (5) To section 29, the following proviso shall be added, namely :—

"Provided that nothing contained in this section or section 28 (limiting the time within which any action may be taken or any order of assessment or re-assessment may be made) shall apply to an assessment or re-assessment, as the case may be, made on the assessee or any person in consequence of, or to give effect to, any finding or direction contained in any order under section 14, section 15, section 16, section 17 or section 18".

Commence-
ment of
amendments
to Act III of
1951.

15. The amendments made in the Sales Tax Act, 1951, by sub-section (1) of section 14 shall be deemed to have come into force from the sixteenth day of March, 1956.

Amendment
of Act X of
1950.

16. The following amendments shall be made in the Estate Duty Act, 1950 (X of 1950), namely :—

- (1) In section 42, for the word "it" appearing for the first and the second time, the word "he" shall be substituted.

shall thereupon refer the question to any one valuer or more valuers than one as it thinks fit.

- (5) The valuer or valuers, as the case may be, shall on a reference made under sub-section (4) appraise the value of the property in question after holding such enquiry as may be considered necessary and submit a report containing the basis on which the proposed valuation is founded to the Appellate Tribunal.
- (6) The Appellate Tribunal shall furnish a copy of the report submitted to it under sub-section (5) to the appellant and the Controller.
- (7) The cost of the valuation made in pursuance of sub-section (4) shall be paid by the appellant.
- (8) In sub-section (2) of section 59B, after the word, figures and letter "section 59A", the words figures and brackets "or on a motion made to it by the Board before the commencement of the Estate Duty (Amendment) Act, 1953" shall be inserted.
- (9) In section 61—
 - (a) For sub-section (1), the following sub-section shall be substituted, namely :—

"(1) Where the original valuation (including a subsequent valuation, if any) is discovered to be too low (either because too low a value was placed on the property in respect of which estate duty is payable, or any such property was omitted), the Controller may require an accountable person to submit an account of all property (including property, if any, which was omitted), in respect of which estate duty is payable, within such time as may be specified by him in this behalf and the provisions of sections 58A, 58B, 62 and 63 shall thereupon apply as if the said account were the account which an accountable person is required to submit under sections 53 and 56".
 - (b) In sub-section (4), after the word "specified", for the word "therein", the words "for the purpose" shall be substituted.
- (10) In section 62, for the word "its" the word "him" shall be substituted.
- (11) In section 64, for the word "it" the word "he" shall be substituted.
- (12) After section 74, the following section shall be inserted, namely :—

"Controller's 74A. Subject to the provisions of sections 59, 59A and 59B, any power or authority exercisable by the Controller as from the third day of July, 1953, in virtue of the Estate Duty (Amendment) Act, 1953 (XV

"Controller's 74A.
powers also
retrospective.

THE FIRST SCHEDULE

(Schedule to be inserted in the Post Office Act, 1898)

(See section 3)

THE FIRST SCHEDULE

INLAND POSTAGE RATES

(See section 7)

LETTERS

For a weight not exceeding one tola	..	One and a half annas.
For every tola or fraction thereof exceeding one tola.		One anna.

POST-CARDS

Single	..	..	..	..	Nine pies.
Reply	..	..	..	..	One and a half annas.

PATTERN AND SAMPLE PACKETS

For the first five tolas or fraction thereof..	One anna.
For every additional two and a half tolas or fraction thereof in excess of five tolas.	Six pies.

BOOK PACKETS

For the first five tolas or fraction thereof..	One anna.
For every additional two and a half tolas or fraction thereof in excess of five tolas.	Three pies.

REGISTERED NEWSPAPERS

(a) *Single copies—*

For a weight not exceeding ten tolas	..	Quarter of an anna.
For a weight exceeding ten tolas but not exceeding twenty tolas.		Half an anna.
For every additional twenty tolas or fraction thereof.		Half an anna.

(b) *Packets of registered newspapers—*

For a weight not exceeding ten tolas	..	Half an anna.
For every additional five tolas or fraction thereof in excess of ten tolas.		Quarter of an anna.

PARCELS

For a weight not exceeding forty tolas	..	Eight annas.
For every forty tolas or fraction thereof, exceeding forty tolas.		Eight annas.

THE SECOND SCHEDULE

(See section 5)

*Amendments to be made to the Central Excises and Salt Act, 1944***Amendments to the First Schedule**

I. In item 4, for the existing entry in the third column, "one rupee, five annas and six pies per Imperial gallon" shall be substituted.

