

Finance Act 1972

Schedule I - First Schedule

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	Nil;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	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. 500 plus 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. 1,350 plus 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. 2,500 plus 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 plus 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. 40,000	Rs. 6,000 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000	Rs. 11,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 40,000;
(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000	Rs. 23,000 plus 70 per cent. of the amount by which the total income exceeds Rs. 60,000;
(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000	Rs. 37,000 plus 75 per cent. of the amount by which the total income exceeds Rs. 80,000;
(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000	Rs. 52,000 plus 80 per cent. of the amount by which the total income exceeds Rs. 1,00,000;
(12) where the total income exceeds Rs. 2,00,000	Rs. 1,32,000 plus 85 per cent. of the amount by which the total income exceeds Rs. 2,00,000 :

Provided that for the purposes of this Paragraph, in the case of a Hindu undivided family which at any time during the previous year satisfies either of the following two conditions, namely :-

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

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

(i) no income-tax shall be payable on a total income not exceeding Rs. 7,000;

(ii) where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 7,000.

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 following rates, namely :-

(a) in a case where the total income does not exceed Rs. 15,000	10 per cent.;
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(b) in any other case	15 per cent. :
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Provided that the amount of surcharge payable shall, in no case, exceed the aggregate of the following sums, namely :-

- (i) an amount calculated at the rate of 10 per cent. on the amount of income-tax on an income of Rs. 15,000, if such income had been the total income (the income of Rs. 15,000 for this purposes being computed as if such income included income from various sources in the same proportion as the total income of the person concerned); and
- (ii) 40 per cent. of the amount by which the total income exceeds Rs. 15,000.

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 plus 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 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 at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen 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	Nil;
(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. 500 plus 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 plus 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 plus 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 fifteen 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.

Explanation : For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

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 fifteen 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 total income 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.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge calculated at the rate of two and half per cent. of such income-tax.

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.;
(2) 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.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge calculated at the rate of two and a half per cent. of such income-tax.

Part II

Rates for Deduction of Tax of Source in Certain Cases

In every case in which under the provisions of sections 193, 194, 194A, 194B and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall made be 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.	Nil;
(ii) on income by way of winning from lotteries and corssword puzzles	30 per cent.	Nil;
(iii) on any other income (excluding interest payable on a tax free security)	20 per cent.	3 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 4.5 per cent. of the amount of the income or 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.	2.5 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.	1 per cent;
(ii) on any other income (excluding interest payable on a tax free security)	22 per cent.	1 per cent;
(b) where the company is not a domestic company		
(i) on the income by way of dividends payable by any domestic company	24.5 per cent.	1.225 per cent.
(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.	2.5 per cent.;
(iii) 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.	2.5 per cent;
(iv) on the income by way of interest payable on a tax free security	44 per cent.	2.2 per cent ;
(vi) on any other income	70 per cent.	3.5 per cent.

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" (not being "advance tax" in

respect of any income chargeable to tax under section 164 of the Income-tax Act at the rate of sixty-five per cent.) 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, -

Rates of Income-Tax

(1) where the total income does not exceed Rs. 5,000	Nil;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	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. 500 plus 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. 1,350 plus 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. 2,500 plus 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 plus 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. 40,000	Rs. 6,000 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000	Rs. 11,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 40,000;
(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000	Rs. 23,000 plus 70 per cent. of the amount by which the total income exceeds Rs. 60,000;

(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000	Rs. 37,000 plus 75 per cent. of the amount by which the total income exceeds Rs. 80,000;
(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000	Rs. 52,000 plus 80 per cent. of the amount by which the total income exceeds Rs. 1,00,000;
(12) where the total income exceeds Rs. 2,00,000	Rs. 1,32,000 plus 85 per cent. of the amount by which the total income exceeds Rs. 2,00,000 :

Provided that for the purposes of this Paragraph, in the case of a Hindu undivided family which at any time during the previous year relevant to the assessment year commencing on the 1st day of April, 1973, satisfies either of the following two conditions, namely :-

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

(b) 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, -

(i) no income-tax shall be payable on a total income not exceeding Rs. 7,000;

(ii) where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 7,000.

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 following rates, namely :-

(a) in a case where the total income does not exceed Rs. 15,000	10 per cent.;
(b) in any other case	15 per cent.;

Provided that the amount of surcharge payable shall, in no case, exceed the aggregate of the following sums, namely :-

(i) an amount calculated at the rate of 10 per cent. on the amount of income-tax on an income of Rs. 15,000, if such income had been the total income (the income of Rs. 15,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned); and

(ii) 40 per cent. of the amount by which the total income exceeds Rs. 15,000.

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 plus 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 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 at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen 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	Nil;
(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. 500 plus 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 plus 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 plus 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 fifteen 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.

Explanation : For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

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 fifteen 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.;
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(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.
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Surcharge on income-tax

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

Paragraph F

In the case of a company, other than 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.;
(2) 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.

Surcharge on income-tax

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