



अखिल भारतीय
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**ALL INDIA
INCOME TAX STATISTICS
1965-66**

DIRECTORATE OF INSPECTION
(Research, Statistics & Publication)
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ALL-INDIA INCOME-TAX STATISTICS, 1965-66

P R E F A C E

Introduction :

The All-India Income-tax Statistics brought out in this compilation are based on the assessments completed by the Income-tax Department during the financial year 1965-66. The compilation follows the traditional pattern of presentation of data in the form of All-India Statements as in earlier years.

Scope and coverage :

2. This compilation covers assessments completed during the financial year 1965-66, but such assessments relate to the assessment year 1965-66 as well as for earlier years. The old practice of referring to assessments as assessors has been maintained.

3. The statistics exhibited in the various All-India Statements appearing in this compilation relate to 1709254 assessments - 1652934 assessments resulting in tax demand and 56320 assessments resulting in tax refunds. Actually the Department completed 2389027 assessments during 1965-66 and the assessments which are not reflected in the statistics analysed in this compilation are those which did not result either in demand or refund i. e. (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 reb- to or loss, (iii) assessments of Registered Firms with income less than Rs.25,000 and consequently not themselves liable to levy of tax and (iv) other 'No assessment' cases, where the assessable income is computed at a figure less than the taxable minimum.

I - DEMAND AND COLLECTION

All-India Statement
Nos. 1 & 2 :

4. All-India Statement No. 1 contains figures of arrears as on 1st April, 1965, amount reduced in appeals, current demand raised on regular assessments and collections made out of the arrears and current demand and finally, arrears as on 31st March, 1966. All-India Statement No. 2 gives a summary of the net budget collections including the deductions of tax at source.

II - ANALYSIS OF INCOME ACCORDING TO SOURCES OF INCOME AND DEDUCTIONS AND REBATES.

All-India Statement No. 3 :

5. All India statement No. 3 contains an analysis of the Income-tax demand raised in assessments made during the year 1965-66, classified according to the sources or heads under which income has been assessed. Details of deductions and rebates allowed, Double Income-tax-relief and credit of tax deducted or otherwise paid at source, are given in Parts B, C & D of the statement.

Deductions and rebates:

6. Total tax relief arising out of (i) deductions allowed in computing the Total Income, (ii) concessions in the form of rebate worked out on the basis of average rate, (iii) concessional treatment given to certain items of income and (iv) Double Taxation relief aggregate to Rs.20.6 crores as against Rs.19.8 crores in 1964-65. Contributions to Provident Fund and Life Insurance constitute the most important deduction/rebate. The total amount involved and tax relief thereon were Rs.37.8 crores and Rs. 4.5 crores respectively.

7. The particulars of some of the other important items of rebate at average rates allowed in assessments are as follows:-

	<u>Amount on which rebate has been allowed.</u> (Rs. crores)	<u>Tax Relief.</u> (Rs. crores)
(a) Profits and/or Dividends from new industrial undertakings, hotels etc.	7.4	3.3
(b) Donations to funds etc.	4.0	1.4
(c) Income/Dividends from Co-operative Societies exempt.	2.9	1.0

(Contd.....)

Comparative head-wise statistics of income

8. The following table analyses the assessments according to the heads of income :-

<u>Head of Income.</u>	<u>No. of assesses.</u>		<u>Income assessed</u> (Rs. crores)		<u>Tax demand</u> (Rs. crores)	
	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>
(a) Salaries.	747469	638187	524.4	455.0	44.2	40.2
(b) Interest on Securities	26177	26151	12.2	14.2	4.6	5.7
(c) House property.	317802	276712	50.6	44.2	10.2	7.7
(d) Business & Profession	529850	635668	971.3	971.2	222.0	217.2
(e) Dividends.	121845	121178	76.0	74.4	25.8	27.0
(f) Capital Gains.	5039	4712	8.8	8.0	2.5	2.0
(g) Other sources.	650283	348637	499.0	283.3	87.1	64.6

III - CLASSIFICATION OF BUSINESS INCOME

All-India Statement No. 4:

9. This statement gives a tradewise break-up of data regarding business income separately for 'Corporate' and 'Non-corporate' sectors. The following chart sums up the position in regard to 'Corporate' and 'Non-corporate' sectors:-

