

THE FINANCE BILL, 1969

(As introduced in Lok Sabha)

A BILL to give effect to the financial proposals of the Central Government for the financial year 1969-70.

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

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Finance Act, 1969.

(2) Save as otherwise provided in this Act, sections 2 to 25 shall be deemed to have come into force on the 1st day of April, 1969.

CHAPTER II

RATES OF INCOME-TAX

2. Income-tax.—(1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1969, income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and D of that Part apply, shall be increased by a surcharge for purposes of the Union and in the cases to which Paragraph C applies, also by a special surcharge for purposes of the Union, calculated in each case in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1969, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable in the case of the Life Insurance Corporation of India, in accordance with Paragraph E of Part I of the First Schedule, to that part of its total income which consists of profits and gains from life insurance business; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(3) In cases to which Chapter XII of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter as the case may be.

(4) In cases in which tax has to be deducted under sections 193, 194, 194A and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(5) In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C

of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule.

(6) For the purposes of this section and the First Schedule,—

(a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the Income-tax Act ;

(b) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1969, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act ;

(c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation.—For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income ;

(d) "tax free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government ;

(e) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER III

INCOME-TAX

3. Amendment of section 2.—In section 2 of the Income-tax Act, in clause (18), for sub-clause (b), the following sub-clause shall be substituted with effect from the 1st day of April, 1970, namely :—

'(b) if it is a company which is not a private company as defined in the Companies Act, 1956 (1 of 1956), and the conditions specified either in item (A) or in item (B) are fulfilled, namely :—

(A) shares in the company (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) were, as on the last day of the relevant previous year, listed in a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and any rules made thereunder ;

(B) (i) shares in the company (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than fifty per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and were throughout the relevant previous year beneficially held by—

(a) the Government, or

or
(b) a corporation established by a Central, State or Provincial Act,

(c) any company to which this clause applies or any subsidiary company of such company where such subsidiary company fulfils the conditions laid down in clause (b) of section 108 (hereafter in this clause referred to as the subsidiary company), or

(d) the public (not being a director, or a company to which this clause does not apply);

(ii) the said shares were, during the relevant previous year, freely transferable by the holder to the other members of the public; and

(iii) the affairs of the company, or the shares carrying more than fifty per cent. of its total voting power were at no time, during the relevant previous year, controlled or held by five or less persons.

Explanation 1.—In computing the number of five or less persons aforesaid,—

(i) The Government or any corporation established by a Central, State or Provincial Act or a company to which this clause applies or the subsidiary company of such company shall not be taken into account, and

(ii) Persons who are relatives of one another, and persons who are nominees of any other person together with that other person, shall be treated as a single person.

Explanation 2.—In its application to an Indian company whose business consists mainly in the construction of ships or in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, item (B) shall have effect as if for the words “not less than fifty per cent.” and “more than fifty per cent.”, the words “not less than forty per cent.” and “more than sixty per cent.” had, respectively, been substituted;’.

4. Amendment of section 16.—In section 16 of the Income-tax Act, in clause (iv), for item (1), the following item shall be substituted with effect from the 1st day of April, 1970, namely :—

“(1) where the conveyance is a motor car and the amount of the salary due to the assessee in respect of the previous year—

(a) does not exceed Rs. 25,000. Rs. 200 ;

(b) exceeds Rs. 25,000. Rs. 250 ;”.

5. Amendment of section 40A.—In section 40A of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted, namely :—

“(4) Notwithstanding anything contained in any other law for the time being in force or in any contract, where any payment in respect of any expenditure has to be made by a crossed cheque drawn on a bank or by a crossed bank draft in order that such expenditure may not be disallowed as a deduction under sub-section (3), then the payment may be made by such cheque or draft; and where the payment is so made or tendered, no person shall be allowed to raise, in any suit or other proceeding, a plea based on the ground that the payment was not made or tendered in cash or in any other manner.”.

