



REVENUE AUDIT MANUAL
STATE RECEIPT AUDIT MANUAL

**ENTERTAINMENTS TAX
AND
ENTERTAINMENTS DUTY**

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OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
PUNJAB & UT, CHANDIGARH.

manual

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PREFACE

This manual has been prepared for the guidance of those entrusted with the audit of Entertainments Tax and Entertainments duty. In this Manual, the basic provisions of the law relating to the levy, assessment and collection of Tax and Duty have been set out. In the course of audit, if any, reference has to be made to a particular provision of the law, such a reference should be made to the Sections of the Punjab Entertainments Tax (Cinematograph Shows) Act, 1954 and the Punjab Entertainments Duty Act, 1955 and not to the paragraphs of this Manual.

The Manual should be treated only as a guide and the audit checks indicated should not be taken as exhaustive.

State Receipt Audit (Headquarters) will be responsible for keeping the Manual up-to-date. The Section Officers, Assistant Audit Officers, Audit Officers and the Sr. Audit Officers of the field parties may bring to the notice of that Section any inaccuracy or omission or orders which have become obsolete or which require amendment.

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CHAPTER-I

Introduction

Constitutional Provisions:

1.1 The entertainment tax/duty is levied by the State Government by virtue of the powers derived from Entry 62 of List II of the Seventh Schedule to the Constitution, which reads as “Taxes on luxuries, including taxes on entertainments, amusements, betting and gambling”. Entertainment Tax is a tax only on entertainments coming under Entry 62. Just because as a matter of machinery, it is collected from the proprietor of Cinema/Theatre or directly from those receiving the entertainments, it does not become tax on profession, or trade callings under entry 60 and it is still within the State’s legislature competence. Entry 62 does not distinguish between persons, deriving the entertainments and those catering to it.

Meaning of entertainment:

1.2 The expression ‘entertainments’ must be understood in the sense of amusement of some sort. The term connotes something in the nature of organized entertainment. This is evident from the fact that the Acts were enacted for the levy of a tax/duty in respect of admission to cinemas, theaters, exhibitions and other places of public entertainment. Therefore, entertainment includes any exhibition, performance, amusements, game or sport or race to which persons are ordinarily admitted on ¹payment.

Audit:

1.3 In terms of section 16 of the Comptroller and Auditor General’s (Duties, Powers and the Conditions of Services) Act, 1971, the audit of all receipts of the Union and the States is the

¹ Section 2(d) of the Punjab Entertainment Duty Act, 1955.

statutory obligation of the Comptroller and Auditor General of India. In pursuance of the provision, the receipt audit of entertainment tax/duty has been taken up with effect from 1971-72.

Enactment:

1.4 Before conducting the actual audit, the audit parties must be well conversant with the provisions of the following Acts and rules as well as notifications and orders issued thereunder:-

- (a) The Punjab Cinema (Regulation) Act, 1952.
- (b) The Punjab Exhibition of films on television screen through video cassette players (Regulation) rules 1989.
- (c) The Punjab Entertainments Tax (Cinematograph Shows) Act, 1954.
- (d) The Punjab Entertainments Tax (Cinematograph Shows) Rules, 1954.
- (e) The Punjab Entertainments Duty Act, 1955.
- (f) The Punjab Entertainments Duty Rules, 1956.

1.5 Licenses to the cinemas are ¹granted by the District Magistrates (Licensing Authority) after ²charging the following fees:-

- (i) For the grant of (a three years) licence Rs. 1,500
- (ii) For the renewal of (a three years) licence Rs. 1,000
- (iii) For a temporary license for each week or part of a week Rs. 10

¹ Section 11 of the Cinematograph Act, 1952.

² Rule 16 of the Punjab Cinema (Regulations) Rules, 1952.

Organisation and function:-

1.6 A knowledge of the administrative set-up of the Department assessing, collecting and accounting of revenue is as much essential for the proper conduct of receipt audit as knowledge of the Act and the rules. The effectiveness of internal check at the various levels may help audit to determine the extent and scope of scrutiny it should exercise. With this end in view, the duties, functions and powers of the Excise and Taxation Commissioner, Deputy Excise and Taxation Commissioner and other assessing authorities are detailed below:-

1. Excise and Taxation Commissioner -

(i) He shall superintend the administration and collection of the tax leviable under the Act, in whole of the ¹ State.

(ii) He is empowered to exempt from payment of entertainment duty, an entertainment, where he is satisfied that the net proceeds will be devoted to philanthropic, charitable, educational or scientific ²purposes which have been approved as such by the Government.

(iii) He has the power of revision of his own motion or on an application ³made.

(iv) He has powers to compound ⁴offences.

2. Deputy Excise and Taxation Commissioner(s) -

(i) He shall superintend the administration and collection of the tax leviable under the Act in the division under his charge and assist the Commissioner in the discharge of duties under the Act.

¹ Rule 4.

² Section 11 (i).

³ Section 12.

⁴ Section 16.

(ii) Subject to the control by the Excise and Taxation Commissioner, he shall exercise all other powers delegated to him under the Act in the area of his jurisdiction.

3. Assistant Excise and Taxation Commissioner(s)/Excise and Taxation Officer(s)-

(i) He shall superintend the administration and collection of the tax leviable under the Act in the district under his charge.

(ii) Subject to the overall control and the directions of the Excise and Taxation Commissioner and Deputy Excise and Taxation Commissioner, the Assistant Excise and Taxation Commissioner incharge of the district and the Excise and Taxation Officers under his control are charged with the duties of carrying out the provisions of the Act, rules and other orders of the Commissioner as issued from time to time.

CHAPTER-II

GENERAL PRINCIPLES OF AUDIT

2.1. Audit of receipts under the Punjab Cinema (Regulation) Act 1952 the Punjab Entertainment Tax (Cinematographs Shows) Act, 1954 and the Punjab Entertainment Duty Act, 1955 is regulated by the general principles governing the audit of receipts as laid down in Chapter IV of Section 11 of the Comptroller and Auditor General's Manual of Standing Orders (Audit) and provisions of this manual.

2.2. It is primarily the responsibility of the departmental authorities to see that all revenue or other debts, due to the government, which have to be brought to account, are correctly and promptly assessed, realised and credited to the Government account. During the audit of receipts it should, however, be seen that all receipts due to the Government are actually received and brought to account and that receipts, which have entered the books of department are correctly calculated and are, in fact, credited to the Government account in time.

2.3. The most important function of audit is to see that adequate regulations and procedures have been framed by the Revenue Department to secure an effective check on the assessment, collection and proper accounting of tax/duty and to satisfying itself that such regulations and procedures are actually being carried out. Audit should also make such examination as it thinks fit with respect to the correctness of the sums brought to account in respect of tax/duty under the said Acts.

