Finance Act 1968

Schedule I - First Schedule

"The First Schedule

(See section 7)

Inland Postage Rates

Letters

For a weight not exceeding fifteen grams	20 paise
For every fifteen grams, or fraction thereof, exceeding fifteen grams	15 paise
Letter-cards	
For a letter-card	15 paise
Post cards	
Single	10 paise
Reply	20 paise
Book, Pattern and Sample packets	
For the first fifty grams or fraction thereof	15 paise
For every additional twenty-five grams, or fraction thereof, in excess of fifty grams	10 paise
Registered Newspapers	
For a weight not exceeding one hundred grams	5 paise
For a weight exceeding one hundred grams and not exceeding two hundred and fifty grams	10 paise
For every two hundred and fifty grams, or fraction thereof, exceeding two hundred and fifty grams	5 paise
In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet	
for a weight not exceeding one hundred grams	5 paise
for every additional one hundred and fifty grams, or fraction thereof, in excess of one hundred grams :	5 paise

Provided that such packets shall not be delivered at any addressees residence but shall be given to a recognised agent at the Post Office.	
Parcels	
For a weight not exceeding four hundred grams	80 paise
For every four hundred grams, or fraction thereof, exceeding four hundred grams	80 paise.".

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	5 per cent. of the total income;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 250 plus 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. 750 plus 15 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. 200,00	Rs. 1,500 plus 20 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 of Rs. 25,000	Rs. 2,500 plus 30 per cent. 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 of Rs. 50,000	Rs. 6,000 plus 50 per cent. the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 16,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;
(9) where the total income exceeds Rs. 70,000	Rs. 28,000 plus 65 per cent. of the amount by which the total income exceeds Rs. 70,000 :

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident -

(i) no income-tax shall be payable on a total income not exceeding the following limit, namely :-

(a) Rs. 7,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following two conditions, namely :-

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

(2) 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;

(b) Rs. 4,000 in every other case;

(ii) where such person is an individual whose total income does not exceed Rs. 10,000 and who has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grandparents mainly dependent on him, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :-

(a) Rs. 145	in the case of an unmarried individual;
(b) Rs. 220	in the case of a married individual who has no child mainly dependent on him;
(c) Rs. 240	in the case of a married individual who has one child mainly dependent on him;
(d) Rs. 260	in the case of a married individual who has more than one child mainly dependent on him;

(iii) where such person is an individual not falling under clause (ii) or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :-

(a) Rs. 125	in the case of an unmarried individual;
(b) Rs. 200	in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener;
(c) Rs. 220	in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family;
(d) Rs. 240	in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family;

(iv)(A) where such person is an individual whose total income exceeds Rs. 10,000 but does not exceed Rs. 20,000, and who has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax payable by him in respect of such total income shall not exceed the aggregate of -

(1) the income-tax which would have been payable by the individual if his total income had been Rs. 10,000 and

(2) 40 per cent. of the amount by which the total income of the individual exceeds Rs. 10,000;

(B) where such person is not an individual whose case falls under sub-clause (A) and the total income of such person does not exceed Rs. 20,000, the income-tax payable thereon shall not exceed 40 per cent. of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Explanation : For the purposes of clause (ii) and sub-clause (A) of clause (iv) of this proviso, a parent or grand-parent of an individual shall not be treated as being mainly dependent on such individual if the income of the parent or, as the case may be, the grand-parent from all sources in respect of the previous year relevant to the assessment year exceeds one thousand rupees.

Surcharges on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder :-

(a) where -

(i) in the case of an individual or a Hindu undivided family, the amount of unearned income, not being income by way of interest on any security of the Central or State Government or income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963), included in the total income, or (ii) in any other case, the amount of unearned income included in the total income, exceeds Rs. 30,000,

a surcharge calculated on the difference between the amount of income-tax computed in respect of the income referred to in sub-clause (i) or, as the case may be, sub-clause (ii), if such income had been the total income and the amount of income-tax computed in respect of an income of Rs. 30,000 if it had been the total income, at the following rate, namely :-

