

Finance Act 1997

Section 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.;

(ii) on income by way of winnings from lotteries and crossword puzzles

40 per cent.;

(iii) on income by way of winnings from horse races

40 per cent.;

(iv) on any other income

20 per cent.;

(b) where the company is not a domestic company --

(i) on income by way of winnings from lotteries and crossword puzzles

40 per cent.;

(ii) on income by way of winnings from horse races

40 per cent.;

(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency

20 per cent.;

(iv) on income by way of royalty payable by Government or 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 royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India --

(A) where the agreement is made before the 1st day of June, 1997

30 per cent.;

(B) where the agreement is made on or after the 1st day of June, 1997

20 per cent.;

(v) on income by way of royalty [not being royalty of the nature referred to in sub--item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy --

(A) where the agreement is made after the 31st day of March, 1961, but before the 1st day of April, 1976

50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976, but before the 1st day of June, 1997

30 per cent.;

(C) where the agreement is made on or after the 1st day of June, 1997

20 per cent.;

(vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy --

(A) where the agreement is made after the 29th day of February, 1964, but before the 1st day of April, 1976

50 per cent.;

(B) where the agreement is made after the 31st day of March, 1976, but before the 1st day of June, 1997

30 per cent.;

(C) where the agreement is made on or after the 1st day of June, 1997

20 per cent.;

(vii) on income by way of long--term capital gains

20 per cent.;

(viii) on any other income

48 per cent.

Explanation. -- For the purpose of item 1(b)(i) of this Part, "investment income" and "non--resident Indian" shall have been meanings assigned to them in Chapter XII--A of the Income--tax Act.

PART III

Rates For Calculating Or Charging Income--Tax In Certain Cases, Deducting Income--Tax From Income Chargeable Under The Head "Salaries" 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 said Act from income chargeable under the head "Salaries" 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 Chapter XII or Chapter XII-A or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section], shall be calculated, charged, deducted or computed at the following rate or rates :--

Paragraph A

In the case of every individual or Hindu undivided family or 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

Nil;

does not exceed Rs. 40,000

(2) where the total income

10 per cent. of the amount

exceeds Rs. 40,000 but does

by which the total income

not exceed Rs. 60,000

exceeds Rs. 40,000;

(3) where the total income

Rs. 2,000 plus 20 per cent.

exceeds Rs. 60,000 but does

of the amount by which the

not exceed Rs. 1,50,000

total income exceeds Rs. 60,000;

(4) where the total income

Rs. 20,000 plus 30 per cent.

exceeds Rs. 1,50,000

of the amount by which the

total income exceeds

Rs. 1,50,000.

Paragraph B

In the case of every co-operative society, --

Rates Of Income--Tax

(1) where the total income

10 per cent. of the

does not exceed Rs. 10,000

total income;

(2) where the total income

Rs. 1,000 plus 20 per cent.

exceeds of Rs. 10,000 but

of the amount by which the

does not exceed Rs. 20,000

total income exceeds Rs. 10,000;

(3) where the total income

Rs. 3,000 plus 35 per cent.

exceeds Rs. 20,000

of the amount by which the

total income exceeds Rs. 20,000.

Paragraph C

In the case of every firm, --

Rate Of Income--Tax

On the whole of the total 35 per cent. income

Paragraph D

In the case of every local authority, --

Rate Of Income--Tax

On the whole of the total 30 per cent. income

Paragraph E

In the case of a company, --

Rates Of Income--Tax

I. In the case of a domestic company

35 per cent. of the total income;

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 Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961, but before the 1st day of April, 1976, or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th of February, 1964, but before the 1st day of April, 1976, 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

48 per cent