2.4. The Audit Department should not in any way substitute itself for the revenue authorities in the performance of their statutory duties. But audit should satisfy itself in general that

the departmental machinery sufficiently safeguards against errors and frauds and that so far as can be judged, the procedures are calculated to give effect to the requirements of the law.

2.5. Physical verification of the premises and stocks of any class of licensees and independent enquiries from the general public are outside the scope of audit.

2.6. The audit of receipts under the Entertainments Act, should be regulated with reference to:-

(i) The Punjab Cinema (Regulation) Act 1952 and the Punjab exhibition of films on television screen through video cassette players (Regulation) rules 1989.

(ii) The Punjab Entertainments Tax (Cinematograph Shows) Act, 1954 (as amended from time to time) and the Punjab Entertainments Act (Cinematograph Shows) Rules, 1954 made thereunder.

(iii) The Punjab Entertainments Duty Act, 1955 (as amended from time to time) and The Punjab Entertainments Duty Rules, 1956, made thereunder.

2.7. Members of the Audit Department will have access to relevant papers and records of the Excise and Taxation Department and of such records as are relevant to it. But they should observe secrecy in the same way as officers of the Excise and Taxation Department.

2.8. The audit should, however, scrutinize all case of assessments and refunds thoroughly so as to verify the correctness thereof by such test checks as it may consider necessary under the provisions of the Act and the rules made thereunder, and also to see that the internal procedure adequately provides for and actually secures:-

- (i) the collection and utilisation of data necessary for the computation of demand or refund under the law;
- (ii) prompt raising of demands on tax payers in the manner required under the law;
- (iii) the regular accounting of demands, collections and refunds;
- (iv) the correct accounting classification of collection and their credit to the consolidated fund;
- (v) that proper safeguards to ensure that there is no wilful omission or negligence to levy or collect tax or to issue refunds;
- (vi) that claims on tax-payers are pursued with diligence and are not abandoned or reduced except with adequate justification and proper authority; and
- (vii) that double refunds, fraudulent or forged refund order or other losses of revenue through fraud, default or mistakes are promptly brought to light and investigated.

CHAPTER-III

ENTERTAINMENT DUTY

Definitions:

3.1. For a clear understanding definition of certain special terms as given in the Act and the rules made thereunder, are detailed below:-

- (a) 'entertainment' includes any exhibition, performance, amusement, game, sport or race to which persons are ordinarily admitted on payment for exhibition of films, or moving pictures or series of pictures which are shown on the television receiving set, with the aid of any type of antenna with a cable net work attached to it or cable television for which persons are required to make payment by way of contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever;
- (b) 'antena' means an apparatus which receives television signals which enable viewers to tune into transmissions including national or international satellite transmissions and which is erected or installed for exhibition of films or moving pictures or series of pictures by means of transmission of television signals by wire where subscriber's television sets at the residential or non-residential place are linked by metallic coaxial cable or optic-fibre cable to a central system called the head-end, on payment by the connection holder of any contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever;
- (c) 'cable television' means a system organized on payment by a connection holder of any contribution or subscription or

installation and connection charges or any other charges collected in any manner whatsoever, for exhibition of films or moving pictures or series of pictures by means of transmission of television signals by wire where subscriber's television set is linked by metallic coaxial cable or optic-fibre cable to a central system called the head-end, using a video cassette or disc or both, recorder or player or similar such apparatus on which prerecorded video cassettes or discs or both are played or replayed and the films or moving pictures or series of pictures which are viewed and heard on the television receiving set at a residential or non-residential place of a connection holder;

- (d) 'payment for admission', includes (i) any payment made by a person admitted to any part of a place of entertainment or the place in which the entertainment is being held or is to be held and where television exhibition is being provided with the aid of any type of antenna with a cable network attached to it or cable television in residential or non-residential areas for which persons are required to make payment by way of contribution or subscription or installation and connection charges or any other charges collected in any manner, whatsoever, and in case where such person is subsequently admitted to another part thereof for admission to which an additional payment is required such additional payment, whether actually made or not; (ii) in cases of free, surreptitious, unauthorised or concessional entry, whether with or without the knowledge of the proprietor, the payment which would have been made if the person concerned had been admitted on payment of the full charges ordinarily chargeable for such admission; and (iii) any payment for any purpose whatsoever connected with an entertainment which a person is required to make as a condition of attending or continuing to attend the

entertainment in addition to the payment, if any, for admission to the entertainment. It is on the payment for admission made by the person that duty under the Act is charged by the Government.

- (e) ‘Stamp’¹ means an Entertainment Duty Stamp issued by the Punjab Government under sub-section (1) of section 10 of the Act.
- (f) ‘Ticket’² means the pass or token for the purpose of securing admission to an entertainment. Admission tickets and complimentary tickets, season tickets and plural tickets are to be issued in the prescribed Forms P.E.D. 1, P.E.D. 2, P.E.D. 3 and P.E.D. 4, respectively.
- (g) A complimentary ticket entitles³ the holder thereof to free admission to an entertainment but after the payment of proper entertainment duty.

3.2. Levy and Collection of Duty:

(i) Rate of Duty:

A person admitted to an entertainment shall be liable to pay an entertainment duty⁴ at a rate which the Government may specify by a notification in this behalf and the said duty shall be collected by the proprietor and rendered to the Government in the manner prescribed. However, no duty shall be leviable on the proprietor who is liable to pay entertainment tax under the Punjab Entertainment Tax (Cinematograph Shows) Act, 1954

¹ Section 1(c) of the Punjab Entertainments Duty Act, 1955.
Rule 1(j). Since amended vide notification of 29.9.93.

² Section 1(i).

³ Rule 10.

⁴ Section 3(1) and 3A (Notification no. 27 Leg./94 dated 27.9.1994)

The amount of duty is to be calculated to the nearest multiple of five¹ paise by ignoring two paise or less and counting more than two paise as five paise.

(ii) Any person wishing to hold a casual entertainment, not being an entertainment, which is exempt from the payment of entertainment duty, shall give² the Entertainment Tax Officer of the district concerned at least 3 days clear notice of the his intention to do so.

Method of levy:

(iii) ³Payment of duty:

In place of payment of entertainment duty by stamps, the Punjab Govt. has introduced the payment of entertainment duty in lump sum at specified rates fixed from time to time.

(iv) Cash Collection of duty:

The Government may, on the application of the proprietor of an entertainment in respect of which the entertainment duty is payable, permit the proprietor, on such conditions as the Government may prescribe, to pay the entertainment duty:-

(a) by a consolidated payment not exceeding one hundred twenty-five per centum of the payment for admission to the entertainment at the rate in force during the period concerned, or

(b) in accordance with the returns of payment for admission to the entertainment, and

(c) in accordance with the results recorded by any mechanical contrivance that automatically registers the number of persons admitted.

