

निरीक्षण निदेशालय
(अनुसंधान संकलन एवं प्रकाशन)
नई दिल्ली-१

DIRECTORATE OF INSPECTION
(Research, Statistics & Publication)
NEW DELHI-1



अखिल भारतीय

आयकर आंकड़े

ALL INDIA

INCOME TAX STATISTICS

1964-65

ALL INDIA INCOME-TAX STATISTICS 1964-65

C O N T E N T S

	<u>Pages</u>
Preface	129399 i - xii
<u>MAIN STATEMENTS</u>	
1. All India Statement No.1 - Summary of demand, collections and arrears of Income-tax.	1
2. All India Statement No. 2 - Summary of gross collections of Income-tax	2
3. All India Statement No. 3 - Analysis of the demand of Income-tax according to the classes of income assessed and refunds and rebates allowed	3-6
4. All India Statement No.4 - Trade Classification of the business and professional income assessed to Income-tax	7-16
5. All India Statement No.5 - Classification of the Income-tax payable by assesseees, according to the ranges of total income assessed	17-23
6. All India Statement No.6 - Classification of Income-tax assesseees according to the ranges of net income left in their hands after deduction of tax payable by them	24-27
<u>SUBSIDIARY STATEMENTS.</u>	
7. All India Statement No.5-A - Classification of the gross income assessed according to the principal income sources and ranges of total income assessed	28-59
8. All India Statement No.5-B - Classification of Income-tax payable by Individuals according to salaries and non-salaried persons.	60-61
9. All India Statement No. 5-C- Classification of the Income-tax payable by companies according to Resident/Non-resident and Public/Private Limited Companies	62-63
10.All India Statement No.5-D - Classification of income from Capital Gains and Income-tax payable according to the ranges of Capital Gains income assessed	64-66
11.All India Statement No.5-E - Classification of the gross income- losses set off against income and net income according to ranges of total income	67-73

DIRECTORATE OF INSPECTION
(RESEARCH, STATISTICS & PUBLICATION)

All India Income-tax Statistics 1964-65

P R E F A C E

This compilation contains statistics extracted from assessments completed by the Income-tax Department during the financial year 1964-65. These statistics exhibit information regarding such matters of vital importance as :

- (i) assesseees in various income brackets and the significance of each bracket in terms of income assessed and tax demanded,
- (ii) contribution of various sources of Income and trades and industries to the total tax demand and
- (iii) Importance of the role of the corporate sector in terms of income assessed and tax demanded.

This compilation follows the pattern of the immediately preceding issue which had made a departure from traditional presentation in the following respects:

- (a) The capital gains assessed to tax exhibited in All India Statement No. 3 has been split up into two categories viz., those relating to short-term assets and those relating to other assets so as to exhibit the tax on the two types of income separately.
- (b) All India Statement No. 5 has been reoriented and rationalised to show only the assessed income and tax payable according to different income ranges. The gross income, loss set off against income and net income after deduction of tax payable from assessed income, hitherto exhibited in this Statement itself, are given in a subsidiary statement styled "All India Statement No. 5-E".
- (c) All India Statement No. 5-A has been remodelled to show at a glance the gross income assessed to tax according to principal sources of income. This does away with the necessity of adding up figures given under each category of assesseees for different ranges of total income assessed.

The statistics in this compilation cover assessments completed during the financial year 1964-65. Such assessments relate to asst. year 1964-65 as well as earlier years.

(Contd.....)

The old nomenclature of referring to assesses in the appended statements has been maintained but these figures in fact represent assessments.

The total number of assessments completed by the Income-tax Department during the year 1964-65 is 19,34,358 whereas the statistics analysed in the various statements given in the publication relate only to 14,69,347 assessments - 13,84,592 resulting in a tax demand and 84,755 resulting in a net refund. The remaining 4,65,011 assessments did not result in either demand or refund. They represent generally (i) assessments of new industrial undertakings exempt under the Income-tax Act, (ii) assessments in which the entire income is absorbed by depreciation or development rebate (iii) assessments of Registered Firms with income less than Rs.25,000 and consequently not liable to tax, and (iv) other 'no assessment' cases where the assessable income is less than the taxable minimum.

STATISTICS OF GROSS DEMAND & COLLECTION :

All India Statement Nos.