II. For sub-item (2) of item 15 in the second column the following sub-item shall be substituted, namely:—

"(2) 'Rayon or artificial silk cloth' includes all varieties of cloth manufactured either wholly or partly from rayon or artificial silk and containing not less than ten per cent. of rayon or artificial silk by weight, but does not include any such cloth if it contains more than 10 per cent. of cotton by weight."

THE THIRD SCHEDULE

(See section 17)

Part I*Rates of Income-tax*

A.—In the case of every individual, Hindu undivided family, unregistered firm and other association of persons not being a case to which paragraph B of this Part applies—

	<i>Rate</i>
(1) On the first Rs. 1,500 of total income..	Nil.
(2) On the next Rs. 3,500 of total income..	Nine pies in the rupee.
(3) On the next Rs. 5,000 of total income..	One anna and six pies in the rupee.
(4) On the next Rs. 5,000 of total income..	Three annas in the rupee.
(5) On the next Rs. 5,000 of total income..	Four annas and six pies in the rupee.
(6) On the balance of total income ..	Five annas in the rupee.

Provided that—

- (i) no income-tax shall be payable on a total income which, before deduction of the allowance, if any, for earned income, does not exceed Rs. 4,200 ;
- (ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds Rs. 4,200 ;

For the purposes of the above proviso, the expression "dividend" shall have the meaning assigned to it in clause (6A) of section 2 of the Income-tax Act, 1922 (XI of 1922), but any distribution, included in that expression, made during the year ending on the thirty-first day of March, 1957, shall be deemed to be a dividend declared in respect of the whole or part of the previous year.

For the purposes of clause (ii) of the above proviso, the aggregate amount of income-tax actually borne by the excess dividend shall be determined as follows:—

- (i) the excess dividend shall be deemed to be out of the whole or such portion of the undistributed profits of one or more years immediately preceding the previous year as would be just sufficient to cover the amount of the excess dividend and as have not likewise been taken into account to cover an excess dividend of a preceding year;
- (ii) such portion of the excess dividend as is deemed to be out of undistributed profits of each of the said years shall be deemed to have borne tax,—
 - (a) if an order had been made under sub-section (1) of section 23A of the Income-tax Act, 1922 (XI of 1922), in respect of the undistributed profits of that year, at the rate of five annas in the rupee, and
 - (b) in respect of any other year, at the rate applicable to the total income of the company for that year reduced by the rate at which rebate, if any, was allowed on the undistributed profits.

Part II

Rates of Super-tax

A.—In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other paragraph of this Part applies—

				Rate
(1)	On the first	Rs. 25,000	of total	Nil.
	income.			
(2)	On the next	Rs. 5,000	of total	Two and a quarter annas in the rupee.
	income.			
(3)	On the next	Rs. 5,000	of total	Two and a half annas in the rupee.
	income.			
(4)	On the next	Rs. 10,000	of total	Three annas in the rupee.
	income.			
(5)	On the next	Rs. 10,000	of total	Three and a half annas in the rupee.
	income.			
(6)	On the next	Rs. 15,000	of total	Four annas in the rupee.
	income.			
(7)	On the next	Rs. 15,000	of total	Four and a half annas in the rupee.
	income.			

	Rate
(8) On the next Rs. 15,000 of total income.	Five annas in the rupee.
(9) On the next Rs. 50,000 of total income.	Six annas in the rupee.
(10) On the next Rs. 1,00,000 of total income.	Six and a half annas in the rupee.
(11) On the balance of total income ..	Seven and a half annas in the rupee.

B—In the case of a registered firm—

	Rate
On the first Rs. 25,000 of total income ..	Nil.
On the balance of total income ..	One anna in the rupee.

C—In the case of every local authority—

	Rate
On the whole of total income ..	Two annas in the rupee.

D—In the case of an association of persons being a co-operative society for the time being registered under the Co-operative Societies Act, 1912 (XI of 1912), or under an Act of a Provincial Legislature governing the registration of co-operative societies :—

	Rate
(1) On the first Rs. 25,000 of the total income.	Nil.
(2) On the balance of total income ..	Two annas in the rupee.

E—In the case of every company—

	Rate
On the whole of total income ..	Four annas in the rupee.