6. Amendment of section 80C.—In section 80C of the Income-tax Act,—

(a) in sub-section (2),—

(i) in clause (a), for the words “on the life of the wife or husband of the assessee”, wherever they occur, the words “on the life of the wife or husband or any child of the assessee” shall be substituted with effect from the 1st day of April, 1970 ;

(ii) in clause (b), for the words "on the life of any male member of the family or of the wife of any such member", the words "on the life of any member of the family" shall be substituted with effect from the 1st day of April, 1970;

(iii) in the *Explanation* at the end of clause (b), in clause (ii) the brackets and words "(being the assessee, or a male member of a Hindu undivided family where such family is the assessee)" shall be omitted with effect from the 1st day of April, 1970;

(b) in sub-section (4),—

(i) in clause (i), the proviso shall be omitted;

(ii) In clause (ii), the brackets, words and letter "[including an author, playwright, artist, musician or actor, to whom the provisions of clause (i) do not apply]," shall be omitted.

7. Amendment of section 80J.—In section 80J of the Income-tax Act,—

(a) in sub-section (4), in clause (iii), for the words "twenty-three years", the words "twenty-eight years" shall be substituted;

(b) in sub-section (5), in clause (iii), for the words "twenty-three years", the words "twenty-eight years" shall be substituted.

8. Amendment of section 80L.—In section 80L of the Income-tax Act, in sub-section (1), for the words "five hundred rupees", wherever they occur, the words "one thousand rupees" shall be substituted with effect from the 1st day of April, 1970.

9. Insertion of new section 80MM.—After section 80M of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1970, namely:—

'80MM. Deduction in the case of an Indian company in respect of royalties, etc., received from any concern in India.—(1) Where the gross total income of an assessee being an Indian company includes any income by way of royalty, commission, fees or any other payment (not being income chargeable under the head "Capital gains") received by it from any person carrying on a business in India in consideration for—

(i) the provision of technical know-how which is likely to assist in the manufacture or processing of goods or materials, or in the installation or erection of machinery or plant for such manufacture or processing, or in the working of a mine, oil well or other source of mineral deposits, or in the search for, or discovery or testing of, mineral deposits or the winning of access to them, or in carrying out any operation relating to agriculture, animal husbandry, dairy or poultry farming, forestry or fishing, or

(ii) rendering services in connection with the provision of such technical know-how,

under an agreement entered into by the assessee with such person on or after the 1st day of April, 1969, and approved by the Central Government in this behalf before the 1st day of October of the relevant assessment year, there shall be allowed a deduction from such income of an amount equal to forty per cent. thereof, in computing the total income of the assessee.

(2) For the purposes of this section "provision of technical know-how" means,—

(i) the transfer of all or any rights (including the granting of a licence) in respect of a patent, invention, model, design, secret formula or process or similar property;

(ii) the imparting of any information concerning the working of, or the use of, a patent, invention, model, design, secret formula or process or similar property ;

(iii) the use of any patent, invention, model, design, secret formula or process or similar property ;

(iv) the imparting of any information concerning industrial, commercial or scientific knowledge, experience or skill.

(3) The provisions of sub-section (1) shall not apply in relation to any income in respect of which the assessee is entitled to the deduction specified in section 80-O.

10. Amendment of section 80P.—In section 80P of the Income-tax Act,—

(a) in sub-section (2), in clause (c), for the words “ fifteen thousand rupees ”, the words “ twenty thousand rupees ” shall be substituted with effect from the 1st day of April, 1970 ;

(b) sub-section (4) shall be omitted with effect from the 1st day of April, 1970.

11. Insertion of new section 80RR.—After section 80R of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1970, namely :—

“ 80RR. *Deduction in respect of professional income from foreign sources in certain cases.*—Where the gross total income of an individual resident in India, being an author, playwright, artist, musician or actor, includes any income derived by him in the exercise of his profession from the Government of a foreign State or any person not resident in India, and such income is received in, or brought into, India by him or on his behalf in accordance with the Foreign Exchange Regulation Act, 1947 (7 of 1947), and any rules made thereunder, there shall be allowed a deduction from such income of an amount equal to twenty-five per cent. of the income so received or brought, in computing the total income of the individual. ”

12. Substitution of new section for section 208.—For section 208 of the Income-tax Act, the following section shall be substituted, namely :—

“ 208. *Condition of liability to pay advance tax.*—(1) Advance tax shall be payable during the financial year—

(a) where the total income, exclusive of capital gains, of the assessee, referred to in sub-clause (i) of clause (a) of section 209, exceeds the amount specified in sub-section (2), or

(b) where it is payable by virtue of the provisions of sub-section (3) of section 212.