(1) where the amount of the difference does not exceed Rs. 10,000	20 per cent. of the amount of such difference;
(2) where the amount of the difference exceeds Rs. 10,00	Rs. 2,000 plus 25 per cent. of the amount by which the 0 difference aforesaid exceeds Rs. 10,000;

(b) where -

(i) in the case of an individual or a Hindu undivided family, the earned income and income by way of interest on any security of the Central or State Government and income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963), included in the total income, or

(ii) in any other case, the earned income included in the total income,

exceeds Rs. 1 lakh,

a surcharge calculated on the amount of the difference between the income-tax computed in respect of the income referred to in sub-clause (i) or the case may be, sub-clause (ii), if such income had been the total income and the income-tax computed in respect of a total income of Rs. 1 lakh, at the following rate, namely :-

(1) where the amount of the difference does not exceed Rs. 65,000	5 per cent. of the amount of such difference;
(2) where the amount of the difference exceeds Rs. 65,000 but does not exceed Rs. 1,30,000	Rs. 3,250 plus 10 per cent. of the amount by which the difference aforesaid exceeds Rs. 65,000;
(3) where the amount of the difference exceeds Rs. 1,30,000	Rs. 9,750 plus 15 per cent. of the amount by which the difference aforesaid exceeds Rs. 1,30,000; and

(c) a special surcharge calculated at the rate of ten per cent. on the aggregate of the following amounts, namely :-

(i) the amount of income-tax computed in accordance with the preceding provisions of this Paragraph; and

(ii) the aggregate of the amounts of the surcharges calculated in accordance with clause (a) and clause (b) of this sub-paragraph.

Paragraph B

In the case of every co-operative society, -

Rates of Income-Tax

(1) where the total income does not exceed Rs. 5,000	5 per cent. of the total income;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 250 plus 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. 750 plus 15 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. 200,00	Rs. 1,500 plus 20 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 of Rs. 25,000	Rs. 2,500 plus 30 per cent. 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;

Provided that -

(i) no income-tax shall be payable on a total income not exceeding Rs. 4,000; and

(ii) where the total income is twenty thousand rupees or less, the income-tax payable shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 4,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for the purposes of the Union calculated as specified hereunder :-

(a) where the total income exceeds Rs. 25,000, a surcharge calculated at the rate of 6 1/4 per cent. of the amount of the difference between the income-tax computed at the rate hereinbefore specified and the income-tax computed in respect of a total income of Rs. 25,000; and

(b) a special surcharge calculated at the rate of ten 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) of this sub-paragraph.

Paragraph C

In the case of every registered firm, -

Rates of Income-Tax

(1) where the total income does not exceed Rs. 25,000	Nil;
(2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	6 per cent. of the amount by which the total income exceeds Rs. 25,000;
(3) where the total income exceeds Rs. 50,000 by does not exceed Rs. 1,00,000	Rs. 1,500 plus 8 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 5,500 plus 12 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 ten 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.

Paragraph D

In the case of every local authority, -

Rate of Income-tax

On the whole of the total income 45 per cent.

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) a surcharge calculated at the rate of ten per cent. of the amount of income-tax computed at the rate hereinbefore specified; and

(b) a special surcharge calculated at the rate of ten 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) of this sub-paragraph.

Paragraph E

In the case of the Life Insurance Corporation of Indian 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 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.

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	
(A)(1) where the company is a company in which the public are substantially interested, -	
(i) in a case where the does not exceed total income; 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	
(1) 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; and
(B) in addition, where the company is	
(i) a company in which the public are substantially interested, or	
(ii) a company as is referred to in clause (iii) of sub-section (2) or clause (a) or clause (b) of sub-section (4) of section 104 of the Income-tax Act, or	
(iii) such a company as is exempt from the operation of section 104 of the said Act by a notification issued under the provisions of sub-section (3) of that section,	
on so much of the total income as does not exceed the relevant amount of distributions of dividends by the company	7.5 per cent. :

