

Finance Act 1976

Section 29 - Amendment of Act 7 of 1964

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

(a) in section 2, in clause (8), for the words "ten per cent." at both the places where they occur, the words "fifteen per cent." shall be substituted with effect from the 1st day of April, 1977;

(b) in the First Schedule, in rule 3, for the portion beginning with the words "by the aggregate of -" and ending with the brackets, figures and words "(ii) any expenditure", the words "by the amount of any expenditure" shall be substituted with effect from the 1st day of April, 1977;

(c) in the Second Schedule, -

(i) in rule 1 -

(1) in clause (ii), for the words, brackets and figures "sub-section (3) of section 34", the words, brackets, figures and letter "sub-section (4) of section 32A, or sub-section (3) of section 34" shall be substituted with effect from the 1st day of April, 1977; and

(2) clauses (iv) and (v) shall be omitted with effect from the 1st day of April, 1977;

(ii) after rule 1, the following rule shall be inserted, and shall be deemed to have been inserted with effect from the 1st day of April, 1975, namely :-

1A. Where a company has not made any credit in any account in its books as on the first day of the previous year relevant to the assessment year which is of the nature of item (8) or item (9) under the heading "CURRENT LIABILITIES AND PROVISIONS" in the column relating to "LIABILITIES" in the "FORM OF BALANCE-SHEET", given in Part I of Schedule VI to the Companies Act, 1956 (1 of 1956), or where the Income-tax Officer is of opinion that the amount credited in such account falls short of the amount which should have reasonably been credited by it, the amount of its capital as computed under rule 1 shall be reduced by the amount which has not been so credited or, as the case may be, the amount of such shortfall.

Explanation : For the purposes of this rule, the amount of credit which should have reasonably been made by a company in relation to any account of the nature of item (9) aforesaid, means the amount of dividend declared or paid by the company, on or after the first day of

the previous year relevant to the assessment year, for the previous year immediately preceding the first mentioned previous year.;

(iii) in rule 2, in clause (i), the brackets, words and figures "[other than the debentures referred to in clause (iv) or moneys referred to in clause (v) of rule 1]" shall be omitted with effect from the 1st day of April, 1977;

(iv) in rule 3, for the words, brackets and figures "or issue of the debentures referred to in clause (iv), or borrowing of any moneys referred to in clause (v), of rule 1 or is reduced by any amount on account of reduction of paid-up share capital or redemption of such debentures or repayment of any such moneys,", the words "or is reduced by any amount on account of reduction of paid-up share capital," shall be substituted with effect from the 1st day of April, 1977.