(2) The amount referred to in clause (a) of sub-section (1) shall be—

(a) in the case of a company or a local authority Rs. 2,500 ;

(b) in the case of a registered firm Rs. 30,000 ;

(c) in the case of a person other than a company, a local authority or a registered firm,—

(i) where such person was not resident in India during the previous year referred to in sub-clause (i) of clause (a) of section 209 or such person being a person referred to in sub-section (3) of section 212 is not likely to be resident in India during the previous year relevant to the assessment year next following the financial year in which the advance tax is payable Rs. 5,000 ;

(ii) in any other case Rs. 10,000. ”

13. Amendment of section 209.—In section 209 of the Income-tax Act,—

(a) in clause (a), in sub-clause (iii), for the words “ on any income, included in the said total income ”, the words and brackets “ on any income (as computed before allowing any deductions admissible under this Act) on which tax is required to be deducted under the said sections and which has been taken into account in computing the said total income ” shall be substituted;

(b) in clause (c), after the word, brackets and figure “ sub-section (3) ”, the words, brackets, figure and letter “ or sub-section (3A) ” shall be inserted.

14. Amendment of section 210.—In section 210 of the Income-tax Act, in sub-section (3), for the words, figures and letters “ before the 15th day of February of the financial year ”, the words, brackets and figures “ at any time before the date which is fifteen days prior to the date on which the last instalment of advance tax is payable by the assessee under sub-section (1) of section 211 ” shall be substituted.

15. Amendment of section 211.—In section 211 of the Income-tax Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

‘ (1) Subject to the provisions of this section and of section 212, advance tax shall be payable in three equal instalments on the following dates during the financial year, namely:—

(i) the 15th day of June, the 15th day of September and the 15th day of December, in the case of an assessee whose total income to the extent of 75 per cent, thereof or more is derived from a source or sources for which the previous year (relevant to the assessment year next following the financial year aforesaid) ends on or before the 31st day of December;

(ii) the 15th day of September, the 15th day of December and the 15th day of March, in any other case.

Explanation.—In this sub-section, “ total income ” means,—

(a) in a case where advance tax is paid by the assessee in accordance with an order of the Income-tax Officer under section 210, the total income with reference to which the advance tax payable has been calculated in such order;

(b) in a case where the advance tax is paid in accordance with an estimate made by the assessee under section 212, the total income with reference to which the advance tax is so estimated,

as reduced, in either case, by the capital gains, if any, included therein.’;

(b) in sub-section (2), for the figures, letters and words “ 1st day of March ” and “ 1st day of December ”, the figures, letters and words “ 15th day of March ” and “ 15th day of December ” shall, respectively, be substituted.

16. Amendment of section 212.—In section 212 of the Income-tax Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) If any assessee who is required to pay advance tax by an order under section 210 estimates at any time before the last instalment of advance tax is due in his case that, by reason of his total income (exclusive of capital gains, if any) of the period which would be the previous year for the immediately following assessment year (such total income being, hereafter in this section, referred to as current income) being likely to be less than the income on which the advance tax payable by him under section 210 has been computed or for any other reason, the advance tax payable by him would be less than the amount which he is so

required to pay, he may, at his option, send to the Income-tax Officer an estimate of—

(i) the current income, and

(ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209,

and shall pay such amount of advance tax as accords with his estimate in equal instalments on such of the dates applicable in his case under section 211 as have not expired, or in one sum if only the last of such dates has not expired.”;

(b) for sub-section (3), the following sub-sections shall be substituted, namely :—

“(3) Any person who has not previously been assessed by way of regular assessment under this Act or under the Indian Income-tax Act, 1922 (11 of 1922), shall, in each financial year, before the date on which the last instalment of advance tax is due in his case under sub-section (1) of section 211, if his current income is likely to exceed the amount specified in sub-section (2) of section 208, send to the Income-tax Officer an estimate of—

(i) the current income, and

(ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209,

and shall pay such amount of advance tax as accords with his estimate on such of the dates applicable in his case under section 211 as have not expired, by instalments which may be revised according to sub-section (2).

