

Finance Act 1965

Section 74 - Amendment of Act 7 of 1964

In the Companies (Profits) Surtax Act, 1964, -

(i) in section 18, the words "and super-tax" shall be omitted;

(ii) in the First Schedule, -

(a) in clause (xii) of rule 1, the words "and super-tax" shall be omitted;

(b) in clause (i) of rule 2, the words "and super-tax", wherever they occur, shall be omitted, and for the word "super-tax" occurring in sub-clause (b), the word "income-tax" shall be substituted;

(iii) in the Third Schedule, -

(a) in Paragraph 1, -

(i) in the first proviso, for the words "of manufacture or production of any one or more of the articles", the words "of construction, manufacture or production of any one or more of the articles or things" shall be substituted;

(ii) in the second proviso, for the words "of manufacture or production of any article", the words "of construction, manufacture or production of any article or thing" shall be substituted;

(iii) after the second proviso, the following proviso shall be inserted, namely :-

"Provided further that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India -

(i) which is such a company as is referred to in section 108 of the Income-tax Act, and

(ii) whose paid up share capital (subscribed and paid for in cash) as on the last day of the previous year, is not less than twenty-five per cent. of the amount of the capital as computed under the Second Schedule to this Act,

the aggregate of -

(a) the amount of income-tax payable by the company in respect of its total income of the previous year under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under the provisions of the said Act or the annual Finance Act after deducting from such amount of income-tax the amount, if any, by which the rebate of income-tax admissible to the company under the provisions of the annual Finance Act is, under the provisions of the said Act, reduced with reference to the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders during the previous year or any previous year prior to that year; and

(b) the amount of surtax computed in accordance with the foregoing provisions of this Paragraph,

exceeds the amount calculated at seventy per cent. of the total income of the company, the amount of such excess shall be deducted from the amount of surtax referred to in clause (b) above and the balance shall be the amount of the surtax payable by the company.";

(b) for Paragraph 2, the following Paragraph shall be substituted, namely :-

2. The list of articles and things referred to in Paragraph 1 shall be as follows :-

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (metals).

(3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.

(4) Industrial machinery specified under the heading "8. Industrial machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Flame and drip proof motors.

(7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.

(9) Tractors, earth-moving machinery and agricultural implements.

(10) Motor trucks and buses.

(11) Steel castings and forgings and malleable iron and steel castings.

(12) Cement and refractories.

(13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.

(14) Soda ash.

(15) Pesticides.

(16) Paper and pulp.

(17) Tea.

(18) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensers, coils, magnetic materials and micro wave components.

(19) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(20) Ships.

(21) Automobile ancillaries.

(22) Seamless tubes.

(23) Gears.

(24) Ball, roller and tapered bearings.

(25) Component parts of the articles mentioned in items Nos. (4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

(26) Cotton seed soil..