Provided that—

- (i) a rebate at the rate of two annas per rupee of the total income shall be allowed in the case of any company which in respect of its profits liable to tax under the Income-tax Act, 1922 (XI of 1922), for the year ending on the thirty-first day of March, 1957, has made such effective arrangements as may be specified by the Central Government in this behalf for the declaration and payment in the taxable territories of the dividends payable out of such profits and for the deduction of super-tax from such dividends;
- (ii) a rebate at the rate of one anna per rupee of the total income shall be allowed in the case of any company which, not being entitled to a rebate under the preceding clause, is—
 - (a) a public company the shares of which were offered for sale in a recognized stock exchange at any time during the previous year, or

- (b) a company all of whose shares were held at the end of the previous year by one or more such public companies as aforesaid.

Explanation.—For the purposes of clause (ii) of this proviso, a company shall be deemed to be a public company only if it is neither a private company within the meaning of the Companies Act, 1913 (VII of 1913), nor a company in which shares carrying more than fifty per cent. of the total voting power were, at any time during the previous year, held or controlled by less than six persons.

THE FOURTH SCHEDULE

(See section 18)

Omissions and modifications in the Finance (Supplementary) Act, 1950

OMISSIONS

Sections 2, 3, 4, 5, 18 and 21 shall be omitted.

MODIFICATIONS

(a) In sections 6, 7, 9, 10, 11, 12, 13, 15 and 19, for the figures "1951" the figures "1957" shall be *substituted*.

(b) For section 8, the following shall be *substituted*, namely :—

"8. (1) For the year ending on the thirty-first day of March, 1957, there shall be levied on every person a tax according to the scale set out in Schedule II on sales of goods made by him within the meaning of the Sales of Goods Act, 1930 (III of 1930) :

Provided that no tax shall be leviable on the sale of actionable claims, money, stocks and shares.

(2) The tax shall be computed on the basis of sales in the next preceding year.

(3) The Central Government may make rules providing for the manner of assessment and recovery of the tax."

(c) In sub-section (2) of section 9, the following shall be added, namely :—

"Any owner or charterer who fails to collect and pay tax as provided herein and the rules made under this section shall be liable to a penalty not exceeding the amount of the tax payable."

(h) For Schedule II, the following shall be substituted, namely :—

“SCHEDULE II

(See section 8)

<i>Scale</i>	<i>Amount of tax</i>
Where sales do not exceed Rs. 49,999 ..	Nil.
Where sales exceed Rs. 49,999 but do not exceed Rs. 99,999.	Rupees twenty.
Where sales exceed Rs. 99,999 but do not exceed Rs. 1,99,999.	Rupees one hundred.
Where sales exceed Rs. 1,99,999 but do not exceed Rs. 4,99,999.	Rupees three hundred.
Where sales exceed Rs. 4,99,999 ..	Rupees five hundred.

Declaration under the Provisional Collection of Taxes Act, 1931

The provisions of clause 5 of this Act shall have effect, for the purposes of this declaration and of the Provisional Collection of Taxes Act, 1931 (XVI of 1931), as if they were provisions for the imposition of duties of central excises and it is hereby declared accordingly that it is expedient in the public interest that the provisions of that clause and of clauses 4 and 6 to 10 of this Act shall have immediate effect under that Act.”

STATEMENT OF OBJECTS AND REASONS

The purposes of this Bill are to continue the existing duty on salt, to fix rates of Inland postage, to continue with certain modifications the additional duties of customs imposed by the Finance Act, 1942 (XII of 1942), the duty of excise on motor spirit, to continue the charge and levy of business profits tax, to make certain amendments to the Central Excises and Salt Act (I of 1944), Income-tax Act (XI of 1922), Government Trading Taxation Act, 1926 (III of 1926), Business Profits Tax Act (XXI of 1947), Sales Tax Act (III of 1951), and the Estate Duty Act (X of 1950), to fix rates of income-tax and super-tax, and to continue subject to modifications the taxes and duties imposed in the Finance (Supplementary) Act, 1950 (LXIX of 1950), for the purposes of meeting expenditure on the rehabilitation of refugees.

KARACHI :

S. AMJAD ALI.

The 15th March, 1956.

NOTES ON CLAUSES

Clause 2.—Provides for the continuance of the existing rate of duty on salt.

Clause 3.—Provides for the continuance of the present Inland postage rates.