(3A) In the case of any assessee who is required to pay advance tax by an order under section 210, if, by reason of the current income being likely to be greater than the income on which the advance tax payable by him under section 210 has been computed or for any other reason, the amount of advance tax computed in the manner laid down in section 209 on the current income (which shall be estimated by the assessee) exceeds the amount of advance tax demanded from him under section 210 by more than 33 1/3 per cent. of the latter amount, he shall, at any time before the date on which the last instalment of advance tax is due from him, send to the Income-tax Officer an estimate of—

(i) the current income, and

(ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209,

and shall pay such amount of advance tax as accords with his estimate on such of the dates applicable in his case under section 211 as have not expired, by instalments which may be revised according to sub-section (2).”.

17. Amendment of section 213.—In section 213 of the Income-tax Act, the word “quarterly” shall be omitted.

18. Amendment of section 215.—In section 215 of the Income-tax Act,—

(a) for sub-section (1), the following sub-section shall be substituted with effect from the 1st day of April, 1970, namely :—

“(1) Where, in any financial year, an assessee has paid advance tax under section 212 on the basis of his own estimate, and the advance tax so paid is less than seventy-five per cent. of the assessed tax, simple interest at the rate of nine per cent. per annum from the 1st day of April next following the said financial year up to the date of the regular assessment shall be payable by the assessee upon the amount by which the advance tax so paid falls short of the assessed tax.”;

(b) in sub-section (2), in clause (ii), for the words “the said seventy-five per cent.”, the words “the assessed tax” shall be substituted with effect from the 1st day of April, 1970 ;

(c) after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of April, 1970, namely :—

“(5) in this section and sections 217 and 273, “assessed tax” means the tax determined on the basis of the regular assessment (reduced by the amount of tax deductible in accordance with the provisions of sections 192 to 194, section 194A and section 195) so far as such tax relates to income subject to advance tax and so far as it is not due to variations in the rates of tax made by the Finance Act enacted for the year for which the regular assessment is made.’

19. Amendment of section 216.—In section 216 of the Income-tax Act, for clause (a), the following clause shall be substituted with effect from the 1st day of April, 1970, namely :—

“(a) under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) of section 212 under-estimated the advance tax payable by him and thereby reduced the amount payable in either of the first two instalments ; or”.

20. Amendment of section 217.—In section 217 of the Income-tax Act, for sub-section (1), the following sub-sections shall be substituted with effect from the 1st day of April, 1970, namely :—

“(1) Where, on making the regular assessment, the Income-tax Officer finds that any such person as is referred to in sub-section (3) of section 212 has not sent the estimate referred to therein, simple interest at the rate of nine per cent. per annum from the 1st day of April next following the financial year in which the advance tax was payable in accordance with the said sub-section up to the date of the regular assessment shall be payable by the assessee upon the amount equal to the assessed tax as defined in sub-section (5) of section 215.

(1A) Where, on making the regular assessment, the Income-tax Officer finds that any such person as is referred to in sub-section (3A) of section 212 has not sent the estimate referred to therein, simple interest at the rate of nine per cent. per annum from the 1st day of April next following the financial year in which the advance tax was payable in accordance with the said sub-section up to the date of the regular assessment shall be payable by the assessee upon the amount by which the advance tax paid by him falls short of the assessed tax as defined in sub-section (5) of section 215.”.

21. Amendment of section 218.—In section 218 of the Income-tax Act, in sub-section (2), after the word, brackets and figure “sub-section (3)”, the words, brackets, figure and letter “or sub-section (3A)” shall be inserted.