Provided that the income-tax payable be 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	
Explanation 1 : In clause (B), the expression "the relevant amount of distributions of dividends" means the aggregate of the following amounts, namely :-	
(a) the amount, if any, by which the "relevant amount of distributions of dividends" by the company as computed in accordance with Explanation 1 to item I of Paragraph F of Part I of the First Schedule to the Finance (No. 2) Act, 1967 (20 of 1967), exceeds its total income (reduced by the amount of capital gains, if any, relating to capital assets other than short-term capital assets included therein) assessable for the assessment year commencing on the 1st day of April, 1967; and	
(b) so much of the amount of the dividends, other than dividends on preference shares, declared or distributed by the company during the previous year as exceeds ten per cent. of its paid-up equity share capital as on the 1st day of the previous year.	
Explanation 2 : For the purposes of clause (B), where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares) shall be deemed to be such proportion thereof as the sum specified in clause (a) bears to the sum specified in clause (b), such sums being	
(a) the average amount of the total income of the company of the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and	

(b) the average amount of the total profits and gains (excluding capital receipts) of the company of the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.	
Explanation 3 : For the removal of doubts, it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, the amount of such dividends shall not be included in the amount of dividends referred to in clause (b) of Explanation 1.	
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.

Part II

Rates of Deduction of Tax at Source in Certain Cases

In every case in which under the provisions of sections 193, 194, 194A and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made 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 any other income (excluding interest payable on a tax free security)	20 per cent.	2 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 3 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.	1.5 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.	Nil;
(ii) on any other income (excluding interest payable on a tax free security)	22 per cent.	Nil;
(b) where the company is not a domestic company		
(i) on the income by way of dividends payable by an Indian company as is referred to in clause (a)(i) of sub-section (1) of section 80M of the Income-tax Act	14 per cent.	Nil;

(ii) on the income by way of dividends payable by any domestic company other than a company referred to in (i) hereinabove	24.5 per cent.	Nil;
(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.	Nil;
(iv) 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.	Nil;
(v) on the income by way of interest payable on a tax free security	44 per cent.	Nil;
(vi) on any other income	70 per cent.	Nil.

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 provision 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" 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 (iv) 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	5 per cent. of the total income;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 250 plus 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. 750 plus 15 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. 200,00	Rs. 1,500 plus 20 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 of Rs. 25,000	Rs. 2,500 plus 30 per cent. 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 of Rs. 50,000	Rs. 6,000 plus 50 per cent. the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 16,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;
(9) where the total income exceeds Rs. 70,000	Rs. 28,000 plus 65 per cent. of the amount by which the total income exceeds Rs. 70,000 :
(10) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,50,000	Rs. 47,500 plus 70 per cent. of the amount by which the total income exceeds Rs. 1,00,000;
(11) where the total income exceeds Rs. 2,50,000	Rs. 1,52,500 plus 75 per cent. of the amount by which the total income exceeds Rs. 2,50,000 :

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident -

(i) no income-tax shall be payable on a total income not exceeding the following limit, namely :-

(a) Rs. 7,000 in the case of every Hindu undivided family which at any time during the previous year relevant to the assessment year commencing on the 1st day of April, 1969, satisfies either of the following two conditions, namely :-

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

(2) 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;

(b) Rs. 4,000 in every other case;

(ii) where such person is an individual whose total income does not exceed Rs. 10,000 and who has, during the previous year relevant to the assessment year commencing on the 1st day of April, 1969, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :-

(a) Rs. 145	in the case of an unmarried individual;
(b) Rs. 220	in the case of a married individual who has no child mainly dependent on him;
(c) Rs. 240	in the case of a married individual who has one child mainly dependent on him;
(d) Rs. 260	in the case of a married individual who has more than one child mainly dependent on him,

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000 in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1969, this clause shall have effect as if for the amounts of Rs. 220, Rs. 240 and Rs. 260, the amounts of Rs. 145, Rs. 165, and Rs. 185 had, respectively, been substituted;

(iii) where such person is an individual not falling under clause (ii), or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :-

(a) Rs. 125	in the case of an unmarried individual,
(b) Rs. 200	in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family, which has no minor coparcener;
(c) Rs. 220	in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family;
(d) Rs. 240	in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family,

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000 in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1969, this clause shall have effect as if for the amounts of Rs. 200, Rs. 220 and Rs. 240, the amounts of Rs. 125, Rs. 145 and Rs. 165 had, respectively, been substituted.