Clause 4.—Provides for the continuance, subject to certain modifications, of the additional customs duties imposed by section 6 of the Finance Act, 1942.

Clause 5.—Alters the duty of Central excise on rayon or artificial silk cloth.

Clause 6.—Continues for a period of one year the additional duty of customs on cigarettes imposed in the Finance (Supplementary) Act, 1950.

Clause 7.—Continues for a period of one year the additional duty of customs on ale, beer, porter, etc., imposed in the Finance (Supplementary) Act, 1950.

Clause 8.—Continues for a period of one year the additional duty of customs on brandy, gin and whisky imposed in the Finance (Supplementary) Act, 1950.

Clause 9.—Continues for a period of one year the additional duty of excise of three pies per Imperial gallon on motor spirit imposed in the Finance (Supplementary) Act, 1950.

Clause 10.—Continues for a period of one year the additional excise duty on cigarettes imposed in the Finance (Supplementary) Act, 1950.

Clause 11.—

Sub-clause (1).—Consequential to the passing of the Establishment of West Pakistan Act, 1955.

Sub-clause (2) (a) and (c).—Consequential on the amendments proposed to be made under clause 12.

Sub-clause (2) (b).—Removes certain redundant words.

Sub-clause (3) (a).—Extends the exemption from tax in the case of small residential houses for a further period of two years.

Sub-clause (3) (b).—Provides for the exemption for two years of the salary of foreign technicians employed by industrial undertakings under a contract of service approved by the Central Government.

Sub-clause (4).—Clarifies that the Assistant Commissioners and Income-tax Officers shall not be subordinate to the Director of Inspection.

Sub-clause (5).—Raises the limit of exemption in the case of deductions for purposes of securing a deferred annuity, etc., from one-sixth to one-fifth of the salary.

Sub-clause 6(a).—Consequential on the amendment of section 24 of the Income-tax Act.

Sub-clause 6(b).—Places the members of an association of persons at par with the partners of a firm in the matter of the treatment of payments by way of interest, salary, etc.

Sub-clause 6(c).—Provides for the determination of the written down value where the depreciable assets are transferred to a connected person or are re-acquired by the assessee after transfer.

Sub-clause (d).—Consequential on sub-clause 6(e).

Sub-clause (e).—Makes special provisions regarding the taxation of profits or gains from the exploration and production of petroleum including natural gas.

Sub-clause (7).—Extends the benefit of the exemption under section 15B of the Income-tax Act to industrial undertakings employing less than fifty persons, subject to certain limits and conditions.

Sub-clause (8).—Provides for the grant of exemption to persons whose total income does not exceed twenty-five thousand rupees of a portion of their income on account of the educational expenses of their children.

Sub-clause (9).—Consequential on sub-clauses (8), (16) and (17).

Sub-clause (10).—Provides for the levy of income-tax and super-tax at the rate applicable to the total world income of the assessee on the exercise of option to that effect.

Sub-clause (11).—Consequential on sub-clause (10).

Sub-clause (12)(a).—Raises the limit of income for purposes of advance payment of tax from six thousand to twenty-five thousand rupees.

Sub-clause (12)(b).—Consequential on sub-clause (14).

Sub-clause (13).—Consequential on sub-clauses (16) and (17).

Sub-clause (14).—Provides for the levy of penalty in the case of certain default under section 18A of the Income-tax Act.

Sub-clause (15).—Consequential on sub-clause (16).

Sub-clauses (16), (17) and (18).—Amplify the provisions regarding the avoidance of double taxation.

Sub-clause (19).—Consequential on sub-clause (16).

Sub-clause (20).—Clarifies the position that where an association of persons is neither a company nor a registered firm, super-tax is not payable by a member of the association in respect of his share of income, if the association has been assessed to super-tax.

Sub-clause (21).—Consequential on the amendment relating to section 49 of the Income-tax Act.

Sub-clause (22)(a).—Empowers the Appellate Tribunal to entertain an application for reference after the expiry of the prescribed time-limit on being satisfied as to the sufficiency of the cause for delay.

Sub-clause (22) (b).—Consequential on the Establishment of the Province of West Pakistan.

Sub-clauses (23) and (24).—Provide for the insertion of two new Schedules to the Act.

Clause 12.—Provides for the application of the provisions of the Government Trading Taxation Act to the Government of a Province.

Clause 13.—

Sub-clause (1).—Continues the levy of business profits tax for a further period of one year.

