

FINANCE ACT, 1983

11 of 1983

[13th May, 1983]

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SCHEDULE 1 :- RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

FINANCE ACT, 1983

11 of 1983

[13th May, 1983]

An Act to give effect to the financial proposals of the Central Government for the financial year 1983-84. BE it enacted by Parliament in the Thirty-fourth 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, 1983.

(2) Save as otherwise provided in this Act, sections 2 to 43 and section 59 shall be deemed to have come into force on the 1st day of April, 1983.

CHAPTER 2 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, 1983. income-tax shall be charged at the rates specified in Part I of the First Schedule and shall be increased, ~-

(a) in the cases to which Paragraphs A, B, C, and D of that Part apply, by a surcharge for purposes of the Union; and

(b) in the cases to which Paragraph E of that Part applies, by a surcharge, calculated in each case in the manner provided therein.

(2) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding six hundred rupees, in addition to total income, and the total income exceeds.-

(i) in a case to which the said Sub-Paragraph I applies, fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees, then,-

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after,-

(i) in a case to which the said Sub-Paragraph I applies, the first Fifteen thousand rupees, and;

(ii) in a case to which the said Sub-Paragraph II applies, the first eight thousand rupees, of the total income but without being liable to tax), only for the purpose of charging income- tax in respect of the total income, and

(b) the income-tax chargeable shall be calculated as follows :--

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income. Provided that in a case referred to in the said Sub-Paragraph II, for the purpose of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of the proviso below Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income-shall be increased.-

(A) in a case to which the said Sub-Paragraph I applies, by a, sum of Fifteen .thousand rupees, and

(B) in a case to which the said Sub-Paragraph II applies, by a sum of eight thousand rupees. and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or. as the case may be Sub-Paragraph II of the said Paragraph A. as if the net agricultural income as so increased were the total income: Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply:

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii); Provided that in a case referred to in the said Sub-Paragraph II, where the sum so arrived at exceeds sixty per cent of the amount by which the total income exceeds

twelve thousand rupees, the excess shall be disregarded:

(iv) the amount of income-tax determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(3) in cases to which the provisions of Chapter 12 or section 164 or section 164A or Section 167A of the Income tax Act, 1961 (hereinafter referred to as the Income tax Act) apply the tax chargeable shall be determined as provided in that Chapter or that section and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, 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 , Section 194B of the Income Tax Act, 1961 , Section 194BB of the Income Tax Act, 1961 , Section 194D of the Income Tax Act, 1961 and Section 195 of the Income Tax Act, 1961 at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(5) Subject to the provisions of sub-section (6), in cases in which income-tax has to be calculated under the first proviso to the 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 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: Provided that in cases to which the provisions of Chapter 12 or Chapter 12A or Section 164 or Section 164A or Section 167A of the Income tax Act, 1961 apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be: Provided further that an assessee, being a company, may, in lieu of payment of one-half of the amount of surcharge on income-tax at the rate specified in Paragraph E of Part III of the First Schedule make a deposit under the scheme framed under sub-section (7) before the last installment of "advance tax" is due in its case, and where it does so the Surcharge on income-tax payable by it shall be reduced-

(i) in a case where the amount of the deposit so made is equal to. or exceeds, one-half of the amount of surcharge on income-tax payable by it, by one-half of the amount of surcharge payable by it: and

(ii) in a case where the amount of the deposit so made falls short of one-half of the amount of surcharge on income-tax payable by it, by the amount of the deposit.

(6) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act. income-tax is to be charged in respect of the income of a period other than the previous year, in such other period any net agricultural income exceeding six hundred rupees, in addition to total income and the total income exceeds,- - -

(i) in a case to which the said Sub-Paragraph I applies, fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees, then. in calculating income-tax under the first proviso to sub-section (5) of Section 132 of the Income tax Act, 1961 or in charging Income-tax under sub-section (2) of Section 174 or Section 175 or sub-section (2) of Section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,- - -

(a) the net agricultural income shall be taken into account, in the manner provided in Clause (b) (that is to say, as if the net agricultural income were comprised in the total income after, -