22. Substitution of new section for section 273.—For section 273 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1970, namely :—

“273. *False estimate of, or failure to pay, advance tax.*—If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment for the assessment year commencing on the 1st day of April, 1970, or any subsequent assessment year, is satisfied that any assessee—

(a) has furnished under section 212 an estimate of the advance tax payable by him which he knew or had reason to believe to be untrue, or

(b) has without reasonable cause failed to furnish an estimate of the advance tax payable by him in accordance with the provisions of sub-section (3) of section 212, or

(c) has without reasonable cause failed to furnish an estimate of the advance tax payable by him in accordance with the provisions of sub-section (3A) of section 212,

he may direct that such person shall, in addition to the amount of tax, if any, payable by him, pay by way of penalty a sum—

(i) which, in the case referred to in clause (a), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the tax actually paid during the financial year immediately preceding the assessment year under the provisions of Chapter XVII-C falls short of—

(1) seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215, or

(2) where a notice under section 210 was issued to the assessee, the amount payable thereunder,

whichever is less ;

(ii) which, in the case referred to in clause (b), shall not be less than ten per cent. but shall not exceed one and a half times of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215 ; and

(iii) which, in the case referred to in clause (c), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the tax payable under the notice issued to the assessee under section 210 falls short of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215. ”.

23. Amendment of the Fifth Schedule.—In the Fifth Schedule to the Income-tax Act, after item (31), the following items shall be inserted with effect from the 1st day of April, 1970, namely :—

“ (32) Textiles (including those dyed, printed or otherwise processed) made wholly or mainly of cotton, including cotton yarn, hosiery and rope.

(33) Textiles (including those dyed, printed or otherwise processed) made wholly or mainly of jute, including jute twine and jute rope. ”.

CHAPTER IV

OTHER DIRECT TAXES

24. Amendment of Act 27 of 1957.—In the Wealth-tax Act, 1957,—

(a) in section 2, for clause (e), the following clause shall be substituted, namely :—

‘ (e) “ assets ” includes property of every description, movable or immovable, but does not include,—

(1) in relation to the assessment year commencing on the 1st day of April, 1969, or any earlier assessment year—

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

(ii) any building owned or occupied by a cultivator of, or receiver of rent or revenue out of, agricultural land :

Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an out-house ;

(iii) animals ;

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

(v) any interest in property where the interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee ;

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

(i) animals ;

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

(iii) any interest in property where the interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee ; ;

(b) in section 5, in sub-section (I),—

(i) after clause (viii), the following clause shall be inserted with effect from the 1st day of April, 1970, namely :—

“(viiiia) growing crops (including fruits on trees) on agricultural land and grass on such land ;” ;

(ii) for clause (ix) and the explanation thereto, the following clause and explanation shall be substituted with effect from the 1st day of April 1970, namely :—

“(ix) the tools, implements and equipment used by the assessee for the cultivation, conservation, improvement or maintenance of agricultural land, or for the raising or harvesting of any agricultural or horticultural produce on such land.

Explanation.—For the purposes of this clause, tools, implements and equipment do not include any plant or machinery used in any tea or other plantation in connection with the processing of any agricultural produce or in the manufacture of any article from such produce ;” ;

(c) in section 18, in sub-section (I), for clauses (i) and (ii), the following clauses and *Explanation* shall be substituted, namely :—

“(i) in the cases referred to in clause (a), in addition to the amount of wealth-tax, if any, payable by him, a sum, for every month during which the default continued, equal to one-half per cent. of the net wealth assessed under section 16 or, as the case may be, of the net wealth assessed under section 17 as reduced by the net wealth, if any, assessed previously under section 16 or section 17, but not exceeding, in the aggregate, an amount equal to the net wealth assessed under section 16 or, as the case may be, the net wealth assessed under section 17 as reduced as aforesaid ;

(ii) in the cases referred to in clause (b), in addition to the amount of wealth-tax payable by him, a sum which shall not be less than one per cent. of the assessed net wealth but which shall not exceed the amount of the assessed net wealth.

Explanation.—For the purposes of clause (ii), “assessed net wealth” shall be taken to be the net wealth assessed under section 16 as reduced by the net wealth declared in the return, if any, furnished by such person, or, as the case may be, the net wealth assessed under section 17 as reduced by—

(i) the net wealth, if any, assessed previously under section 16 or section 17, or

(ii) the net wealth declared in the return, if any, furnished by such person under section 17,

whichever is greater ; ‘.