¹ Section 3(3-A).

² Rule 31.

³ S.O. – 97/PA-8/54 and P.O. 4/93/S-3-A/93 dated 29.9.93.

(v) Levy of payment of duty is watched ¹through the various returns provided for the purpose. If any sum is payable, by the proprietor, under the Act or Rules made thereunder, the Entertainment Tax Officer shall serve² notice in Form P.E.D. 7 and shall also fix a date not less than thirty days from the date of service by which the proprietor shall furnish the receipted challan in proof of such payment.

When the challan is produced, the Entertainment Tax Officer concerned shall make the necessary entry in the personal file of the proprietor.

3.3. Refunds, Remission and Exemptions:

(i) No entertainment duty shall be levied on payment for admission to any entertainment where the Commissioner is satisfied on application made in this behalf in the prescribed manner that the whole of the net proceeds of the entertainment will be devoted to philanthropic, charitable, educational or scientific purposes which have been approved as such by the Government.³

(ii) The Government may, for promotion of peace and international goodwill or encouragement of arts and crafts, sports or other public interests, by general or special orders, exempt ⁴any entertainment or class of entertainments from liability to pay duty under the Act.

(iii) The provision of the Act or the rules made thereunder does not apply⁵ to any entertainment provided by the staff or students, or both of an academic institution when the proceeds are intended for academic or charitable purposes.

¹ Rules 24 and 25-A.

² Rule 18.

³ Section 11(1).

⁴ Section 11(3).

⁵ Section 11(2).

Exemptions by Government:

(iv) Any proprietor of an entertainment claiming¹ exemption from the payment of duty, referred to in paragraph 3.3 (i) above, shall present an application for such exemption to the Entertainment Tax Officer of the District three weeks before the date of entertainment provided that the Commissioner may entertain an application for exemption not so preferred within the stipulated period. The proprietor will inter alia state in his application the gross proceeds anticipated from the entertainment or entertainments sought to be exempted. The application is also required to be accompanied by a statement of anticipated approximate expenditure. On the receipt of such an application, the Entertainment Tax Officer of the District shall forward the same without delay, with his recommendations to the Deputy Excise and Taxation Commissioner concerned. Where exemption has been granted, the Commissioner shall issue to the proprietor a certificate in Form P.E.D. 14 and the proprietor shall comply with the conditions stated therein failing which he would be liable for the payment of the entertainment duty and penal action laid down in the certificate.

(v) Any proprietor of an entertainment, claiming exemption² from payment of the entertainments duty referred in paragraph 3.3 (ii) above, shall present an application for such exemption to the Entertainment Tax Officer of the District concerned thirty clear days before the date of entertainment, provided that the Government may entertain an application for exemption not preferred within the prescribed period. The applicant shall clearly state in his application the date, the time and place of the entertainment, the name of the organiser responsible for maintaining accounts and the grounds in which the exemption is sought. The proprietor will also state in the application for

¹ Rule 21.

² Rule 22.

exemption the gross proceeds from the entertainment or entertainments sought to be exempted.

On receipt of such an application, the Entertainment Tax Officer of the District shall forward the same without delay, with his recommendations to the Commissioner with a copy of his recommendations to the Deputy Excise and Taxation Commissioner of the Division concerned. The Commissioner would obtain the necessary orders of the Government as early as possible, and the orders so obtained shall be intimated to the proprietor.

(vi) The State Government have also exempted¹ all soldiers, sailors and Airmen serving in the Indian Army from the payment of duty provided they produce their identity card and produce the certificate in form P.E.D. 15 duly signed by an Officer of the Unit not below the rank of Junior Commissioned Officer.

The tickets sold to such soldiers, sailors and Airmen shall be in Form P.E.D. 16 and the proprietors are required to submit to the Entertainment Tax Officer of the District concerned within three days of entertainment a return of such tickets in Form P.E.D. 17.

(vii) The State Government, vide Excise and Taxation Department order No. 4075-E.T. II-73/4022, dated the 18th June, 1973 have granted full exemption from the payment of entertainment duty to Amateur Dramatic Clubs as distinct from professional Drama parties and Dancing troupes in the State of Punjab. In the aforesaid order 50 per cent exemption from payment of entertainment duty was also granted to all Circus shows held in the State.

The State Government vide Excise and Taxation Department Order No. 319-E.T.-II 76/285, dated the 19th January, 1976, have further granted total exemption from the payment of

¹ Rule 23.

entertainment duty to all Circus shows in the State in towns with a population of one lakh or less.

Admission of persons without payment of duty:-

(viii) The bonafied employees of the proprietor, who are on duty in connection with the entertainment and the proprietor when on such duty, are exempted¹ from the levy and payment of duty.

Refund or remission of duty when entertainment is not completed:

(ix) When an entertainment is not completed and the Deputy Excise and Taxation Commissioner of the area concerned is satisfied that the proprietor has refunded to all the persons admitted to the entertainment on payment, both the price of admission and the duty charged under the Act, he may, on application made by the proprietor within three² days of the entertainment:-

- (a) Remit the duty, if it was paid in the manner described in paragraph 3.2. (iv) above, or
- (b) if duty was paid in the manner described in paragraph 3.2. (iii) above, send the case to Collector to proceed for refund under paragraph 3.3 (x) above, on production of the portion of their stamps to be retained by the proprietor under Rule 15 *ibid*.

(x) An application by a person for refund³ or excess duty paid shall be made to the Entertainment Tax Officer of the District concerned and shall clearly and briefly specify the grounds on which the refund is claimed.

¹ Section 9.

² Rule 20.

³ Rule 20-A.

When the competent authority (Entertainment Tax Officer) is satisfied that a refund is due, in pursuance of an order of a Court or other competent authority in appeal, revision or otherwise he shall record an order, sanctioning the refund and communicate the order to the applicant.

When an order for refund has been passed, the Entertainment Tax Officer shall issue a refund voucher and shall make it over to the applicant for the encashment at the Government Treasury.

The particulars of all applications for refund and of the orders passed thereon, shall be entered in a register in Form P.E.D. 25.

3.4 production and Inspection of Accounts

(1) The following officers of the Excise and Taxation, Revenue and Police Departments of the State Government may enter into, inspect¹ and search any place of entertainment while the entertainment is proceeding at any reasonable time, for the purpose of ensuring that the provision of the Act or the rules made thereunder are being complied with:

- (a) Commissioner, Joint Excise and Taxation Commissioner, Additional Deputy Excise and Taxation Commissioner, Assistant Excise and Taxation Commissioner, Punjab, Excise and Taxation Officer (Enforcement) and Additional Excise and Taxation Officer with respect to any entertainment in the State of Punjab.
- (b) Deputy Excise and Taxation Commissioner with respect to any entertainment within the Division.