1 & 2

The All India Statement No. 1 contains figures of arrears as on 1st April, 1964, amount reduced in appeals, current demand raised and collections made out of the arrears and current demand and arrears as on 31st March, 1965. These figures relate to regular assessments only.

The All India Statement No. 2 gives a break-up of the gross collections in the year ended 31st March, 1965 under various heads i.e. regular assessments, self assessments, provisional assessments, advance-tax and deduction of tax at source.

Comparative figures.

The salient figures of the two statements are set out in the following chart wherein comparative figures for the immediately preceding year are also indicated:-

		(Rs. in crores)	
		<u>1964-65</u>	<u>1963-64</u>
i)	Demand raised in regular assessments.	327	273
ii)	Total regular demand for collection including brought forwarded arrears and reductions in appeal.	584	517
iii)	Collections out of No. 2(ii)	261	235
iv)	Gross collection (regular assessments, self-assessments, provisional assessments, advance-tax and deductions at source.)	755	587

(Contd.....)

STATISTICS BY CLASSES AND SOURCES OF INCOME

All India Statement No. 3

This statement analyses the demand of Income-tax according to different classes of income assessed and refunds and rebates (including Double Income-tax Relief) allowed. The amounts of tax deducted or otherwise paid at source, given credit for in the assessments or refunded to assesseees on account of income being exempt or being below taxable limit, are also given.

The analysed figures relate only to original assessments (including original assessments w/s.147) made during the financial year 1964-65. Additional demand raised or decrease in demand ordered in re-assessments on account of appeals, revisions, rectifications etc. has not been taken into account. Such information is, however, given at the end of the statement.

The number of assesseees shown in the statement is in respect of each source of income. An assessee having income from more than one source is counted as an assessee under each one of the sources from which his income is derived.

The following table gives a consolidated comparative picture of assessments according to sources of income in the years 1964-65 and 1963-64.

	<u>No. of assesseees</u>		<u>Income assessed</u>		<u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
			(Rs. in crores)		(Rs. in crores)	
1. Salaries.	520035	638187	377.3	455.0	32.2	40.2
2. Interest on Securities.	25309	26151	6.7	14.2	2.3	5.7
3. House Property.	261424	276712	42.4	44.2	7.2	7.7
4. Business and Profession.	541638	635668	820.8	971.2	174.1	217.2
5. Shares and Partnership-profits.	120049	115917	188.5	186.7	38.9	37.9

(Contd.....)

	<u>No. of assesses</u>		<u>Income assessed</u>		<u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
			(Rs. in crores)		(Rs. in crores)	
6. Dividends.	113455	121178	61.8	74.4	22.4	27.0
7. Capital Gains.	4055	4712	5.7	8.0	1.3	2.0
8. Income accruing or arising abroad.	3536	4191	5.7	14.9	1.7	2.3
9. Other sources.	194451	228520	65.7	81.7	18.4	24.3

It will be seen that practically all sources of incomes share the increase in the number of assesses, income assessed and demand raised which the year 1964-65 witnessed. Business and profession claimed the best part of this increase.

Exemptions and reliefs

The comparative position regarding exemptions and rebates and Double Income-tax Relief in the two years is shown in the table given below:-

S.No.	<u>No. of assesses</u>		<u>Amount entitled to exemptions etc.</u>		<u>Total relief in tax</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
	3	4	5	6	7	8
1. Deductions	6029	6015	8.6	7.3	3.4	2.8
2. Exemptions	18028	19070	11.2	21.5	4.1	7.1
3. Abatements & Rebates.	953693	1147935	68.4	79.0	7.8	9.5
4. D.I.T. Relief	491	383	0.3	0.4

The total tax relief on account of (1) deductions on account of losses set off under sections 71 & 72 (2) exemptions on account of profits of newly established industries etc., (3) abatements and rebates on account of contributions to Provident Fund etc., and (4) Double Income-tax Relief, is Rs.19.8 crores as compared to Rs. 15.6 crores in 1963-64.

CLASSIFICATION OF BUSINESS INCOME

All India Statement No.4

This statement gives trade-wise break-up of the data regarding business income and further classified into 'companies' and 'non-companies'

Main business groups

The total assessed business income aggregated to Rs.971.2 crores giving rise to a total tax demand of Rs. 217.2 crores. Out of the various business groups, assesses in the group 'Commerce, transport and Communication' account for the largest income and tax demand, the figure being Rs. 501.6 and Rs.61.1 crores respectively. Assesses engaged in 'Processing and manufacture-metals and chemicals^{and} products thereof' come second involving income of Rs.112.7 crores and tax demand of Rs. 44.3 crores. The third place goes to 'Finance' which accounts for Rs.92.7 crores and Rs.31.6 crores of income and tax respectively.