25. Amendment of Act 7 of 1964.—In the Companies (Profits) Surtax Act, 1964, in the Third Schedule, the proviso shall be omitted.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 26, 27, 29, 30, 31 and 33 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931 (16 of 1931)

— — — — —

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGES ON INCOME-TAX

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 5,000 | 5 per cent. of the total income ; |
| (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 | Rs. 250 <i>plus</i> 10 per cent. of the amount by which the total income exceeds Rs. 5,000 ; |
| (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 | Rs. 750 <i>plus</i> 15 per cent. of the amount by which the total income exceeds Rs. 10,000 ; |
| (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 15,000 ; |
| (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,500 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000 ; |
| (6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 4,000 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 25,000 ; |
| (7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 6,000 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 30,000 ; |

- | | |
|---|---|
| (8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 | Rs. 16,000 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 50,000 ; |
| (9) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000 | Rs. 28,000 <i>plus</i> 65 per cent. of the amount by which the total income exceeds Rs. 70,000 ; |
| (10) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,50,000 | Rs. 47,500 <i>plus</i> 70 per cent. of the amount by which the total income exceeds Rs. 1,00,000 ; |
| (11) where the total income exceeds Rs. 2,50,000 | Rs. 1,52,500 <i>plus</i> 75 per cent. of the amount by which the total income exceeds Rs. 2,50,000. |

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident—

(i) no income-tax shall be payable on a total income not exceeding the following limit, namely :—

(a) Rs. 7,000 in the case of every Hindu undivided family which at any time during the previous year satisfies either of the following two conditions, namely :—

(1) that it has at least two members entitled to claim partition who are not less than eighteen years of age ; or

(2) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family ;

(b) Rs. 4,000 in every other case ;

(ii) where such person is an individual whose total income does not exceed Rs. 10,000 and who has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :—

- | | |
|-------------|--|
| (a) Rs. 145 | in the case of an unmarried individual ; |
| (b) Rs. 220 | in the case of a married individual who has no child mainly dependent on him ; |
| (c) Rs. 240 | in the case of a married individual who has one child mainly dependent on him ; |
| (d) Rs. 260 | in the case of a married individual who has more than one child mainly dependent on him, |

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000, this clause shall have effect as if for the amounts of

Rs. 220, Rs. 240 and Rs. 260, the amounts of Rs. 145, Rs. 165 and Rs. 185 had, respectively, been substituted ;

(iii) where such person is an individual not falling under clause (ii) or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :—

- | | |
|-------------|---|
| (a) Rs. 125 | in the case of an unmarried individual ; |
| (b) Rs. 200 | in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener ; |
| (c) Rs. 220 | in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family ; |
| (d) Rs. 240 | in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family, |

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000, this clause shall have effect as if for the amounts of Rs. 200, Rs. 220 and Rs. 240, the amounts of Rs. 125, Rs. 145 and Rs. 165 had, respectively, been substituted ;

(iv) (A) where such person is an individual whose total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 and who has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax payable by him in respect of such total income shall not exceed the aggregate of—

(1) the income-tax which would have been payable by the individual if his total income had been Rs. 10,000, and

(2) 40 per cent. of the amount by which the total income of the individual exceeds Rs. 10,000 ;

(B) where such person is not an individual whose case falls under sub-clause (A) and the total income of such person does not exceed Rs. 20,000, the income-tax payable thereon shall not exceed 40 per cent. of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Explanation.—For the purposes of clause (ii) and sub-clause (A) of clause (iv) of this proviso, a parent or grand-parent of an individual shall not be treated as being mainly dependent on such individual if the income of the parent or, as the case may be, the grand-parent from all sources in respect of the previous year relevant to the assessment year exceeds one thousand rupees.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 5,000 | 5 per cent. of the total income ; |
| (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 | Rs. 250 <i>plus</i> 10 per cent. of the amount by which the total income exceeds Rs. 5,000 ; |
| (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 | Rs. 750 <i>plus</i> 15 per cent. of the amount by which the total income exceeds Rs. 10,000 ; |
| (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 15,000 ; |
| (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,500 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 20,000 ; |
| (6) where the total income exceeds Rs. 25,000 | Rs. 3,750 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 25,000 ; |

Provided that—

(i) no income-tax shall be payable on a total income not exceeding Rs. 4,000 ; and