¹ Section 14 and rule 29.

- (c) Assistant Excise and Taxation Commissioner with reference to any entertainment within the district under his charge.
- (d) Excise and Taxation Officer, with reference to any entertainment within the District to which he is posted.
- (e) Inspector of the Excise and Taxation Department with reference to any entertainment within the district to which posted.
- (f) Officers of the Revenue Department not below the rank of an Assistant Collector of the second grade and of the Police Department not below the rank of an Assistant Sub-Inspector of Police duly authorized by the Collector in each case, with reference to any place of entertainment which is within his normal jurisdiction.

The officers mentioned above shall not be deemed to be the persons admitted to the entertainment while entering into and inspecting the places of entertainment as part of their duty.

(ii) The proprietor of an entertainment shall on being required¹ to do so, produce before any officer of the Excise and Taxation Department not below the rank of Inspector any accounts or documents relevant to the sales of tickets including complimentary tickets and realisation of the entertainments duty due. If the Inspecting Officer has reason to suspect that the proprietor of any entertainment is attempting to evade the payment of any entertainments duty due from him, he may for reasons to be recorded in writing, seize such accounts, registers or documents of

¹ section 13.

the proprietor as may be necessary, and shall grant a receipt for the same.

3.5. Penal Provisions.

(i) A person who enters an entertainment without permission¹ or surreptitiously, with intent to evade the duty payable under the Act shall, on conviction by a Magistrate, be punishable with fine which may extend to Rs. 200 (Rupees two hundred) and, in addition, be liable to pay such duty.

(ii) If the proprietor of an entertainment:-

- (a) evades² the payment of any duty due under the Act, or
- (b) obstructs any officer making an inspection a search or seizure under the Act, or
- (c) acts in contravention of, or fails to comply with any of the provisions of the Act or the rules there-under, the prescribed authority may, after affording such proprietor a reasonable opportunity of being heard, direct him to pay by way of penalty in addition to duty due, if any, a sum not exceeding³ ten thousand rupees.

(iii) No court shall take cognizance⁴ of an offence under the Act except on a complaint made by a person authorized in this behalf by the Government, and no court inferior in that of a Judicial Magistrate of the First Class shall be competent to try such an offence.

¹ section 8(2).

² section 14(A).

³ Ammended vide Act No. 8 of 1982.

⁴ Section 15.

Power to compound offences:

(iv) The prescribed authority (Deputy Excise and Taxation Commissioner of the Division) may, at any time accept¹ from a person, who has committed an offence under the Act, by way of composition of such offence, a sum of money not exceeding fifty rupees or double the amount of duty payable under the Act whichever is greater.

On payment of such sum of money as may be determined, the prescribed authority shall where necessary, report to the Court that the offence has been compounded and thereafter no further proceeding shall be taken against the offender in respect of the same offence and the said court shall discharge or acquit the accused, as the case may be.

(v) Any sum due under the Act is recoverable as arrears of the land revenue².

3.6 Deposit of Security:

The Deputy Excise and Taxation Commissioner may require the proprietor of an entertainment to deposit as security for payment of entertainment duty under the Act, an amount not exceeding Twenty Thousand (Act No. 8 of 1982.) rupees in Government treasury. The Entertainment Tax Officer will maintain a register of securities in Form P.E.D. 23³.

3.7. Appeals and Revisions:

(i) Any person aggrieved by an order passed under Section 14-A of the Act may appeal to⁴ the Deputy Excise and Taxation Commissioner within 30 days of such order. No appeal shall be

¹ Section 16.

² Section 17.

³ Section 32(2).

⁴ Section 11-A and Rules 36 to 38.

entertained by the Deputy Excise and Taxation Commissioner unless he is satisfied that the amount of duty due and the penalty, if any, imposed on the person has been paid. The Deputy Excise and Taxation Commissioner may, however, condone this condition for reasons to be recorded in writing, if he is satisfied that the person is unable to pay the duty due, or the penalty if any imposed or both. The appeal may be summarily rejected if the applicant fails to comply with any of the requirements of Rule 36 *ibid*. The appeal shall be decided by the Deputy Excise and Taxation Commissioner after notice to the parties concerned and after giving an opportunity to them to represent their case.

(ii) The Commissioner or such other officer as the Government may appoint in this behalf, may of his own motion or on an application made, call¹ for the record of any proceedings or orders of an authority subordinate to him for the purpose of satisfying himself as to the legality or propriety of such proceedings or orders and may pass such orders as he may deem fit. Every application for revision may be made to and disposed of in the manner prescribed for submission and disposal of appeals.

3.8. Returns and Registers:

(i) Every proprietor making a consolidated² payment under Section 10(2) (a) of the Act or making payment in accordance with the return of the payment for admission under Section 10(2) (b) of the Act, is required to submit to the Entertainment Tax Officer of the district a return in Form P.E.D. 18 within three days of the date of entertainment, showing the number of tickets issued at each rate, the gross amount received from sale of tickets and the amount of duty collected.

¹ Section 12 and Rule 39.

² Rule 24(1).

(ii) In case of any proprietor permitted to avail himself of the provisions under Section 10(2) (c) of the Act he shall submit to the Entertainment Tax Officer a return¹ in Form P.E.D. 19 within three days of the date of entertainment, showing the number of persons admitted by the mechanical contrivance, the gross amount including duty paid for admission by such persons and the amount of duty collected from them.

(iii) Every proprietor shall submit a weekly return² in Form P.E.D. 20-B within three days after the close of the week to which it relates showing the names of pictures shown and the gross income accrued therefrom.

(iv) Similarly every proprietor is required to submit within 3 days from the date of performance of the entertainment a return of complimentary tickets in Form P.E.D. 21.

¹ Rule 24(2).

² Rule 25.

CHAPTER-IV

CINEMATOGRAPY SHOW TAX.