(i) in a case to which the said Sub-Paragraph I applies, the first fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, the first eight thousand rupees, of the total income but without being liable to tax, only for the purpose of calculating, charging or computing such income-tax or, as the case may be. "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows:-

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income: Provided that in a case referred to in the said Sub-Paragraph II. for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub- Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income shall be increased,-

(A) in a case to which the said Sub-Paragraph I applies, by a sum of fifteen thousand rupees; and

(B) in a case to which the said Sub-Paragraph II applies, by a sum of eight thousand rupees, and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the

rates specified in the said Sub-Paragraph I or, as the case may be, the said Sub-Paragraph II, as if the net agricultural income as so increased were the total income: Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of Clause (ii) of the proviso below the said Sub-paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (ii). Provided that in a case referred to in the said Sub-Paragraph II where the sum so arrived at exceeds sixty per cent, of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded;

(iv) the amount of income-tax or "advance tax" determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union, calculated at the rate of twelve and one-half per cent. of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(7) Where an assessee, being a company, makes, during the financial year commencing on the 1st day of April, 1983, any deposit with the Industrial Development Bank of India established under Industrial Development Bank of India Act, 1964 under any such scheme as the Central Government may by notification in the Official Gazette, frame in this behalf, then the surcharge on income-tax payable by the company for the assessment year commencing on the 1st day of April 1984 shall be reduced:-

(i) in a case where the amount or the deposit so made is equal to or exceeds, one-half of the amount of surcharge on income-tax payable by it by one half of the amount of surcharge payable by it, and

(ii) in a case where the amount of the deposit so made falls short of one-half of the amount of surcharge on income-tax payable by it, by the amount of the deposit.

(8) 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, 1983, 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 S. 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 anyone 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; Provided that this clause, shall not apply for the purposes of Paragraph E of Part III of the First Schedule, and for the purposes of that Paragraph, the expression "industrial company", shall have the meaning assigned to it in the Explanation at the end of that Paragraph ,

(d) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or renewal of policies of insurance);

(e) "net agricultural income", in relation to a person means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(f) "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;

(g) all other words and expressions used in this section or in 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 3 DIRECT TAXES

3. . :-

Amended the following sections of the Income-tax Act, which are being incorporated in the principal Act and hence not printed here at. Sections affected are 2; 9; II; 13; 24; 32;32A; 35; 35B; 35C; 35CC;35CC-A; 37; 43B; (ins.); 44D; 54E; 80C; 80GG; 80GG-A; 80HH-C: (ins.);80I; 80JJ; 80JJ-A; (omitted) 80L; 80MM (omitted) 80P; 80R; CHAP VIB(containing S.80VVA-ins) 89A (omitted) 109; 115A; CHAPTER XII A(containing Ss. 115C to 115I-ins.) 164; 280ZA; and section 39 made consequential amendments in sections II, 80A; 80G, 80P;

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40. Revival of levy of Wealth-tax in the case of closely-held companies :-

Note this section has been omitted by Finance Act 18 to 1992 S. 117 (1-4-1993)].

41. 41 :-

Ss . (Amendments to Wealth-tax Act incorporated in that Act. hence not given,]

42. Amendment of section 5 :-

(Amendments incorporated in the Principal Act].

43. Amendment of section 4 :-

In S.4 of the Interest-tax Act, 1974 the following proviso shall be inserted at the end, namely:- "Provided that the rate at which interest-tax shall be charged in respect of any chargeable interest accruing or arising after the 31st day of March, 1983 shall be three and a half per cent. of such chargeable interest"

44. Amendment of Act 51 of 1975 :-

Amendments incorporated in the Customs Tariff Act, 1975]

45. Auxiliary duties of customs :-

(1) In the case of goods mentioned in the First Schedule to the Customs Tariff Act, or in that Schedule as amended from-time to time. there shall be levied and collected as an auxiliary duty of customs an amount equal to fifty percent. of the value of the goods as determined in accordance with the provisions of Section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1984, 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 been repealed by a Central Act.

(3) The auxiliary duties of customs referred to in sub-section (1) shall be in addition to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

(4) The provisions of the Customs Act, 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 auxiliary duties 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, as the case may be.