Comparative figures in respect of companies.

The following table gives a consolidated picture of the comparative position in respect of companies:-

<u>BUSINESS GROUP</u>	<u>No. of assesses</u>		<u>Income assessed</u>		<u>(Rs. in crores)</u> <u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
1. Forestry, Mining and Quarrying	209	245	10.9	10.6	6.0	5.2
2. Primary industries & processing & Manufacture of foodstuffs (including beverages etc.)	582	758	22.1	32.7	11.7	16.0
3. Processing & Manufacture- Textiles & Leather etc.	595	562	43.7	47.1	21.9	24.0
4. Processing & Manufacture Metals etc.	1366	1526	60.0	82.6	30.0	41.3

<u>BUSINESS GROUP</u>	<u>No. of assesses</u>		<u>Income assessed</u>		<u>(Rs. in crores)</u> <u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
5. Processing & Manufacture- Cement, Rubber etc.	727	716	22.1	19.7	11.9	9.8
6. Construction & Utilities.	300	293	7.6	14.7	4.2	7.9
7. Commerce, Transport and Communications.	3015	3262	51.2	48.6	27.9	26.6
8. Finance.	1215	1354	15.5	48.8	7.7	24.8
9. Professions.	333	325	4.3	6.2	2.3	3.0

Thus the tax demand has increased under all trades except under 'Forestry, Mining and Quarrying' 'Processing and Manufacture of Cement, Rubber etc.' and 'Commerce Transport and Communications.'

STATISTICS BY INCOME RANGE AND STATUS.

All India Statement No.
5, 5.R & 6

All India Statement No. 5 gives an analysis of the Income-tax demand according to the range of total income assessed and status of assesses. Income from capital gains and the resulting tax, however, are not included in this analysis.

The total income analysed in this statement is the total income shown under the head 'A-Demand' in Statement No. 3 as reduced by (i) Capital gains assessed to tax shown separately in All India Statement No. 5.D and (ii) Losses set off against income shown as 'Deductions' under the head 'B-Exemptions and Rebates' in All India Statement No.3

The Income-range below Rs. 3,000 includes a number of cases in respect of assesses other than companies. The figures so analysed mainly refer to non-resident assesses, who are liable to pay tax on their Indian income either at the special rates or those applicable to their total world income as prescribed in the Finance Act, even though such income may be below Rs. 3,000.

(Contd....)

Figures of refunds allowed to various assesseees are given under the head "Pure refundees" at the bottom of the statement. These refunds arise because (i) the income was exempt from tax, or (ii) the income was below taxable limit, or (iii) the income had suffered deduction of tax at source, but the assessment had resulted in loss.

The figures of tax shown against 'Unclassified Demand' and 'Unclassified Refund' items at the bottom of the statement under each class of assesseees refer to the increase or decrease in tax arising out of reassessments of ~~cases~~ ^{assesses} on account of appeals, revisions, rectifications, etc., which are not included in the range-wise analysis given in the statement.

All India Statement No. 5-E gives classification of the gross income, losses set off, net income (after deduction of losses and tax payable) according to the range of income assessed and status of the assesseees.

All India Statement No. 6 classifies assesseees according to the ranges of net income left with them after deduction of tax payable by them.

The maximum concentration of assesseees is in the income range below Rs.20,000/-. While 91 % of assesseees are in this range, the tax demand from them is Rs.41.7 crores which is only 13 % of the total demand. Assesseees with incomes below Rs.10,000 are 74 % but their contribution to tax demand is Rs.15.9 crores which is only 5 % of the total demand. Assesseees with incomes between Rs.20,001 and Rs.50,000 and Rs.50,001 and Rs. 1,00,000 forming nearly 7 % and 2 % respectively of the total number of assesseees, account for a tax demand of Rs.47.6 crores (13 %) and Rs.34.5 crores (10 %) respectively.