4.1 Definitions

For a clear understanding definition of certain special terms as given in the Act and the rules made thereunder, are deailed below:-

- (a) “admission” includes admission as spectator or as one of an audience to any place in which a cinematograph show is being held or is to be held;
- (b) “cinematograph” includes any apparatus for the representation of moving pictures or series of pictures;
- (c) “cinema house” includes a building or any other place equipped for the exhibition of a cinematograph show and includes a touring cinema;
- (d) “class” means an enclosure or a section within a cinema house, admission to which is permitted at the same rate;
- (e) “Commissioner” means the Excise and Taxation Commissioner, Punjab, or any other Officer empowered by the State Government by notification, to exercise the power of the Commissioner under this Act;
- (f) “fortnight” means a period of fourteen days consisting of two consecutive weeks;
- (g) “gross collection capacity per show” means the notional aggregate of all payments for class wise admission, to a cinematograph show, which the

- proprietor would realise, if all seats as determined by the District Magistrate, are occupied in a cinema house and calculated at the rates specified by the District Magistrate for admission to a class;
- (h) “old cinema house” means a cinema house which has been functioning in the Punjab State for the last twenty five years or more;
 - (i) “prescribed” means prescribed by rule made under this act;
 - (j) “proprietor” in relation to this Act, includes any person responsible for the management of the premises where the show is held;
 - (k) “seating capacity” means the classwise total number of seats approved by the District Magistrate in the case of a cinema house existing on the first day of June, 1994 and in the case of a cinema house coming into operation thereafter, that class-wise total number of seats, as may be approved by the District Magistrate;
 - (l) “show” means a cinematograph exhibition;
 - (m) “State Government” means the Government of the State of Punjab;
 - (n) “touring cinema” includes a cinema, which can be taken from place to place for the purpose of displaying cinematograph shows;
 - (o) “week” means a period of seven days commencing from Friday and ending on Thursday; and
 - (p) the expression “Municipality”, “Municipal Corporation”, “Cantonment Board” shall have the

same meaning as respectively assigned to them in the Punjab Municipal Act, 1911, Punjab Municipal Corporation Act, 1976 and the Cantonments Act, 1924.

4.2 Assessment, Refunds, Remissions and Revisions:-

Assessment

(i) The cinematograph show tax under the Act is levied, charged and paid to the State Government, on all public cinematograph exhibitions to which persons are admitted on payment. The rate or rates of tax per show is/are prescribed from time to time by a notification in the official Gazette. Latest rates¹ applicable are given in appendix-I

(ii) Every proprietor is required to maintain² a register in form P.E.T. 2 indicating the number of shows held and the amount of tax leviable and deposited. He is further required to submit³ a return in form P.E.T. 3 to the Assessing Authority within seven days of the close of the fortnight to which it pertains unless extended by a period not exceeding thirty days by such authority. A separate return is to be furnished every fortnight, one pertaining to the period from the first to the fourteenth of the month and the other for the period from the fifteenth of the month to the end of the month. Payment of tax is to be made before the submission of the returns, into a Government Treasury or the Reserve Bank of India, by means of a challan⁴ in form P.E.T. 4 to be filled in quadruplicate. One copy of the challan is retained by the treasury the second copy is sent by the Treasury Officer to the Excise and Taxation Officer of the district. The third copy of the challan showing that the full

¹ Punjab Government notification no. 26-Leg./94 dated 27.9.1994

² Rules 7 of the Punjab Entertainment Tax Cinematograph Rules, 1954.

³ Section 7(1) to (4).

⁴ Section 7(6) and Rule 7(3) and (4).

amount of tax due under the Act has been paid according to the return is attached by the proprietor of the Cinema with his return in form P.E.T. 3 and the fourth is retained by him in proof of payment.

(iii) If the person liable to pay tax discovers¹ any omission or other error in any return furnished by him, he may at any time before the date prescribed for furnishing of the next return by him submit a revised return and if the revised return shows a greater amount of tax to be due than was shown in the original return, it is to be accompanied by a receipt showing payment of the extra amount through a challan.

(iv) Tax payable under the Act for fourteen days is required to be paid in advance by the proprietor of a touring cinema² at least forty-eight hours before the commencement of the first show on the first of the fourteen days for which tax is due. The Treasury or Bank receipt showing the payment of tax is to be sent to the Assessing Authority so as to reach him before the commencement of the first show on the first of the fourteen days for which tax has been paid. The proprietor of a touring cinema intending to exhibit cinematograph films to which public is to be admitted on payment has to give at least three days advance notice in writing to the Assessing Authority of his intention to exhibit taxable shows.

(v) If the prescribed fortnightly returns in form P.E.T. 3 are not furnished by the proprietor of a Cinema premises in respect of any period within the prescribed time or if the Assessing Authority³ is not satisfied that the returns furnished are correct and complete it shall within twelve months after the expiry of such period, after giving the proprietor a reasonable opportunity of being heard serve a notice⁴ upon him in form P.E.T. 10.

¹ Section 7(7).

² Sections 7(5) and 10.

³ Section 8.

⁴ Rule 17.

- (a) Calling upon him to produce his books of accounts or other documents, which such authority wishes to examine together with any objection which the proprietor may wish to refer and any evidence which he may wish to produce, and
- (b) Stating the period or the return-period(s) in respect of which assessment is proposed, and he shall fix a date, ordinarily not less than 10 days after the date of service of the notice for producing such documents and accounts and considering any objection which the proprietor may prefer. Thereafter the Assessing Authority, may assess to the best of its judgment the amount of tax due from any particular proprietor. Every Assessing Authority, shall maintain a register¹in form P.E.T. 11 in which he shall enter the details of all such cases.

(vi) Where the Assessing Authority is satisfied about the accuracy of a return filed, he shall issue a certificate² in form P.E.T. 14 and record particulars thereof on the return in form P.E.T. 3.

Refund and Remissions:

(vii) An application for the refund³ of tax paid in excess of the amount due from him is to be made to the Excise and Taxation Officer incharge of the district and the grounds on which the refund is claimed are to be clearly and briefly specified therein. Such applications shall be entered in a register in form P.E.T. 5.

The Excise and Taxation Officer shall satisfy⁴ himself about the admissibility of the claim and forward the case for refund with

¹ Rule 21.

² Rule 17(2).

³ Section 9 read with Rule 9.

⁴ Rule 10.

his comments to the Deputy Excise and Taxation Commissioner for orders. The Deputy Excise and Taxation Commissioner may call for further evidence in support of the application and record his orders in writing either rejecting or accepting the application either fully or partially. His orders would be communicated to the Excise and Taxation Officer who would inform the applicant. Where the orders for refund have been passed by the Deputy Excise and Taxation Commissioner, the Excise and Taxation Officer shall make the payment to the claimant through a refund¹ voucher in form P.E.T. 6.

(vii) If the proprietor desires payment by adjustment² against any amount subsequently payable by him the Excise and Taxation Officer shall issue a refund adjustment order in form P.E.T. 7 in duplicate authorising the proprietor to deduct the sum to be refunded from the amount payable by him in respect of the next return period following the sanctioning of refund. The proprietor shall attach one copy of the Refund Adjustment order to the next ensuing return to be furnished by him in support of his claim.

(ix) The Deputy Excise and Taxation Commissioner may in the manner prescribed in paragraph 4.2 (i), (ii) and (iii) above authorize the remission³ of tax for any show which could not be completed for any reason provided he is satisfied that the ticket holders have been refunded the price of their tickets in full and provided an application for remission is presented to the Excise and Taxation Officer not later than 3 days of the incomplete show.