46. . :-

Amendments incorporated in Customs Act, 1962].

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54. Amendment of Act 1 of 1944 :-

Amendments incorporated in the Principal Act]

55. Special duties of excise :-

(1) In the case of goods chargeable with a duty of excise under the Central Excises Act as amended from time to time, read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, (not being a notification providing for any exemption for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under the said Act. or the additional duty under Section 3 of the Customs Tariff Act, 1975 , already paid on the raw material or component parts used in the production or manufacture of such goods), there shall be levied and collected a special duty of excise equal to ten per cent. of the amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1984 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 special duties of excise referred to in sub-section (1) shall be in .addition to any duties of excise chargeable on such goods under Central Excises Act. or any other law for the time being in force.

(4) The provisions of the Central Excises Act and the rules 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 special duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

56. Amendment of Act 58 of 1957 :-

~ [Amendments incorporated in the Principal Act]

57. Amendment of Act 40 of 1978 :-

Amendments incorporated in the Principal Act]

58. Amendment to Indian Post Office Act, 1898 :-

Incorporated in that Act, hence not given].

SCHEDULE 1

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

(See section 2) \ \ \ \ PART 1 \ \ \ INCOME-TAX AND SURCHARGE ON INCOME-TAX \ \ \ \ Paragraph A \ \ \ \ (Sub-Paragraph) 1 III the individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or artificial juridical person referred to in sub-clause (vii) of clause (31) of S.2 of the Income tax Act, 1961, not being a case to which Sub-Paragraph or any other Paragraph of this Part applies.

income-tax

the total income does not exceed Nil; Rs. 15,000 (2) where the total income exceeds Rs. 15,000 \ 30 per cent of the amount by which the but does not exceed Rs. 25,000 exceeds Rs. 15,000; (3) where the total income exceeds Rs. 25,000 \ Rs. 3,000 plus 34 per cent. of the amount by which but does not exceed Rs.30,000 the total income exceeds Rupees 25,000; (4) where the total income exceeds Rs. 30,000 \ Rs. 4,700 cent. of the amount by which but does not exceed Rs. 50,000 the total income exceeds Rupees 30,000; (5) where the total income exceeds Rs. 12,700 plus 50 per cent of the amount by which but does not exceed Rs. 60,000 the total income exceeds Rupees 50,000; (6) where the total income exceeds Rs. 60,000 Rs. 17,700 plus 52.5 per cent. of the amount by which but does not exceed Rs. 70,000 the total income exceeds Rs. 60,000; (7) where the total income exceeds Rs. 70,000 \ Rs. 22,950 plus 55 per cent. of the amount by which but does not exceed Rs. 85,000 the total income exceeds Rupees 70,000; (8) where the total income exceeds Rs. 85,000 Rs. 31,200 plus 57.5 per cent. of the amount by which but does not exceed Rs. 1,00,000 the total income exceeds Rupees 85,000; (9) where the total income exceeds Rs. 1,00,000 Rs. 39,825 plus 60 per cent of the amount by which the total income exceeds Rupees 1,00,000.

\Surcharge on income-tax The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax. \ \ \ \ Sub-Paragraph II In the case of undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to assessment year commencing on the 1st day of April, 1983 exceeds Rs. 15,000,- - -

income-tax

the total income does not exceed Nil. Rs. 8,000 (2) where the total income exceeds Rs. 8,000 22 per cent. of the amount by which the total income does not exceed Rs. 15,000 exceeds Rs. 8,000; (3) where the total income exceeds Rs. 15,000 Rs. 1,540 plus 27 per cent. of the amount by which but does not exceed Rs. 20,000 the total income exceeds Rupees 15,000; (4) where the total income exceeds Rs. 20,000 Rs. 2,890 plus 35 per cent of the amount by which but does not exceed Rs. 25,000 the total income exceeds Rupees 20,000; (5) where the total income exceeds Rs. 25,000 Rs. 4,640 plus 40 per cent. of the amount by which but does not exceed Rs. 30,000 the total income exceeds Rupees 25,000; (6) where the total income exceeds Rs. 30,000 Rs. 6,640 plus 50 per cent. of the amount by which but does not exceed Rs. 50,000 the total income exceeds Rupees 30,000; (7) where the total income exceeds Rs. 50,000 Rs. 16,640 plus 60 per cent. of the amount by which the total income exceeds Rupees 50,000.