Sub-clauses (2) and (3).—Consequential on sub-clauses (16) and (17) of clause 11.

Sub-clause (4).—Provides for the revision of cases by the Commissioner, such revision not being prejudicial to the assessee.

Sub-clause (5).—Provides for the rectification of mistakes by the Appellate Assistant Commissioner, Appellate Tribunal and Income-tax Officer.

Clause 14.—

Sub-clauses (1) to (4).—Provide for the levy and collection of sales tax on goods chargeable with Central excise duty along with such duty.

Sub-clause (5).—Provides for the collection of sales tax from persons owing any money to the assessee.

Sub-clause (6).—Provides for the making of assessment consequential on the decision in appeal, etc.

Clause 15.—Provides that the provisions regarding the collection of sales tax along with Central excise duty in the case of goods liable to such duty come into force on and from the 16th March, 1956.

Clause 16.—

Sub-clauses (1) and (2).—Are consequential on the passing of the Estate Duty (Amendment) Act, 1953.

Sub-clause (3).—Clarifies the position that the duty may be collected in pursuance of the other provisions of the Act.

Sub-clauses (4) and (5).—Clarify the position that the Controller can deal with cases where the death occurred before the Estate Duty (Amendment) Act, 1953, came into force.

Sub-clause (6).—Clarifies the position that where certain valuation has been determined by the High Court or the Federal Court in consequence of a motion made to it by the Board, the Controller shall adopt that valuation.

Sub-clause (7).—Clarifies the procedure for the disposal of appeals by the Appellate Tribunal.

Sub-clause (8).—Clarifies the position that an appeal lies against the judgment of the High Court on a motion made to it by the Board.

Sub-clause (9).—Clarifies the position that the Controller may assess and recover the deficit duty where full duty has not been realized before.

Sub-clauses (10) and (11).—Are consequential on the passing of the Estate Duty (Amendment) Act, 1953.

Sub-clause (12).—Clarifies the position that the Controller's powers under the Act as amended in 1953 are exercisable retrospectively.

Clause 17.—Fixes rates of income-tax and super-tax.

Clause 18.—Continues with certain omissions and modifications certain taxes and duties imposed in the Finance (Supplementary) Act, 1950, for the purpose of meeting expenditure on the rehabilitation of refugees.

M. B. AHMAD,
Secretary.

No. 39(1)|55-Edn.—Rule 13 of the Karachi Subordinate Educational Service Recruitment Rules, 1953, notified *vide* this Secretariat's Notification No. 252|24|Edn., dated 25th February 1954, is hereby deleted.

By order,
G. RASHEED, Secy.

OFFICE OF THE INSPECTOR-GENERAL OF
POLICE, KARACHI

Karachi, the 10th March 1956

No. 4270|F. 140-D|55.—Mr. Ayub Hassan Khan, Inspector of Police, Secretariat Section, Karachi, was granted 31 days' earned leave with effect from the 10th January 1956 (afternoon). On the expiry of his leave he, resumed his duties on the 11th of February 1956 (forenoon).

2. This supersedes this office notification No. 2037|F. 140-D|55, dated the 15th February 1956.

No. 4271|F. 45-D|55.—Mr. Ashhad Hussain Siddiq, Inspector of Police, Prosecution Branch, Karachi, granted leave (ex-Pakistan) on average pay for 7 months combined with leave on half average pay for 7 months, on private affairs, with effect from 20th March 1956 (forenoon).

O. G. GRACE,
Inspector-General of Police, Karachi

OFFICE OF THE REGISTRAR, CO-OPERATIVE
SOCIETIES, KARACHI

Karachi, the 8th March 1956

No. K-125.—Under section 10 of the Co-operative Societies Act (Bom. VII of 1925), the Registrar hereby notifies that the Kuchi Memon Gam Khata Co-operative Credit Society, Limited, at Karachi has been registered.

H. S. K. LODI,
Registrar
Co-operative Societies, Karachi

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Pakistan Patents**Indian Patents extended
to Pakistan****Cessation of Patents**

The following Patents have ceased due to non-payment of renewal fees :—

104195

104207

104224

104226

104227

104259

104303

104905.

Pakistan Patents**Indian Patents extended
to Pakistan**

100442

Nil.

100671

100674

101701

102464

104036.