Revision

(x) The Commissioner may of his own motion or on an application made call⁴ for the records of any proceedings or orders

¹ Rule 11(1).

² Rule 11(2).

³ Section 9(2) read with Rules 12.

⁴ Section 16.

of any authority subordinate to him for the purpose of satisfying himself as to the legality or propriety of such proceedings or order and may pass such order in reference thereto as he may deem fit after observing the procedural requirements¹.

4.3 Exemptions

(i) No tax is levied² on a public Cinematograph exhibition where the Excise and Taxation Commissioner is satisfied that the whole of the net proceeds of the show will be devoted to philanthropic, charitable, educational or scientific purposes.

(ii) The State Government may by general or specific orders exempt³ any show or class of shows or any proprietor or class of proprietors from the operation of any or all the provisions of the Act.

(iii) Any proprietor claiming exemptions⁴ under paragraph 4(3)(i) above from the payment of tax in respect of the particular show or shows shall present an application for such exemption to the Deputy Excise and Taxation Commissioner at least ten clear days before the date of exhibition of the first show, who shall unless the powers to grant exemption is delegated to him by the Commissioner, forward the same without delay to the Commissioner with his recommendations for such orders as the Commissioner may deem fit. When exemption is granted by the Commissioner, the Deputy Excise and Taxation Commissioner shall issue to the proprietor a certificate in form P.E.T. 8 and the proprietor shall comply with the conditions specified therein.

¹ Rules 26 to 28.

² Section 6(1).

³ Section 6(2).

⁴ Rules 13 (1) and 14.

(iv) All applications for exemption under para4(3)(ii) above shall be made¹ to the Commissioner at least twenty days before the date of exhibition of the first show who shall forward the same with his recommendations to State Government for their orders.

4.4 Penalties and Fines

- (i) If the proprietor of cinema premises
 - (a) fails to pay the tax due from him within the time allowed under the Act; or
 - (b) fraudulently evades the payment of any tax due under the Act; or
 - (c) fails to furnish the returns provided in Section 7; or
 - (d) fails to give notice as provided in Section 10; or
 - (e) contravenes any other provisions of the Act, or the rules made thereunder, he shall be liable² for conviction before a court in respect of each separate offence to a fine which may extend to one thousand rupees and where the offence is a continuing one, with a daily fine not exceeding fifty rupees during the period of the continuance of the offence.

Provided³ that no court shall take cognizance of an offence, under the Punjab Entertainment (Cinematograph Shows) Act, 1954 or rules made thereunder except with the previous sanction of the Commissioner and no court inferior to that of a Magistrate of the Ist Class shall try such an offence.

¹ Rules 13(2).

² Section 14(1).

³ Section 15(2).

(ii) Where a proprietor commits any omission or act, specified in clause (a) or clause (b) above, the Commissioner or any other person appointed in his behalf under the Act may after affording the proprietor a reasonable opportunity of being heard, direct him to pay by way of penalty in addition to the tax to which he is assessed or is liable to be assessed to an amount not exceeding two¹ thousand rupees.

(iii) If any person prevents or obstructs the entry of the Taxation Inspector and the Excise and Taxation Officer (within their respective jurisdiction) for inspection of places where cinematograph shows are being held, he shall in addition to any other punishment to which he is liable under any law for the time being in force, be punished with a fine, which may extend to five² hundred rupees.

(iv) The Commissioner may accept from any person, who has committed an offence punishable under the Act or the Rules by way of composition of such offence, a sum of money not exceeding two³ hundred and fifty rupees or double the amount of tax involved whichever is greater.

4.5 Miscellaneous:

(a) Recoveries

(i) Any sum due under the Act or the rules made thereunder is recoverable⁴ as arrears of land revenue.

(b) Securities:

(ii) The Commissioner may require the proprietor of any permanent cinema premises liable to tax under

¹ Section 12(A).

² Section 12(3) .

³ Section 15.

⁴ Section 17 read with rules 8 and 23.

the Act to deposit in a Government treasury an amount not exceeding five¹ hundred rupees as security pledged with him.

- (iii) Every Excise and Taxation Officer incharge of a district shall maintain a register in Form P.E.T.-I showing the securities deposited by the proprietors of permanent cinemas.
- (iv) If any sum payable under this Act due from the proprietor cannot be recovered otherwise, the Commissioner may forfeit² the whole or any part of the security.

(c) Records and Registers.

- (v) Every Excise and Taxation Officer incharge of a district is required to maintain a Demand³ and Collection Register in Form PET-9 showing the payment of tax, composition money and other fees by the proprietors in the district of his charge.
- (vi) Every Treasury Officer is required to send⁴ to the Excise and Taxation Officer of the district within the first week of the each month, a statement of the amounts credited into the treasury under the provision of the Act or the rules during the proceeding month.

(d) Inspection of documents and premises.

- (vii) The State Government may, subject to such conditions as may be prescribed, require the proprietor of any cinema premises to produce

¹ Section 5(1).

² Rule 5.

³ Section 5(2).

⁴ Rule 16.

before any officer of the Excise and Taxation Department not below the rank of Inspector, any accounts or documents relevant to the above as may be necessary for the purpose of the Act. If the Inspecting Officer has reasons to suspect that the proprietor is attempting to evade the payment of any tax due from him under the Act, he may for reasons to be recorded in writing, seize such accounts, registers or documents of the proprietor as may be necessary for examination thereof or for a prosecution¹.

- (viii) Any officer as prescribed may² enter into and inspect any cinema premises while the show is proceeding or any place ordinarily used as a place for exhibiting cinematograph films at any reasonable time for the purpose of examining whether the provision of the Act or the rules made thereunder are being complied with.

¹ Section 11.

² Section 12.

CHAPTER-V

AUDIT PROCEDURE

A. Entertainment Tax

The main purpose of audit is to see that:-

- (i) The periodical returns, required to be furnished by the proprietor under section 7 of the Act in Form P.E.T. 3, are received within the prescribed period accompanied by a copy of the treasury challan in Form P.E.T. 4 in support of the payment of the tax due. For this purpose the Demand and Collection Register in Form P.E.T. 9 should be thoroughly examined to see that the amount of tax due was correctly worked out and deposited within seven days of the close of the period to which it pertained. The reasons for any arrears shown in this register may be ascertained and it may be verified whether adequate penal action required under section 14 of the Act was taken.
- (ii) In the case of touring cinemas it may be seen that any advance written notice of at least three days was received from the proprietor and that tax for fourteen days was paid by him at least forty eight hours before the commencement of the first show on the first of the fourteen days for which the tax is paid.
- (iii) The proprietor of a permanent cinema premises has deposited a security of an amount as required under rule as amended from time to time.