that for this purposes of the Sub-Paragraph.--- (i) no income-tax shall be payable on a total income not exceeding Rs. 12,000; (ii) where the total income exceeds Rs. 12,000 but does not exceed Rs. 17,610. the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 12,000. \ \ \ \ Surcharge on income-tax The amount of income-tax computed in accordance with the preceding provisions of this Sub-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 II In the case of every co-operative society, -

\Rates of income-tax

the total income does not exceed 15 per cent. of the total income: Rs. 10,000 (2) where the total income exceeds Rs. 10,000 Rs. 1,500 plus 15 per cent. of the amount by which but does not exceed Rs. 20,000 the total income exceeds Rupees 10,000; (3) where the total income exceeds Rs. 20,000 Rs. 4,000 plus 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 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 C \ \ \ \ Sub-Paragraph II In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,---

income-tax

the total income does not exceed Nil: Rs. 10,000. (2) where the total income exceeds Rs. 10,000 5 per cent. of the amount by which the total income does not exceed Rs. 25,000 exceeds Rs. 10,000; (3) where the total income exceeds Rs. 25,000 Rs. 750 plus 7 per cent. of the amount by which but does not exceed Rs. 50,000 the total income exceeds Rupees 25,000; (4) where the total income exceeds Rs. 50,000 Rs. 2,500 plus 10 per cent of the amount by which but does not exceed Rs. 1,00,000 the total income exceeds Rupees 50,000; (5) where the total income exceeds Rs. 1,00,000 Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rupees 1,00,000.

\Surcharge on income-tax The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax. \ \ \ \ Sub-Paragraph II In the case of every 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---

income-tax

the total income does not exceed Nil; Rs.10000 (2) where the total income exceeds Rs. 10,000 4 per cent. of the amount by which the total income does not exceed Rs. 25000 exceeds Rs. 10,000; (3) where the total income exceeds Rs. 25,000 Rs. 600 plus 7 per cent. of the amount by which the total income does not exceed Rs. 50,000 the total income exceeds Rupees 25,000; (4) where the total income exceeds Rs. 50,000 Rs. 2,350 plus 13 per cent. of the amount by which but does not exceed Rs. 1,00,000 the total income exceeds Rupees 50,000; (5) where the total income exceeds Rs. 1,00,000 Rs. 22 per cent. of the amount by which the total income exceeds Rupees 1,00,000.

\Surcharge on Income-tax The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be a surcharge for purposes of the Union calculated: at the rate of ten per cent. of such income-tax. . Explanation.--- For the purposes of this Sub-Paragraph "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of S.183 of the Income tax Act, 1961. \ \ \ \ 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 a company,---

\Rates of Income-tax

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. 1,00,000 45 per cent. of the total income; not exceed Rs. 1,00,000 (ii) in a case where the total income exceeds Rs. 1,00,000 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 where the total income does not exceed Rs. 2,00,000 55 per cent of the total income; exceed Rs. 2,00,000 (b) where the total income exceeds Rs. 2,00,000 60 per cent. of the total income; (ii) in any other case 65 per cent. of the total income;

that --- (ii) the income-tax payable by a domestic (i) the income-tax payable by a domestic company, not being a company in which the public are substantially interested, being a company in which the public are substantially interested, which is an industrial company in which the public are substantially interested, the total income