(ii) where the total income is Rs. 20,000 or less, the income-tax payable shall not exceed 40 per cent. of the amount by which the total income exceeds Rs. 4,000.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 25,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | 6 per cent. of the amount by which the total income exceeds Rs. 25,000 ; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 1,500 <i>plus</i> 12 per cent. of the amount by which the total income exceeds Rs. 50,000 ; |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 7,500 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder :—

(a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, a surcharge calculated at the rate of ten per cent. of the amount of income-tax computed at the rate hereinbefore specified ;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent. of the amount of income-tax computed at the rate hereinbefore specified ; and

(c) a special surcharge calculated at the rate of ten per cent. on the aggregate of the following amounts, namely :—

(i) the amount of income-tax computed at the rate hereinbefore specified ; and

(ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b), of this sub-paragraph.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

(i) on that part of its total income which consists of profits and gains from life insurance business 52·5 per cent. ;

(ii) on the balance, if any, of the total income the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

I. In the case of a domestic company—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 50,000 45 per cent. of the total income ;

(ii) in a case where the total income exceeds Rs. 50,000 55 per cent. of the total income ;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 10,00,000 55 per cent. ;

(b) on the balance, if any, of the total income 60 per cent. ;

(ii) in any other case 65 per cent. of the total income :

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) 80 per cent. of the amount by which its total income exceeds Rs. 50,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, of the total income 50 per cent. ;

70 per cent.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates:—

	Income-tax	
	Rate of income-tax	Rate of surcharge
1. In the case of a person other than a company—		
(a) where the person is resident—		
(i) on income by way of interest other than “Interest on securities”	10 per cent.	<i>Nil</i>
(ii) on any other income (excluding interest payable on a tax free security)	20 per cent.	2 per cent.
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax free security)	Income-tax at 30 per cent. and surcharge at 3 per cent. of the amount of the income <i>or</i> income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher ;	
(ii) on the income by way of interest payable on a tax free security	15 per cent.	1·5 per cent.
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than “Interest on securities”.	20 per cent.	<i>Nil</i>
(ii) on any other income (excluding interest payable on a tax free security).	22 per cent.	<i>Nil</i>
(b) where the company is not a domestic company—		
(i) on the income by way of dividends payable by an Indian company as is referred to in clause (a) (i) of sub-section (1) of section 80M of the Income-tax Act	14 per cent.	<i>Nil</i>
(ii) on the income by way of dividends payable by any domestic company other than a company referred to in (i) hereinabove	24·5 per cent.	<i>Nil</i>

	Income-tax	
	Rate of income-tax	Rate of surcharge
(iii) on the income by way of royalties payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, and which has been approved by the Central Government	50 per cent.	Nil
(iv) on the income by way of fees payable by an Indian concern for rendering technical services in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, and which has been approved by the Central Government	50 per cent.	Nil
(v) on the income by way of interest payable on a tax free security	44 per cent.	Nil
(vi) on any other income	70 per cent.	Nil

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" or any payment referred to in sub-section (9) of section 80E and computing "advance tax".

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax, or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the following rate or rates :—

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

(1) where the total income does not exceed Rs. 5,000	5 per cent. of the total income ;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 250 <i>plus</i> 10 per cent. of the amount by which the total income exceeds Rs. 5,000 ;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 750 <i>plus</i> 17 per cent. of the amount by which the total income exceeds Rs. 10,000 ;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,600 <i>plus</i> 23 per cent. of the amount by which the total income exceeds Rs. 15,000 ;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,750 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000 ;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,250 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 25,000 ;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 6,250 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 30,000 ;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 16,250 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 50,000 ;
(9) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000	Rs. 28,250 <i>plus</i> 65 per cent. of the amount by which the total income exceeds Rs. 70,000 ;
(10) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,50,000	Rs. 47,750 <i>plus</i> 70 per cent. of the amount by which the total income exceeds Rs. 1,00,000 ;
(11) where the total income exceeds Rs. 2,50,000	Rs. 1,52,750 <i>plus</i> 75 per cent. of the amount by which the total income exceeds Rs. 2,50,000 :

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident—

(i) no income-tax shall be payable on a total income not exceeding the following limit, namely :—