- (iv) Under the various provisions of the Act and the rules, the officers of the Excise and Taxation Department are empowered to inspect the cinema premises and examine the accounts. The reports of such inspections may be consulted to see that adequate checks were exercised by the Department with a view to prevent the evasion of tax. When such reports bring out any lapses or offences punishable under the Act, it may be seen that adequate penal action as required under sections 12(3), 14 and 15 of the Act was taken against the proprietors.
- (v) Sanctions for exemption from the payment of tax accorded under section 6 may be examined to see that the same have been issued by an authority competent to grant such exemptions and that all the conditions attaching to the grant of those sanctions have been fulfilled.
- (vi) The refunds and remissions have been allowed under proper sanction, the credit against which the refund has been authorized actually exists and there are adequate checks to guard against double or fraudulent refunds.
- (vii) A statement of the amount credited into the treasury during the preceding month is, regularly received from the Treasury Officer within the first week of each month and compared with the Demand and Collections Register. The variations should be properly analysed and commented upon.
- (viii) It should be seen in general that proper safeguards exist to ensure that there is no wilful omission or negligence to levy or collect tax and penalties.

B. Entertainment Duty

Besides ensuring proper accountal and collection of demands, the following checks may be exercised in audit:-

- (i) It may also be checked that the total amount of tax worked out according to the number of shows performed in a day and sitting capacity of a cinema and the category of cinema as envisaged in the table under section 3 of the Punjab Entertainment Tax (Cinematograph shows) Amendment Act, 1994 has correctly been paid or not. If any discrepancy is found that may be suitably pointed out in the LAR.
- (ii) The seating capacity in a cinema is approved by the District Magistrate at the time of the issue of licence. The seating capacity once approved by District Magistrate can only be reduced with the prior approval of the Commissioner (ETC). It may be checked that in case the seating capacity of the cinema is reduced by the D.M. that may be pointed out in the LAR.
- (iii) The register of application for refund of entertainment duty maintained in Form PED 25 in the Entertainment Tax Officer's office vide Rule 20-A ibid should be examined to see that the refunds are sanctioned by competent authority.
- (iv) Post and Telegraph Department is a licensing authority for the cable T.V. operators. A list of licences may be procured from the P&T Department and the same should be compared with the register of cable T.V. operators maintained in the office of the concerned A.E.T.C. Any discrepancy found may be pointed out in the L.A.Rs.

- (v) If any sum is payable by the proprietor under the Act or rules, it may be seen whether a notice of demand in Form P.E.D. 7 was issued to him by the Entertainment Tax Officer promptly and the amount was deposited by the proprietor within the prescribed period.
- (vi) When an exemption from the payment of duty has been allowed by the competent authority under section 11 of the Act it may be seen that a certificate in Form P.E.T. 14 was issued by the Commissioner and the conditions prescribed in this certificate were fulfilled by the proprietor. Failure to comply with these conditions involves a liability to penalty up to one thousand rupees and when the offence is a continuing one the failure involves a daily fine not exceeding fifty rupees during the period of the continuance of the offence.
- (vii) The Act and the Rules empower certain specified authorities to inspect and search the premises of entertainments as also to examine their accounts. The official records concerning the search and inspection, etc., may be checked in audit to see whether adequate action as required under the statutory provisions has been taken in case of any offence or failure on the part of the proprietor.
- (viii) Every proprietor is required to maintain an Inspection Note Book in Form P.E.D. 24 to be produced by him on demand to an Inspecting Officer for recording of remarks by the Officer. This note book when used up is required to be surrendered to the Entertainment Tax Officer. Such books on the records of the Entertainment Tax

Officer may be seen to verify whether proper action had been taken in respect of any offence pointed out therein.

- (ix) District Magistrate is a licencing authority for the Video Parlour. A list of video parlour operators should be procured from that office and the same should be reconciled with the records maintained in the office of A.E.T.C. Any discrepancy found may be pointed out suitably in the L.A.R.
- (x) It may also be seen that a separate personal file for each proprietor has been maintained by the Entertainment Tax Officer, containing all the statements returns and other documents.
- (xi) Review of the arrangements for reconciliation of departmental figures of collection entered in the challan register from the challans produced by the assesseees with the treasury figures with a view to ensure that the amounts shown as having been deposited have actually been credited to the Government.
- (xii) Due to the latest provision of lump sum entertainment duty and tax, the relevant provisions/instructions regarding inspection of cinemas etc. and levy of penalty by the taxation department become obsolete. The penal provisions which are inconsonance with the latest changes, if any, in the Acts may be kept in view.

C. Co-relation of Audit Checks:

Where the receipts of a cinema/theatre are prima facie too meager for an economic working of a cinema/theatre, taking into account, the duty payable and other incidental charges,

such cases may be invariably referred to Revenue Audit (Headquarters) so that a scrutiny of Income Tax returns of the proprietor may be arranged, if necessary.

D. Composition of Inspection Parties and Procedure for conducting of Local Inspection:

- (i) A local audit party assigned to audit the accounts of an Excise and Taxation Officer (Entertainment Tax Officer) under the Act shall consist of two-trained Asstt. Audit Officer/Section Officers and an Auditor and supervised by Sr. Audit officer/Audit officer. The audit of all the assessments in a particular year will be done annually in the course of next year.
- (ii) An audit party visiting an office shall in the first instance call for a list of auditable documents from the head of the office and thereafter assign it among the Section Officers/Asstt. Audit Officers and Auditors. Important cases along with the relevant records should be scrutinized by the Assistant Audit Officer/Section Officers. A percentage of the cases checked by the Asstt. Audit Officer/Section Officers should also be reviewed by the Sr. Audit officer/Audit officer. The Auditor attached to the party should be assigned duties of less importance of miscellaneous nature but the duties should include verification of payments made into the treasury and amounts drawn from it. The list of payments made into the Treasury as supplied by the Treasury Officer should also be thoroughly scrutinized so that cases of embezzlement or similar malpractices, if any, are detected forthwith.

- (iii) If, during the course of audit any irregularity reflecting on the working of the office or affecting the revenues of the Government comes to the notice of the party, a memo stating the facts along with the records on which such facts are based, should be issued to the head of the office requesting him to offer his comments. On receipt of this reply, the case should be discussed with him, if necessary, before incorporation of comments on the case in the Audit and Inspection Report. Such memos should form part of the rough sheets and transmitted to headquarters.
- (iv) All the important points noticed in audit, should be incorporated in the Audit and Inspection Report. It should be drafted in a temperate language. The local audit report should be in three parts. The Part-I should comprise an introductory paragraph, the outstanding objections from previous reports in brief, and schedule of persistent irregularities. In Part-II, important irregularities coming to the notice of the party during the course of audit which have the potential of being developed into draft paras as well as other glaring cases of irregularities and cases of misappropriation of Government revenue etc., should be included in section A and other points of lesser importance in section B. All minor points should be included in Part-III i.e., Test Audit Note. Minor points of errors in classifications, improper accountal and improper maintenance of records should, as far as possible, be settled at the spot after getting the compliance made by the Head of the Office.