S. M. AHMED,
Controller of Patents and Designs.

The Gazette of Pakistan

PUBLISHED BY AUTHORITY

No. 12]

KARACHI, FRIDAY, MARCH 23, 1956

SUPPLEMENT

Statistics of reported attacks and deaths from cholera, small-pox, plague, and other infectious diseases in districts and towns in Pakistan during the week ending the 11th February 1956

		Cholera		Small-pox		Plague				Cholera		Small-pox		Plague	
		Attacks	Deaths	Attacks	Deaths	Attacks	Deaths			Attacks	Deaths	Attacks	Deaths	Attacks	Deaths
WEST PAKISTAN								PESHAWAR DIVISION							
LAHORE DIVISION								Peshawar District ...	...	...	...	...	...	...	...
Lahore District	Mardan District ...	...	...	...	...	...	...	...
Sialkot District	Hazara District ...	...	...	...	...	...	...	...
Gujranwala District*	Campbellpur District*	...	...	...	...	...	...	...
Sheikhupura District*	States of Dir, Swat and Chitral*	...	...	...	...	...	...	...
RAWALPINDI DIVISION								Tribal Areas attached to the district of Peshawar, Mardan and Hazara*	...	...	...	...	...	...	...
Gujrat District	Agencies of Malakand, Mohamand & Khyber	...	...	...	...	...	...	...
Sheharpur District	KHAIRPUR DIVISION							
Jhelum District	State of Khairpur District*	...	...	...	...	...	...	...
Rawalpindi District	Jacobabad District*	...	...	...	...	...	...	...
MULTAN DIVISION								Sukkur District*	...	...	...	...	...	...	...
Montgomery District	Larkana District*	...	...	...	...	...	...	...
Layallpur District	Nawabshah District*	...	...	...	...	...	...	...
Jhang District	HYDERABAD DIVISION							
Multan District	Hyderabad District*	...	...	...	...	...	...	...
BAHAWALPUR DIVISION								Thatta District*	...	...	...	...	...	...	...
Muzaffargarh District	Dadu District*	...	...	...	...	...	...	...
Dera Ghazi Khan District	1	1	...	...	Mirpurkhas District*	...	...	...	...	...	...	...
Bahawalpur District	Sanghar District*	...	...	...	...	...	...	...
Rahim Yar Khan District	QUETTA DIVISION							
Bahawalnagar District	Agencies of Quetta, Zhob, Loralai & Sibi*	...	...	...	...	...	...	...
DERA ISMAIL KHAN DIVISION								Quetta City ...	...	...	...	...	...	...	...
Dera Ismail Khan District	KALAT DIVISION							
Bannu District	Baluchistan States Union*	...	...	...	...	...	...	...
Kohat District	Total ...	...	...	...	1	1	...	...
Mianwali District*								
Tribal Areas attached to the districts of Dera Ismail Khan and Kohat*								
Agencies of Kurram, North & South Waziristan*								

*Return not received.

Statistics of reported attacks and deaths from cholera, small-pox, plague and other infectious diseases in districts and towns in Pakistan during the week ending the 11th February 1956—*contd.*

		Cholera		Small-pox		Plague				Cholera		Small-pox		Plague	
		Attacks	Deaths	Attacks	Deaths	Attacks	Deaths			Attacks	Deaths	Attacks	Deaths	Attacks	Deaths
WEST PAKISTAN—contd.								EAST BENGAL—contd.							
Total for week ending the 4th February 1956	10	...	...	...	Total for week ending the 4th February 1956	...	177	110	85	36	...	...
Total for week ending the 28th January 1956	3	...	...	...	Total for week ending the 28th January 1956	...	256	163	84	35	...	...
Total for corresponding week of the last year	51	7	...	...	Total for corresponding week of the last year	...	200	124	7	...	...	...
KARACHI CENTRALLY ADMINISTERED AREA								Grand total for Pakistan							
Total	Grand total for Pakistan for week ending the 4th February 1956	...	177	110	95	36	...	...
Total for week ending the 4th February 1956	Grand total for Pakistan for week ending the 28th January 1956	...	256	163	87	35	...	...
Total for week ending the 28th January 1956	Grand total for Pakistan for corresponding week of the last year	...	200	124	60	7	...	...
Total for corresponding week of the last year	2	...	...	...	OTHER INFECTIOUS DISEASES							
EAST BENGAL								WEST PAKISTAN							
Kushtia District	TYPHOID FEVER							
Jessore District			Attacks		Deaths			
Khulna District	Quetta City	...	6	...	...	...	...	...
Rajshahi District	T. B. (PULMONARY)							
Dinajpur District			Attacks		Deaths			
Rangpur District	7	...	...	...	...	...	...	...
Bogra District	[Arrear return for East Bengal for week ending 4th February 1956.]							
Pabna District			Cholera		Small-pox		Plague	
Dacca District			C	D	C	D	C	D
Mymensingh District	EAST BENGAL							
Faridpur District	Rajshahi	...	7	5	...	...	...	...
Bakarganj District	Dacca	...	9	6	40	24	...	...
Chittagong District	Mymensingh	...	15	8	2	3	...	...
Chittagong Hill Tracts	Faridpur	...	10	5	...	...	...	...
Tippera District	Bakarganj	...	70	48	...	...	...	...
Noakhali District	Chittagong	...	1	1	30	6	...	...
Sylhet District	Tippera	...	55	31	12	2	...	...
Total	Noakhali	...	10	5	1	1	...	...
Return for week ending 11th February 1956 not received.								Total	...	177	110	85	36	...	...
Return not received.															