(a) Rs. 7,000 in the case of every Hindu undivided family which at any time during the previous year relevant to the assessment year commencing on the 1st day of April, 1970, satisfies either of the following two conditions, namely :—

(1) that it has at least two members entitled to claim partition who are not less than eighteen years of age ; or

(2) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family ;

(b) Rs. 4,000 in every other case ;

(ii) where such person is an individual whose total income does not exceed Rs. 10,000 and who has, during the previous year relevant to the assessment year commencing on the 1st day of April, 1970, incurred any expenditure for the

maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :—

- | | |
|-------------|--|
| (a) Rs. 145 | in the case of an unmarried individual ; |
| (b) Rs. 220 | in the case of a married individual who has no child mainly dependent on him ; |
| (c) Rs. 240 | in the case of a married individual who has one child mainly dependent on him ; |
| (d) Rs. 260 | in the case of a married individual who has more than one child mainly dependent on him, |

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000 in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1970, this clause shall have effect as if for the amounts of Rs. 220, Rs. 240 and Rs. 260, the amounts of Rs. 145, Rs. 165 and Rs. 185 had, respectively, been substituted ;

(iii) where such person is an individual not falling under clause (ii) or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :—

- | | |
|-------------|---|
| (a) Rs. 125 | in the case of an unmarried individual ; |
| (b) Rs. 200 | in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener ; |
| (c) Rs. 220 | in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family ; |
| (d) Rs. 240 | in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family, |

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000 in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1970, this clause shall have effect as if for the amounts of Rs. 200, Rs. 220 and Rs. 240, the amounts of Rs. 125, Rs. 145 and Rs. 165 had, respectively, been substituted ;

(iv) (A) where such person is an individual whose total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 and who has, during the previous year relevant to the assessment year commencing on the 1st day of April, 1970, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax payable by him in respect of such total income shall not exceed the aggregate of—

(1) the income-tax which would have been payable by the individual if his total income had been Rs. 10,000, and

(2) 40 per cent. of the amount by which the total income of the individual exceeds Rs. 10,000 ;

(B) where such person is not an individual whose case falls under sub-clause (A) and the total income of such person does not exceed Rs. 20,000, the income-tax payable thereon shall not exceed 40 per cent. of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Explanation.—For the purposes of clause (ii) and sub-clause (A) of clause (iv) of this proviso, a parent or grand-parent of an individual shall not be treated as being mainly dependent on such individual if the income of the parent or, as the case may be, the grand-parent from all sources in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1970, exceeds one thousand rupees.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 10,000 | 15 per cent. of the total income ; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 | Rs. 1,500 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 10,000 ; |
| (3) where the total income exceeds Rs. 20,000 | Rs. 4,000 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 10,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 | 4 per cent. of the amount by which the total income exceeds Rs. 10,000 ; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 600 <i>plus</i> 6 per cent. of the amount by which the total income exceeds Rs. 25,000 ; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,100 <i>plus</i> 12 per cent. of the amount by which the total income exceeds Rs. 50,000 ; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 8,100 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder :—

(a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, a surcharge calculated at the rate of ten per cent. of the amount of income-tax computed at the rate hereinbefore specified ;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent. of the amount of income-tax computed at the rate hereinbefore specified ; and

(c) a special surcharge calculated at the rate of ten per cent. on the aggregate of the following amounts, namely :—

(i) the amount of income-tax computed at the rate hereinbefore specified ; and

(ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b), of this sub-paragraph.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	50 per cent.
----------------------------------	--------------

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

(i) on that part of its total income which consists of profits and gains from life insurance business	52·5 per cent. ;
---	------------------

(ii) on the balance, if any, of the total income	the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.
--	--

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

I. In the case of a domestic company—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 50,000 45 per cent. of the total income ;

(ii) in a case where the total income exceeds Rs. 50,000 55 per cent. of the total income ;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 10,00,000 55 per cent. ;

(b) on the balance, if any, of the total income 60 per cent. ;

(ii) in any other case 65 per cent. of the total income :

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company) ; and

(b) 80 per cent. of the amount by which its total income exceeds Rs. 50,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government 50 per cent. ;

(ii) on the balance, if any, of the total income 70 per cent.