company and the total income of which exceeds Which exceeds Rs. 1,00,000. shall not exceed the Rs. 2,00,000, shall not exceed the aggregate of- (a) the income-tax which would have been (a) the income-tax which would have been payable by the company if its total income by the company if its total income had been Rs. 1,00,000 (the income of had been Rs. 2,00,000 (the income of Rs. 2,00,000 Rs. 1,00,000 purposes being computed for purpose being computed as if such as if such income included income from various income included income sources in sources in the same proportion as the total the same proportion as the total income of the income of the company); and compute eight per cent. of the amount by which (b) eighty per cent. of the amount by which its total income exceeds Rupees 1,00,000; its total income Rupees 2,00,000. II. In the case of a company other, than a domestic company.--- (i) on so much of the total income as consists of- (a) received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 but till day of April, 1976, or (b) fees for rendering technical services received from an Indian concern in pursuance of agreement made by it with concern after the 29th day of February, 1964 but before the 1st day of April, 1976, and when; such agreement has, in 50 per cent.: either approved by the Central Government (ii) on-the balance, if any, of the total income 50 per cent.

amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculate of two and a half per cent of such income-tax.PART 2 \\ \Rates for deduction of tax at source in certain cases \\ In every case in which unprovisions of sections 193, S.194 of the Income Tax Act, 1961, S.194A of the Income Tax Act, 1961, S.194B of the Income Tax Act, 1961 the Income Tax Act, 1961, S.194D of the Income Tax Act, 1961 and S.195 of the Income Tax Act, 1961, tax is to be deducted at the rates deduction shall be made from the income \\subject to deduction at the following rates :--

tax	Rate of Rate of	income-tax surcharge
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case of a person other than a company -' (a) where the person is resident in India- (i) on income by way of interest other 10 per cent Nil on securities" (ii) on income by way of winnings 30 per cent. 3.75 per cent.; from lotteries and crossword puzzles (iii) on income by way 30 per cent. 3.75 per cent.; from horse races (iv) on income by way of insurance 10 per cent. Nil; commission (v) on income by way of interest on- (A) Any security, other than a tax- 10 per cent. Nil; free security, of the Central or a State Government; (B) any debentures or other securities money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; (C) any debentures company where such debentures are listed in a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) and any rules made thereunder. (vi) on any other income (excluding 20 per cent. 2.5 per cent.; interest payable on a tax-free security) (b) person is not resident in India- (i) in the case of a non-resident Indian-- (A) on investment income and 20 per cent. 2.5 per cent.; long-term gains (B) on income by way of interest 1,875 per cent payable on a tax-free security (C) on the whole of the other income income-tax at 3.75 per cent. and surcharge at 3.75 per cent. of the amount of the income, or income-tax and surcharge on income-tax in respect of the income at the rate prescribed in Sub-Paragraph-I of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher; of any other person,--- (A) on the whole of income income-tax at 30 per cent. and surcharge at (excluding interest payable -on a 3.75 per cent amount of the income, tax-free security) or income-tax, and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph A of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher; (B) on income by way of interest 18.75 per cent.; payable on a tax-free security 2. In the case of a company- (a) where the company is a domestic company- (i) on income by way of interest other 20 per cent. 1 per cent.; than "Interest on securities" (ii) on any other income (excluding 21.5 per cent... 1.075 per cent.; interest payable on a tax-free security) (b) where the company is not a domestic company--- (i) on income by way of dividends 25 per cent. Nil; (ii) on income by way of interest pay- 25 per cent able by Government or an Indian concern on moneys borrowed or deposited by Government or the Indian concern in foreign currency (iii) on income by way of royalty payable 40 per cent. Nil; Government or by an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976, where such agreement is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book or article or in respect of the proviso to sub-section (I A) of Section 17A of the Income-tax Act, to the Indian concern (iv) on income by way of royalty [not being the nature referred to in sub-section (b) (iii)] payable by Government or an Indian concern in pursuance of an agreement made by it with Government or Indian concern and which has been approved by the Central Government,--- (A) where the agreement is made 50 per cent. after the 31st day of March, 1961 but before the 1st day of April, 1976 (B) where the agreement is made after the 31st day of March so much of the amount of 20 per cent. Nil: such income as consists of lump sum consideration for the transfer outside India of, or the information outside India in respect of any data, documentation, drawing or specification relating to any patent, invention, model, design, formula or process, or trade mark or similar property (2) on the balance, if any, of such 40 per cent. Nil. income (v) on income by way of technical services payable by Government or an Indian concern in pursuance of an agreement made by it with Government or the Indian concern which has been approved by the Central Government--- (A) where the agreement is 50 per cent. 2.5 per cent. made after the 29th day of 1964 but before the 1st day of April. 1976 (B) where the agreement is 40 per cent. Nil; made after the 31st day of March. 1976 (vi) on income by way of interest 44 per cent. 2.2 per cent.; payable on a tax-free security (vii) on any other income 70 per cent. 3.5 per cent. Explanation.- For this Part, "investment income", "Long term capital gains" and "non-resident Indian" shall have the meanings assigned to them in Chapter 3 of this Act. \\PART 3