	<u>No. of assesses.</u>		<u>Total business income assessed</u> (Rs. crores)		<u>Tax demand</u> (Rs. crores)	
	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>
(a) Corporate Sector	9331	9047	321.0	311.0	160.9	158.6
(b) Non-corporate Sector.	520519	626621	650.3	660.2	61.1	58.6
Total	529850	635668	971.3	971.2	222.0	217.2

Use break-up :

10. The following table gives the trade-wise break-up of data regarding assessors having business income :-

	<u>No. of assessors</u>		<u>Income assessed</u>		<u>Tax demand</u>	
	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>
			(Rs. crores)		(Rs. crores)	
(a) Forestry, Mining and Quarrying.	1973	2711	11.2	18.4	3.7	6.3
(b) Primary industries and processing and manufacture of foodstuffs (including beverages etc.)	11877	12311	54.6	53.5	17.8	18.2
(c) Processing and manufacture of Textiles, Leather etc.	13059	15252	69.0	68.1	25.7	25.9
(d) Processing and manufacture of Metals etc.	18848	19525	114.0	112.7	43.7	44.3
(e) Processing and manufacture of Cement, Rubber etc.	14661	15183	51.0	39.4	16.0	11.5
(f) Construction and Utilities.	14841	17614	38.7	40.8	9.7	10.8
(g) Commerce, Transport and Communications.	331325	464565	513.5	501.6	73.8	61.1
(h) Finance.	31074	45284	78.2	92.7	25.6	31.6
(i) Professions.	42192	43223	41.1	44.0	6.0	7.5
Total	529850	635668	971.3	971.2	222.0	217.2

IV - CLASSIFICATION BY RANGES OF INCOME AND STATUS

All-India Statement
No. 5, 5-E and 6 :

11. All-India Statement No. 5 analyses income-tax demand according to the range of total income assessed and according to the status of the assessee. The figures of tax shown against 'Unclassified Demand' and 'Unclassified Refund' shown at the bottom of the statement, refer to the increase or decrease in tax arising out of reassessments on account of appeals, revisions, rectifications etc., which are not included in the range-wise analysis given in the statement.

12. All-India Statement No. 5-E gives classification of the gross income, losses set off, deductions allowed, income assessed, tax payable and net income according to range of income assessed and status of the assessee.

13. All-India Statement No. 6 contains a status-cum-net income rangewise classification of tax payers. Net income means income left in their hands after deduction of tax.

Income Ranges :

14. The following comparative chart gives the number of assesses in the important income ranges, the income assessed in their hands and tax raised against them:-

Income Range Rs.	No. of assesses.	Income assessed		Tax payable		
		1965-66	1964-65	1965-66	1964-65	
		(Rs. crores)		(Rs. crores)		
Below 10,000	1245936	1028256	702.4	569.9	20.4	15.9
10,001 - 20,000	259510	225585	355.2	309.1	29.9	25.8
20,001 - 50,000	110545	99915	336.0	303.9	48.9	47.6
50,001 - 1,00,000	25437	21576	171.5	141.8	38.4	34.5
1,00,001 - 5,00,000	9949	7923	183.6	145.2	62.0	52.7
Above 5,00,000	1557	1337	379.2	361.2	176.4	166.5
Total	1652934	1384592	2127.9	1835.1	376.0	343.0

Income Range above Rs. 5 lakhs:

15. There are 1557 assesses with income over Rs. 5 lakhs and they account for a total tax demand of Rs.176.4 crores which roughly come to 47 % of the entire tax demand. There are 1066 Companies in this range and they account for a tax demand of Rs.156.7 crores. Individuals and Hindu Undivided Families having incomes over Rs. 5 lakhs are 167 and 19 respectively. After payment of tax, the total number of assesses in this range comes down to 921 including 25 persons assessed as individuals.