- (v) After completion of the Audit, the inspection report should invariably be submitted by Inspecting Officers, demi-officially to the Senior Deputy Accountant General, State Receipt Audit (SRA) so as to reach headquarters not later than one week from the date of completion of audit. Any delay in its receipt at the headquarters beyond a week should be brought to the notice of the Senior Deputy Accountant General, SRA.
- (vi) The Inspecting Officer shall be responsible for the review of old objections of previous reports and should investigate the reasons for not complying with the observations. He should, if necessary, discuss each case with the Head of the Office and stress upon him the importance of taking early action in settling the audit objections. He should, however, recommend the settlement of the objections, where compliance has been made and shown to him. In case he is satisfied that the Head of Office has not taken suitable measures to expedite compliance, this should be brought to the notice of the Head of the Department.
- (vii) The Inspection Report after its receipt at the headquarters should be scrutinized by the Section Officer/Asstt. Audit Officer in charge and submit the same to the Senior Deputy Accountant General (SRA) for his approval and issue to the department concerned.
- (viii) (a) The time taken for the transmission of inspection reports after completion of audit of an office, scrutiny by the headquarters at all levels and its issue to the department should not exceed three

weeks, from the date of its receipt from the Inspecting Officer/Section Officers.

(b) The headquarters' office shall maintain a register in proper form to ensure that no delay occurs at any stage and immediate remedial measures are taken to avoid it. Any delay beyond three weeks should be brought to the notice of the Senior Deputy Accountant General (SRA) for investigation and fixing responsibility.

- (ix) The records in connection with the inspection reports shall be preserved in accordance with the provisions of Appendix-II of the Outside Audit Department Manual and approval of the Senior Deputy Accountant General (SRA) shall be necessary before weeding out of old record.

Appendix – I referred to in para 4.2(i)
Table showing the rates of Entertainment Tax leviable
on the cinema houses

TABLE – I

(as percentage of gross collection capacity per show)

Area where the cinema house is situated	Type of cinema house,	Amount of Tax leviable as a percentage of the gross collection capacity per show	Amount of tax leviable as a percentage of the gross collection capacity per show in the case of old cinema house
1	2	3	4
Category 'A'			
1. Cinema House in a Municipal Corporation	(i)	Air conditioned;	Twenty per cent
	(ii)	Air Cooled;	Eighteen per cent
	(iii)	Ordinary (Other than Air conditioned and Air cooled).	Fifteen per cent
Category 'B'			
2. Cinema House in a Municipality of the First Class or in a Cantonment Board,	(i)	Air conditioned;	Eighteen per cent
	(ii)	Air Cooled;	Fifteen per cent
	(iii)	Ordinary (Other than Air conditioned and Air cooled).	Twelve per cent
Category 'C'			
3. Cinema House in a Municipality of the Second Class	(i)	Air conditioned;	Fifteen per cent
	(ii)	Air Cooled;	Twelve per cent
	(iii)	Ordinary (Other than Air conditioned and Air cooled).	Ten per cent
Category 'D'			
4. Cinema House in a Municipality of the Third Class or in any other area not falling in categories 'A', 'B' and 'C'	(i)	Air conditioned;	Fourteen per cent
	(ii)	Air Cooled;	Eleven per cent
	(iii)	Ordinary (Other than Air conditioned and Air cooled).	Nine per cent
			Thirteen per cent
			Sixteen per cent
			Thirteen per cent
			Ten per cent
			Thirteen per cent
			Ten per cent
			Eight per cent
			Twelve per cent
			Nine per cent
			Seven per cent

TABLE – II

(payment of tax on lumpsum basis)

Area	Type of cinema house,	Amount of Tax	Amount of tax in the case of old cinema house
1	2	3	4
Category 'A'			
1. Cinema House in a Municipal Corporation	(i) Air conditioned;	Seventeen per cent of the gross collection capacity per show multiplied by forty-two	Fifteen per cent of the gross collection capacity per show multiplied by forty two
	(ii) Air Cooled;	Sixteen per cent of the gross collection capacity per show multiplied by forty-two	Fourteen per cent of the gross collection capacity per show multiplied by forty-two
	(iii) Ordinary (Other than Air conditioned and Air cooled).	Thirteen per cent of the gross collection capacity per show multiplied by forty-two	Eleven per cent of the gross collection capacity per show multiplied by forty-two
Category 'B'			
2. Cinema House in a Municipal Corporation of the First Class or in a Cantonment Board.	(i) Air conditioned;	Sixteen per cent of the gross collection capacity per show multiplied by forty-two	Fourteen per cent of the gross collection capacity per show multiplied by forty two
	(ii) Air Cooled;	Thirteen per cent of the gross collection capacity per show multiplied by forty-two	Eleven per cent of the gross collection capacity per show multiplied by forty-two
	(iii) Ordinary (Other than Air conditioned and Air cooled).	Ten per cent of the gross collection capacity per show multiplied by forty-two	Eight per cent of the gross collection capacity per show multiplied by forty-two

Category 'C'

3. Cinema House in a Municipality of the Second Class	(i)	Air conditioned	Thirteen per cent of the gross collection capacity per show multiplied by thirty- six	Eleven per cent of the gross collection capacity per show multiplied by thirty- six
	(ii)	Air Cooled;	Ten per cent of the gross collection capacity per show multiplied by thirty- six	Eight per cent of the gross collection capacity per show multiplied by thirty- six
	(iii)	Ordinary (Other than Air conditioned and Air cooled).	Eight per cent of the gross collection capacity per show multiplied by thirty- six	Six per cent of the gross collection capacity per show multiplied by thirty- six

Category 'D'

4. Cinema House in a Municipality of the Third Class and other area not falling in Categories 'A', 'B' and 'C'	(i)	Air conditioned	Twelve per cent of the gross collection capacity per show multiplied by Twenty eight	Ten per cent of the gross collection capacity per show multiplied by Twenty eight
	(ii)	Air Cooled;	Nine per cent of the gross collection capacity per show multiplied by Twenty eight	Seven per cent of the gross collection capacity per show multiplied by Twenty eight
	(iii)	Ordinary (Other than Air conditioned and Air cooled).	Seven per cent of the gross collection capacity per show multiplied by Twenty eight	Five per cent of the gross collection capacity per show multiplied by Twenty eight