Rates for calculating or charging income-tax in \\deducted under' sub-section (9) of Section 80E of certain cases deducting income-tax from said Act from any payment referred to in the chargeable under the head "Salaries" or any payment \\said said-section (9) or in which the referred to in sub-section (9) of Section 80E and \\payable under Chapter XVII-C of the said Act has to computing "advance tax", the computation of rates or fates in force such income- in cases in which income-tax has to be calculated \\tax or, as the case may be. "advance tax:" (not being first proviso to sub-s. (5) of s. 132 of \\advance tax" in respect of any income chargeable under the Income-tax Act or charged under sub-section (2) of Section 175 or Chapter XII -A, or Section of Section 172 or sub-section (2) of section 174 or \\164 or Section 164A or Section 167A Income- section 175 or sub-section (2) of Section 176 of the \\tax. Act at the rates as specified in that Chapter or said Act or deducted under section 192 of the said Act \\section), shall be so calculated, charged, deducted or from income chargeable under the head "Salaries" or \\computation following rate or rates,:

Paragraph A Sub-Paragraph I In the case of every individual or Hindu undivided family or unregistered firm or other association of persons individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of this Act, not being a case: to which Sub- Paragraph II of this Paragraph or any other Paragraph of this Part applies, --- Rates of income-tax (1) where the total income does not exceed Nil; Rs. 15,000 (2) where the total income exceeds Rs. 15,000 25 per cent. of the amount by which the total income does not exceed Rs. 20,000 exceeds Rs.; 15,000; (3) where the total income exceeds Rs. 20,000 Rs. 1,250 plus 30 per cent of the amount does not exceed Rs. 25,000 the total income exceeds Rupees 20,000; (4) where the total income exceeds Rs. 25,000 Rs. 2,750 plus 35 per cent amount by which but does not exceed Rs. 30,000 the total income exceeds Rupees 25,000; (5) where the total income exceeds Rs. 30,000 plus 40 per cent. of the amount by which but does not exceed Rs. 50,000 the total income exceeds Rupees 30,000; (6) where the total income exceeds Rs. 50,000 Rs. 12,500 plus 50 per cent. of the amount by which but does not exceed Rs. 60,000 the total income exceeds Rupees 50,000; (7) where the total income exceeds Rs. 60,000 Rs. 17,500 plus 52.5 per cent. of the amount by which but does not exceed Rs. 70,000 the total income exceeds Rupees 60,000; (8) where the total income exceeds Rs. 70,000 Rs. 22,750 plus 55 per cent. of the amount by which but does not exceed Rs. 85,000 the total income exceeds Rupees 70,000; (9) where the total income exceeds Rs. 85,000 Rs. 31,000 plus 57.5 per cent. of the amount by which but does not exceed Rs. 1,00,000 the total income exceeds Rupees 85,000; (10) where the total income exceeds Rs. 1,00,000 Rs. 39,625 plus 60 per cent amount by which the total income exceeds Rupees 1,00,000. \\Surcharge on Income-tax The amount of Income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at twelve and a half per cent. of such income-tax. Sub-Paragraph II In the case of every Hindu undivided family which at any time during the year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April exceeds Rs. 15,000.--- Rates of income-tax (1) where the total income does not exceed Nil: Rs. 8,000/- (2) where the total income exceeds Rs. 8,000/- 22 per cent. of the amount by which the total income but does not exceed Rs. 15,000/- exceeds Rs. 8,000/-; (3) where the total income exceeds Rs. 15,000/- Rs. 1,540/- plus 27 per cent. of the amount by which but does not exceed Rs. 20,000/- the total income exceeds Rupees 15,000 the total income exceeds Rs. 20,000/- Rs. 2,890/- plus 35 per cent. of the amount by which but does not exceed Rs. 25,000/- the total income exceeds Rs. 20,000/-; (5) where the total income exceeds Rs. 25,000/- Rs. 4,640/- plus 40 per cent. of the amount by which but does not exceed Rs. 30,000/- the total income exceeds Rupees 25,000/-; (6) where the total income exceeds Rs. 30,000/- Rs. 6,640/- plus 50 per cent. of the amount by which but does not exceed Rs. 50,000/- the total income exceeds Rupees 30,000/-; (7) where the total income exceeds Rs. 50,000/- Rs. 10,640/- plus 60 per cent. of the amount by which \\the total income exceeds Rupees 50,000/-. Provided that for the purposes of this Sub-Paragraph (i) no income-tax shall be payable on a total income not exceeding Rs. 12,000/-; (ii) where the total income exceeds Rs. 12,000/- but does not exceed Rs. 25,000/- the total income exceeds Rs. 12,000/- plus 50 per cent. of the amount by which but does not exceed Rs. 30,000/- the total income exceeds Rs. 12,000/-; (iii) where the total income exceeds Rs. 30,000/- but does not exceed Rs. 50,000/- the total income exceeds Rs. 12,000/- plus 60 per cent. of the amount by which but does not exceed Rs. 70,000/- the total income exceeds Rs. 12,000/-; (iv) where the total income exceeds Rs. 70,000/- but does not exceed Rs. 1,00,000/- the total income exceeds Rs. 12,000/- plus 70 per cent. of the amount by which but does not exceed Rs. 1,00,000/- the total income exceeds Rs. 12,000/-; (v) where the total income exceeds Rs. 1,00,000/- but does not exceed Rs. 2,00,000/- the total income exceeds Rs. 12,000/- plus 80 per cent. of the amount by which but does not exceed Rs. 2,00,000/- the total income exceeds Rs. 12,000/-.