KARACHI-1 (PAKISTAN);
The 14th March 1956.

M. JAFAR, Lieut.-Colonel,
Director-General of Health and
ex-officio Joint Secy., Ministry of Health

Statement showing births and deaths from principal diseases in towns with population of 30,000 and over in the various Districts of the Dominion of Pakistan for the week ending the 11th February 1956

Name of Districts	Census population 1951	Births	Birth rate (annual)	Deaths from						Total deaths (all causes)	Death rate (annual)	
				Cholera	Small-pox	Plague	Fever	Dysentery & Diarrhoea	Respiratory Diseases			
WEST PAKISTAN												
PESHAWAR DIVISION												
Peshawar	109,510	89	42.3	5	2	23	30	14.2	
Mardan	46,322	5	5.6	3	...	1	4	4.5	
DERA ISMAIL KHAN DIVISION												
D.I. Khan	37,796	
Kohat	30,467	8	13.6	1	1	1.7	
RAWALPINDI DIVISION												
Rawalpindi	}	Return not received.										
Gujrat												
Sargodha												
LAHORE DIVISION												
Lahore	789,267	696	45.8	84	3	31	172	11.3	
Faisalpur	}	Return not received.										
Sialkot												
Gujranwala												
Nazirabad												
Malakwal	}	Return not received.										
Malakwal												
MULTAN DIVISION												
Multan	}	Return not received.										
Chhambwal												
Rawanpur												
Montgomery												
Lyallpur												
Naug Maghiana												
Okara												
BAHAWALPUR DIVISION												
Bahawalpur City	}	Return not received.										
Qadian												
KHAIRPUR DIVISION												
Kaushal	}	Return not received.										
Kaushal												
Rawanpur												
Kaushal												
HYDERABAD DIVISION												
Hyderabad	}	Return not received.										
Rawanpur												
QUETTA DIVISION												
Quetta	83,892	9	5.4	
Total	10,99,254	807	38.2	93	5	55	207	9.8	

No. DMC/CA-413(41) 56.—In exercise of the powers conferred by Rule 30 of the Pakistan Mining Concession Rules, 1949, the undersigned is pleased to declare M/s. Mohammad Suhail Mahmood, Lime Merchants, Haripura Road, Sargodha, West Pakistan, to be fit and proper persons to hold Prospecting licences and Mining Leases for Limestone and grant them this Certificate of Approval for the purpose. This Certificate shall remain in force upto the 31st September 1956.

M. SIDDIQUI,
Director, Mineral Concessions.

of its value has been received from the person|party whose name is shown against the number. Any other person|party who consider(s) himself|themselves as having a right to it is|are warned to communicate at once with the undersigned :—

Register No.	Note(s) No.(s)	Value Rs.	Name and Address of the applicant
WD52(55-56)	X-492718	100	Mr. Mohammad Abu Mia s/o Mohammad Ibad Ali Bhuiyan c/o Shamsul Haque, Accounts Clerk, Estate Office, Karachi.