There are only 9,260 assesseees with incomes over Rs. one lakh yielding a tax demand of Rs.219.1 crores. Constituting about 1 % of the total number, these assesseees contribute 63 % of the total tax demand. Status-wise such assesseees are classified as hereunder:-

Companies	2654
Individuals	2237
H.U.Fs.	288
U.R.Fs & A.O.Fs	391

Some ranges below
one lakh

Some ranges above
one lakh

R. & Fs.	3688
Others	2

	9260

Of the 2,237 individuals with incomes over Rs. one lakh before payment of tax, only 294 individuals were left with an income over Rs. 1 lakh after payment of tax. In this group the aggregate income assessed came down from Rs.49.6 crores to Rs.5.9 crores after payment of tax.

Income range above
Rs. 5 lakhs.

Assessee having incomes over Rs. 5 lakhs number 1337, and account for a tax demand of Rs.166.5 crores or 48 % of the total demand realised. The income assessed in their hands aggregated to Rs.361.2 crores. Companies predominate in this group; numbering 987, they account for a tax demand of Rs. 151.75 crores whereas the income assessed in their hands aggregated to Rs.321.78 crores. Individuals and H.U.Fs, in this income range number 128 and the income assessed in their hands comes to Rs.14.7 crores giving rise to a tax demand of Rs.11.2 crores. After deduction of tax payable, the number of individuals in this income range and income assessed in their hands came down from 112 to 9 and from Rs. 13 crores to Rs.0.98 crores respectively.

Comparative position
Income range wise

The comparative position of assessments for the two years 1963-64 and 1964-65 according to range of income is shown in the following statement.

(Rs. in crores)

RANGE OF INCOME	No. of assessee		Income assessed		Tax demand	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
Rs.	-----					
Below 10,000	859098	1028256	483.8	569.9	11.3	15.9
10,001 - 20,000	195846	225585	268.6	309.1	20.3	25.8
20,001 - 50,000	93996	9991.5	286.3	303.9	46.0	47.6

(Contd.....)

(Rs. in crores)

<u>RANGES OF INCOME</u>	<u>No. of assesses</u>		<u>Income assessed</u>		<u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
50,001 - 1,00,000	20644	21576	139.2	144.8	34.4	34.5
1,00,001 - 5,00,000	7337	7923	133.1	146.2	47.8	52.7
Above Rs. 5 lakhs.	1103	1337	249.3	361.2	122.0	166.5
Total	1178024	1384592	1560.3	1835.1	281.8	343.0

All the income ranges show an improvement in respect of the number of assesses, income assessed and total tax demand. The rise is maximum in all respects in the range above Rs. 5 lakhs, the percentages being 21 %, 45 % and 36 % for number of assesses, income assessed and tax demand respectively;

Comparative position
Status-wise

The comparative position in regard to the number of assesses in each category, the total income assessed in their hands and tax raised against them is given below.

(Rs. in crores)

	<u>No. of assesses</u>		<u>Income assessed</u>		<u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
1. Individuals	1036534	1229854	959.1	1091.8	115.8	128.0
2. Hindu Undivided Families.	71536	75508	89.7	94.0	12.8	14.2
3. Un-registered Firms & Associations of persons	25877	30554	34.9	43.4	7.6	10.1
4. Registered Firms.	33741	37382	205.0	229.3	9.3	11.5

(Contd.....)

(Rs. in crores)

	<u>No. of assesseees</u>		<u>Income assessed</u>		<u>Tax demand</u>	
	1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
5. Companies	10315	11288	271.5	376.5	136.2	179.1
6. Others (Local Authorities)	21	6	0.1	0.1	0.1	0.1
Total	1178024	1384592	1560.3	1835.1	281.8	343.0

Net income after deduction of losses and tax payable.

The gross income of Rs.1842 crores assessed in the hands of 13,84,592 assesseees came down to Rs. 1492 crores after deduction of losses of Rs. 7 crores and tax of Rs.343 crores.

STATISTICS BY SOURCE OF INCOME CUM RANGES OF INCOME CUM STATUS OF ASSESSEES.

All India Statement Nos. 5-A, 5-B & 5-D

The All India Statement No. 5-A gives an analysis of the gross income assessed according to the principal sources of income. The analysis gives the number of assesseees, gross income assessed and gross demand levied from each of the different sources according to the range of total income assessed and status of assesseees. The figures shown as 'Unclassified Pure Refundees' under each source at the bottom of the statement represent income earned from the source by assesseees whose incomes are either exempt from tax or below taxable limit.

The All India Statement No. 5-B analyses the tax demand of the 'Individuals' assessed to tax according to (i) Salaried Persons and (ii) Non-Salaried Persons.