previous year relevant to the assessment year commencing on the 1st day of April, 1978. or the 1st day of April, 1979 or the 1st day of April, 1981 or the 1st day of April, 1982, (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1981 or the 1st day of April, 1982, (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1981 or the 1st day of April, 1982, (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, and (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, shall be set off against the agricultural income of the assessee for the assessment year commencing on the 1st day of April, 1983. (2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1984, or if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in which other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for anyone or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1982 or the 1st day of April, 1983 is a loss, then, for the purposes of sub-section (6) of section 2 of this Act, the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976; to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983, (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980, or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983, (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the 1st day of April, 1980, or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983, (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983, (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983, (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1982 or the 1st day of April, 1983, (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, (viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, or the period aforesaid. (3) Where a change has occurred in the constitution of a firm, nothing in sub-section (1) or sub-rule (2) shall entitle the firm to set off so much of the loss proportionate to the share of a retired or deceased partner computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income tax Act, 1961 as exceeds his share of profit in the previous year in the firm, or entitle any partner to the benefit of any portion of the said loss (computed in the manner aforesaid) which is apportionable to him. (4) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to set off under sub-rule (1) or, as the case may be, sub-rule (2). (5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules, or the rules contained in Part IV of the First Schedule to Finance Act, 1976 or of the First Schedule to Finance (No.2) Act, 1977, or of the Schedule to Finance Act, 1978 or of the First Schedule to Finance Act, 1979 or of the First Schedule to Finance (No. 2) Act, 1980 or of the First Schedule to Finance Act, 1981, or of the First Schedule to Finance Act, 1982 shall be set off under, sub-rule (1) or, as the case may be, sub-rule (2). Rule 10, --- Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be nil. Rule 11. --- the provisions of the Income-tax Act relating to procedure for assessment; (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modification apply in relation to the computation of the net agricultural income of the assessee; they apply in relation to the assessment of the total income. Rule 12.--- For the purposes of computing the net agricultural income of the assessee, the Income-tax Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.