STATE BANK OF PAKISTAN

(Issue Department)

NOTICE

Karachi, the 14th March 1956

Cl. 1597 W.D. 52(55-56).—Portions of the following note of the Karachi Office of Issue are stated to have been destroyed and an application for payment

NOTICE

Karachi, the 14th March 1956

No. Cl. 1598 W.D. 51(55-56).—Portions of the following note of the Karachi Office of Issue are stated to have been destroyed and an application for payment of its value has been received from the person|party whose name is shown against the number. Any

other person|party who consider(s) himself|themselves as having a right to it is|are warned to communicate at once with the undersigned:—

Register No.	Note(s) No.(s)	Value Rs.	Name and Address of the applicant
WD-51(55-56)	H-185061	100	Seth Inayat Hussain s/o Haji Allah Bakhsh, Contractor, Hala (Distt. Hyderabad).

B. S. CHOWDHURY,
Currency Officer.

CORRIGENDUM

In the State Bank of Pakistan (Issue Department), Peshawar Notice No. W.D. 1/56/418, dated the 23rd February 1956, published at pages 71-72 of Part V of the *Gazette of Pakistan*, dated the 2nd March 1956, please read the name of the applicant as "Mr. Fazal Elahi s/o Abdul Hanan" instead of the existing entry.—*Compiler of the Gazette of Pakistan.*

No. 1(7)55-P(3).—Mr. A. B. M. Shamsul Alam, Regional Publicity Officer, Dacca is redesignated Regional Information Officer, Dacca, with effect from the forenoon of the 25th November 1955.

ABDUR RASHID, Asstt. Secy.

MINISTRY OF THE INTERIOR

Karachi, the 13th March 1956

No. 5/256-Police(I).—In exercise of the powers conferred by clause (a) of section 27 of the Arms Act, 1878 (XI of 1878), the Central Government is pleased to exempt Lt.-Col. Alexis M. Gagarine, Deputy Chief of Training Army Section of Military Assistance Advisory Group, from the prohibition imposed by section 6 of the said Act and sub-clause (iii) of clause (a) of sub-rule (1) of rule 7 of the Arms Rules, 1924, in respect of the importation of a revolver of .38 bore.

S. S. JAFRI, Dy. Secy.

Karachi, the 15th March 1956

No. 19-1254-C. D.—The following amendments shall be made in the Deputy Director-General, Civil Defence (Recruitment) Rules, published in Part I of the Gazette of Pakistan, dated the 10th June 1955 :—

(1) For sub-rules (i) and (ii) of Rule 3, the following shall be substituted, namely :—

- “(i) By promotion in accordance with Part II of the Rules.
- (ii) By deputation or transfer in accordance with Part III of the Rules, if no suitable Officer is available for appointment by promotion.
- (iii) By direct appointment in accordance with Part IV of the Rules, if no suitable Officer is available for appointment by promotion, deputation or transfer.”

(2) For Rule 5, the following shall be substituted, namely :—

- “5. The post shall be treated as a ‘tenure’ post when held by an officer belonging to a Service to which tenure orders apply, the period of tenure being 3 years. A second tenure or an extension of tenure for a similar period may however, be granted in special circumstances.”

(3) After Rule 5, the following shall be added, namely :—

PART II

RECRUITMENT BY PROMOTION.

6. Recruitment by promotion shall be made after consultation with the Selection Board from the post of Director of Training, Civil Defence, in the Ministry of the Interior.
7. No Officer shall be eligible for appointment to the post unless he has completed at least three years' service as Director of Training, Civil Defence, in the Ministry of the Interior.
8. (a) Appointment shall be made on probation for a period of six months.
(b) If, in the opinion of Government, the work or conduct of an officer on probation is unsatisfactory, or shows that he is unlikely to become efficient, Government may revert him to his original post.
(c) On the conclusion of the period of probation, Government may confirm a probationer or if

his work or conduct has in the opinion of Government been unsatisfactory, Government may either revert him to his original post or may extend his period of probation for such further period, not exceeding one year, as Government may think fit.

- (d) If no action is taken by Government under sub-rule (b) or (c) of this rule, the period after the prescribed period of probation shall be treated as an engagement until further orders.
- (e) If the power to make appointments in the Service Department Post is delegated by Government to any officer, that officer may exercise any of the powers of Government under this rule."
- (4) The existing Parts II & III shall be re-numbered as Parts III & IV, respectively.
- (5) The existing rules 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 shall be re-numbered as 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 respectively.

S. B. HUSAIN,
Deputy Director-General, Civil Defence, Pakistan