Statuswise statistics :

16. The following chart shows the number of assesses in each status-category, total income assessed in their hands and tax raised against them :-

<u>Category of assesses</u>	<u>No. of assesses.</u>		<u>Income assessed</u>		<u>Tax Payable</u>	
	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>
			<u>(Rs. crores)</u>		<u>(Rs. crores)</u>	
1. Individuals	1465856	1229854	1286.4	1091.8	144.8	128.0
2. Hindu Undivided Families.	93651	75508	111.6	94.0	15.2	14.2
3. Unregistered Firms and Association of Persons.	35593	30560	52.2	43.5	14.4	10.2
4. Registered Firms.	45905	37382	288.7	229.3	15.0	11.5
5. Companies	11929	11288	389.0	376.5	186.6	179.1
Total	1652934	1384592	2127.9	1835.1	376.0	348.0

All-India Statement Nos.

5 A, 5 B & 5 D :

V - ANALYSIS OF INCOME BY SOURCE, RANGE AND STATUS

17. 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 assesses, gross income assessed and gross tax levy from each of the different principal sources of income according to the range of Total Income assessed and status of the assesses.

18. All-India Statement No. 5-B gives an analysis of the tax demand of the 'Individuals' assessed to tax according to 'Salaried' and 'Non-salaried' persons.

19. All-India Statement No. 5-D gives a classification of the Capital gains income assessed to tax according to the range of Capital Gains income assessed and status of the assesseses.

Business and Professions:

20. This is the most important source of income and accounts for a total assessed income of Rs.971.3 crores, the demand being Rs.222.0 crores. Out of /tax the various business groups, the assesseses in the group 'Commerce, Transport and Communications' account for the largest income and tax demand, the figures being Rs. 513.5 crores and Rs.73.8 crores respectively.

Salaries:

21. The total gross income from 'Salaries' assessed to tax was Rs. 524.4 crores, the gross demand thereon being Rs. 44.2 crores. Government Salaries account for Rs.145.8 crores (Central Government Salaries Rs. 92.3 crores and State Government Salaries Rs. 53.5 crores), the tax demand being Rs. 8.9 crores (Central Government Salaries Rs. 5.8 crores and state Government Salaries Rs. 3.1 crores).

Dividends :

22. Income from Dividends assessed to tax is Rs. 76.0 crores, the tax demand being Rs.25.8 crores. Out of the total Dividend income assessed, companies account for Rs. 35.9 crores (47 %) and Individuals Rs.33.6 crores (44 %), the relevant tax demand being Rs. 14.2 crores (55 %) and Rs.10.0 crores (39 %) respectively.

House Property:

23. There are 317802 assesseses having income from House Property. The income earned and tax demand on the same are Rs. 50.6 crores and Rs.10.2 crores respectively. The largest number of assesseses having income from this source are the Individuals (252876), the income assessed and tax demand thereon being Rs. 33.4 crores and Rs. 4.7 crores respectively.

Interest on Securities:

24. The total income assessed under the head 'Interest on securities' is Rs. 12.2 crores, yielding a tax demand of Rs. 4.6 crores. Companies have the highest income from this source viz: Rs.6.7 crores(55 %) the tax demand involved being Rs. 3.3 crores (72 %).

Capital Gains:

25. Income from Capital Gains assessed to tax in the year was Rs.8.8 crores, the tax demand thereon being Rs.2.5 crores. The income from Capital Gains arising

out of transfer of short-term assets is Rs. 4.5 crores, the tax involved being Rs. 1.1 crores.

VI - STATISTICS REGARDING CLASSIFICATION OF COMPANIES.

All-India Statement
No. 5-C :

26. This statement gives data of income assessed, tax payable and the number of tax payers in the Corporate sector. Companies have been divided into two categories viz: 'Public Limited Companies' and 'Private Limited Companies'. The following chart sums up the classified statistics exhibited in the statement along with comparative figures for the year 1964-65 :-

	<u>No. of companies.</u>		<u>Income assessed</u>		<u>Tax payable</u>	
	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1964-65</u>
			(Rs. crores)		(Rs. crores)	
(a) Public Limited Companies.	3632	2497	213.5	205.4	102.4	100.2
(b) Private Limited Companies	8297	8791	175.5	171.1	84.1	78.9
Total	11929	11288	3890	376.5	186.5	179.1

27. There were 470 Public Limited Companies and 596 Private Limited Companies with income exceeding Rs. 5,00,000 and they together accounted for Rs.156.7 crores of the total demand of Rs.186.5 crores from all assessments on Companies.

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