

**FINANCE ACT, 1969**

**14 of 1969**

**[13th May, 1969]**

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**FINANCE ACT, 1969**

**14 of 1969**

**[13th May, 1969]**

An Act 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 1  
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.

**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, 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 (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, Section 194 of the Income Tax Act, 1961, Section 194A of the Income Tax Act, 1961 and Section 195 of the Income Tax Act, 1961 at the rate 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, 1961 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 Income tax Act, 1961 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, 1961 ;

(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 VI-A 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.

**3. . :-**

Note.- These sections amended, various provisions of Income tax Act, 1961 . These amendments were incorporated in that Act.

**4. . :-**

Note.- These sections amended, various provisions of Income tax Act, 1961 . These amendments were incorporated in that Act.

**5. . :-**



**24. . :-**

Note.- This section amends Wealth-tax Act, 1957. These' amendments were incorporated in that Act.]

**25. Amendment of Act 7 of 1964 :-**

In Companies (Profits) Surtax Act, 1964 , in the Third Schedule, the proviso shall be omitted.

**CHAPTER 5**

**INDIRECT TAXES**

**26. 26 :-**

Note.- This section amended Tariff Act, 1934 which has been repealed and replaced by Customs Tariff Act, 1975 .]

**27. Special duties of customs :-**

This section dealt with levy of special duty on certain goods chargeable to customs duty specified in Schedule to Tariff Act, 1934, which Act is now repealed and replaced by Customs Tariff Act, 1975 .]

**28. Regulatory duties of customs :-**

(1) With a view to regulating or bringing greater economy in imports, there shall be levied and collected with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act or in that Schedule as amended by a subsequent Central Act, if any, a regulatory duty of customs not exceeding -

(a) 25 per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A, or sub-section (1) of S.4 of the Tariff Act, 1975; or

(b) 10 per cent. of the value of the goods as determined in accordance with the provisions of Section 14 of the Customs Act, 1962 , whichever is higher: Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1970, except as respects things done or omitted to be done before such cesser; and Section 6 of the General Clauses Act, 1897 , shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The regulatory duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under Customs Act, 1962

(4) The provisions of Customs Act, 1962 , and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

**29. Amendment of Act 1 of 1949 :-**

Indian Tariff (Amendment) Act, 1949 is now repealed and replaced by the Customs Tariff Act, 1975 (51 of 1975).]

**30. Note :-**

This section amended the Central Excises and Salt Act, 1944. These amendments were incorporated in that Act.]

**31. Special duties of excise on certain goods :-**

(1) When goods of the description mentioned in this section chargeable with duty of excise under the Central Excises Act (as amended by this Act or any subsequent Central Act) read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, are assessed to duty, there shall be levied and collected-

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A except sub-item (1) thereof, 23B, 28, 29, sub-items (2) and (3) of Item No. 31 and Item No. 32 of the First Schedule to the Central Excises Act, a special duty of excise equal to 10 per cent of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2,3(1), sub-items I, II (2) and II (3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A (2), 21,22, 23, 23A (1), 27,30,31(1), 33, sub-items (1), (3a) and (4) of Item No. 34 and sub-items 11(1) and (II) (2) of Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent of the total amount so chargeable on such goods; and

(c) as respects goods comprised in sub-item II (1) of Item No. 4 and Items Nos. 18, 18A (1), 18B, 20, 29A, 33A, and sub-items (2) and (3) of Item No. 34 of that Schedule, a special duty of excise equal to 33 1/2 per cent. of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1970, except as respects things done or omitted to be done before such cesser; and S.6 of the General Clauses Act. 1897, shall apply upon such cesser a-) if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to