The All India Statement No. 5-D gives a classification of the Income assessed from Capital Gains and the tax payable on the same according to the range of Capital Gains assessed and status of assesseees.

Business & Profession

This is the most important source of income contributing a total income of Rs.971.2 crores and tax demand of Rs.217.2 crores. Individuals account for 5,01,193 of the 6,35,668 assesseees in this group, though their contribution in terms of income and tax demand comes to only Rs.350 crores and Rs.33 crores respectively; whereas 9,047 companies assessed in this group account for an income of Rs.311.00 crores and tax demand of Rs.159 crores.

Salaries

Rs. Salaries account for 455 crores of the total assessed income spread over 6,38,187 assessees and yielding a tax demand of Rs.40 crores. Nearly all the assessees in this group were individuals. Income from other sources besides salary assessed in their hands aggregated to Rs.54 crores. Individuals with salary range below Rs.10,000 numbered 519802. There were only 679 individuals having salary income over Rs. 1 lakh including 27 whose salary exceeded Rs. 5 lakhs.

Dividends

The income from dividends assessed to tax is Rs.74.4 crores, the tax demand being Rs.27.9 crores. Of the total dividends income assessed, companies account for Rs.35.5 crores (48 %) and individuals Rs.33.0 crores (44 %), the relevant tax demand being Rs.15.3 crores (56%) and 10 crores (37 %) respectively. Income from dividends earned by assessees with total income over Rs. 1 lakh is Rs.37.9 crores (51 %) and accounts for Rs.17.4 crores (63 %) of the tax demand.

House Property

The number of assessees having income from house property is 2,76,712. The income assessed and tax demand thereon amount to Rs. 44.2 crores and Rs.7.7 crores respectively. Individuals (2,22,683) have the highest income from house property, the income assessed being Rs.30.6 crores (69 %) the tax demand thereon being Rs.4.4 crores (57 %). Property income earned by assessees with total incomes over Rs. 1 lakh is Rs. 5.0 crores (11 %) and accounts for Rs.2.6 crores (33 %) of the tax demand.

Interest on Securities

Total income assessed under the head "Interest on Securities" is Rs.14.2 crores involving 26,151 assessees and giving rise to tax demand of Rs. 4.4 crores. Amongst the assessees in this group, individuals number 21,756 accounting for Rs.3.8 crores (27 %) of income from interest on securities and a tax demand of Rs. 0.8 crores (14 %). On the other hand, companies (1275) with income of Rs. 8.9 crores (62 %) yield a tax demand of Rs.4.4 crores (77 %).

Income from this source earned by assessees with total income over Rs. 1 lakh is Rs.10.0 crores or 71 % of the total of such income assessed and accounts for Rs.4.9 crores or 85 % of the tax demand.

Capital gains

There are 4,693 assessees who were assessed to a tax of Rs.2.0 crores on Capital gains aggregating to Rs.8.0 crores. In this group of assessees, individuals numbered 3781.

Other Sources.

Income from other sources aggregating to Rs.283.0 crores, was assessed in the hands of 3,48,637 assessees giving rise to a demand of Rs.65.0 crores.

STATISTICS REGARDING CLASSIFICATION OF COMPANIES.

All India Statement No. 5-C

The statement gives a classification of the income assessed in the hands of, and tax demanded from, companies according to their categories viz., resident/non-resident and public/private companies.

Income ranges are also indicated.

The following chart gives the consolidated comparative position.

(Rs. in crores)

Comparative figures		No. of companies		Total income assessed		Tax payable	
		1963-64	1964-65	1963-64	1964-65	1963-64	1964-65
Resident Companies	Public Limited	2455	2360	132	185	65	91
	Private Limited.	7436	8671	95	148	46	77
Non-Resident Companies	Public Limited	197	137	36	20	21	11
	Private Limited.	227	120	8	23	4	1

Companies with income over Rs. 5 lakhs

The statement shows that there were only 455 public companies (including 41 non-resident companies) and 532 private companies (including 35 non-Resident companies) with incomes over Rs. 5 lakhs but they accounted for Rs.190 crores (92.7 %) and Rs.131 crores (76.6 %) of income assessed and Rs.92 crores (92 %) and Rs.59 crores (75 %) of the tax demand respectively.

M. S. NADKARNI
 Director of Inspection
 (Research, Statistics & Publication)