

Finance Act 1970

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	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 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. 200,00	Rs. 1,500 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 of Rs. 25,000	Rs. 2,750 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. 4,250 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. 50,000	Rs. 5,250 plus 50 per cent. of 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. 16,350 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 but does not exceed Rs. 1,00,000	Rs. 28,250 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. 47,750 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. 1,52,750 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 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 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 exceeds the amount of income-tax so computed :-

(a) Rs. 145	in the case of an unmarried individual;
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(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, 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, this clause shall have effect as if for the amounts of 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, 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) forty 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 forty 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 his 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 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. 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 of 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. 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. 600 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 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 the purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph E

In the case of 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 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. 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;
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.

Part II

Rates for 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 proviso to sub-section (5) of section 32 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 (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 by 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	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. 5,000 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. 50,000	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 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. 2,00,0000	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:
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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, 1971, 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 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. 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 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. 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 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,	the rate of income-tax of the 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

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 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. 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. 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.