

REPORT
OF THE
INCOME-TAX INVESTIGATION COMMISSION



PRINTED IN INDIA BY THE MANAGER
GOVT. OF INDIA PRESS, NEW DELHI 1949

CONTENTS

PART I

Subject	Paragraphs
Terms of reference	1
The Back ground —	
(i) Recent History of Income-tax law in India	2-5
(ii) Recent History of Income-tax administration	6-13
The Scope of the Reference—some suggestions considered.	14-21
Some preliminary steps taken by the Commission	22-24
Recommendation —	
(1) <i>Substantive Provisions</i>	
A—Residents & Non-Residents	25-58
Question 1 Para. 36	
Question 2 37-39	
Question 3 40	
Question 4 41-46	
Question 33 47	
Question 6 48	
Question 13 49-51.	
Question 17 52-53	
Question 38 54-58	
B —Hindu Undivided Family Q. 5	59-83
C—Taxation of Companies	84-95
Question 7	
Question 8	
Question 9 (First part)	} 84-92
Question 15	
Question 16	} 93-95
D—Partnerships	96-100
Question 9 (Second half) &	
Question 10	
E—Mutual Associations (Q. 11)	101-102
F—Life Insurance Companies	103-126

Subject	Paragraphs
G—Religious & Charitable Trusts	127-131
H—Collection & Information at source (Q. 12)	132-134
I—Advance Payments & Interest thereon (Q. 14)	135-139
J—Deductions & Allowances (Qs. 18—21)	140-143
K—Stock Valuation (Q. 22)	144-159
L—Usufructuary Mortgages (Q. 23)	160-161
M—Premium on Leases (Q. 24)	162-164
N—Unclaimed Balances (Q. 25)	165-166
O—Superannuation Fund (Q. 26)	167-178
P—Super-tax on Associations (Q. 27)	179-180
Q—Avoidance & Evasion (Qs. 34—37).	181-188
R—Bankruptcy & Winding Up (Qs. 39 & 40)	189-192
(2) <i>Procedural Sections</i>	
S—Submission of return (Q. 28)	193-200
T—Maintenance and audit of Accounts (Qs. 29—31)	201-210
Question 29	201
Question 30	202-204
Question 31	205-210
U—Best Judgement Assessment (Q. 32)	211-216
V—Penalties (Qs. 41—45)	217-241
Question 41	217-218
Question 42	221-222
Question 45	226-230
Question 44	231-236
Question 43	237-241
W—Secrecy and Publicity (Qs. 46-47)	242-250
Question 46	242-246
Question 47	247-250
X—Cancellation of Assessment, Revision and Review	251-253
Y—Appeals (Qs. 48-49)	254-260
Question 48	254
Question 49	258-260

Subject	Paragraphs
Z—Stay of recovery proceedings	261
AA—Appellate Procedure Q. 50 and Q. 32 (second half)	262-271
Question 50 (First half)	262-265
Question 50 (Second half)	266-268
Question 32 (Second half)	269-271
BB—Refunds (Qs. 51 and 55)	272-285
Question 55 (First half)	272-280
Question 55 (Second half)	281
Question 51	283-285
CC—Powers of Incom-tax Officers (Qs. 52, 53, 58 & 59)	286-309
Question 52	286-295
Question 53	296-303
Question 58	304-306
Question 59	307-309
DD—Inspecting Assistant Commissioners (Q. 56)	310-316
EE—Appellate Assistant Commissioners (Q. 57)	317-322
Question 57 (First half)	317-321
Question 57 (Second half)	322
FF—Appellate Tribunal	323-329
GG—(3) <i>Miscellaneous Recommendations.</i>	320-356
Section 2(11)	331
Section 4(1) (b)	332
Section 4-A(b)	333-334
Section 9	335-339
Section 10(2) (vii)	340
Section 10(2) (x)	341-342
Section 24	343
Sections 25(3) and 25(4)	344-350
Section 25A	351-352
Sections 31 and 33	353
Section 36	354
Section 45	355
Section 50	356

Subject	Paragraphs
HH—(4) <i>Administration</i>	357-448
(i) Recruitment of Income-tax Officers	357-380
(ii) Training of Officers	381-388
(iii) Organisation and Distribution of work	389-429
(iv) Equipment	430-437
(v) Relations between the Department and the Public	438-448
(5) <i>Summary of Recommendations</i>	

PART II

Investigation Reports on Individual cases.

[Not printed.]