(iv)(A) where such person is an individual whose total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 and who has, during the previous year relevant to the assessment year commencing on the 1st day of April, 1969, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax payable by him in respect of such total income shall not exceed the aggregate of -

(1) the income-tax which would have been payable by the individual if his total income had been Rs. 10,000, and

(2) 40 per cent. of the amount by which the total income of the individual exceeds Rs. 10,000;

(B) where such person is not an individual whose case falls under sub-clause (A) and the total income of such person does not exceed Rs. 20,000, the income-tax payable thereon shall not exceed 40 per cent. of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Explanation : For the purposes of clause (ii) and sub-clause (A) of clause (iv) of this proviso, a parent or grand-parent of an individual shall not be treated as being mainly dependent on such individual if the income of the parent or, as the case may be, the grand-parent from all sources in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1969, exceeds one thousand rupees.

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 B

In the case of every co-operative society, -

Rates of Income-Tax

(1) where the total income does not exceed Rs. 5,000	5 per cent. of the total income;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 250 plus 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. 750 plus 15 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. 200,00	Rs. 1,500 plus 20 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 of Rs. 25,000	Rs. 2,500 plus 30 per cent. 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;

Provided that -

(i) no income-tax shall be payable on a total income not exceeding Rs. 4,000; and

(ii) where the total income is Rs. 20,000 or less, the income-tax payable shall not exceed 40 per cent. of the amount by which the total income exceeds Rs. 4,000.

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 ten 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. 25,000	Nil;
(2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	6 per cent. of the amount by which the total income exceeds Rs. 25,000;
(3) where the total income exceeds Rs. 50,000 by does not exceed Rs. 1,00,000	Rs. 1,500 plus 8 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 5,500 plus 12 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge 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 ten 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.

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 ten 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.

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

(A)(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. 25,000	45 per cent. of the total income;
(ii) in a case where the total income exceeds Rs. 25,000	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	
(1) 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;
(B) in addition, where the company is	
(i) a company in which the public are substantially interested, or	
(ii) a company as is referred to in clause (iii) of sub-section (2) or clause (a) or clause (b) of sub-section (4) of section 104 of the Income-tax Act, or	
(iii) such a company as is exempt from the operation of section 104 of the said Act by a notification issued under the provisions of sub-section (3) of that section,	
on so much of the total income as does not exceed the relevant amount of distributions of dividends by the company	7.5 per cent. :
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. 25,000, 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. 25,000 (the income of Rs. 25,000 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. 25,000.	
Explanation 1 : In clause (B), the expression "the relevant amount of distributions of dividends" means the aggregate of the following amounts, namely :-	

(a) the amount of dividends, other than dividends on preference shares, declared or distributed by the company during the previous year relevant to the assessment year commencing on the 1st day of April, 1964, or the 1st day of April, 1965, with reference to which the amount of the rebate arrived at under the first proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1964 (5 of 1964) or, as the case may be, the first proviso to Paragraph F of Part I of the First Schedule to the Finance Act, 1965 (10 of 1965), is required to be reduced under the second proviso to the said Paragraph D or, as the case may be, the second proviso to the said Paragraph F, as diminished by so much of the amount of dividends aforesaid with reference to which the rebate referred to hereinabove is reduced under the second proviso to the said Paragraph D or the second proviso to the said Paragraph F; and	
(b) so much of the amount of the dividends, other than dividends on preference shares, declared or distributed by the company during the previous year as exceeds ten per cent. of its paid-up equity share capital as on the 1st day of previous year.	
Explanation 2 : For the purposes of clause (B), where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares) shall be deemed to be such proportion thereof as the sum specified in clause (a) bears to the sum specified in clause (b), such sums being	
(a) the average amount of the total income of the company of the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and	
(b) the average amount of the total profits and gains (excluding capital receipts) of the company of the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.	
Explanation 3 : For the removal of doubts, it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, the amount of such dividends shall not be included in the amount of dividends referred to in clause (b) of Explanation 1.	
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.