

GOVERNMENT OF INDIA
CENTRAL BOARD OF DIRECT TAXES

All-India
Income-tax Statistics
for the year
1963-64

ALL INDIA INCOME-TAX STATISTICS 1963-64

C O N T E N T S

Pages
i - xiii

Preface

MAIN STATEMENTS

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 assessees according to the ranges of total income assessed. 17-23
6. All India Statement No. 6 - Classification of Income-tax assessees according to the ranges of net income left in their hands after deduction of tax payable by them. 24-27

SUBSIDIARY STATEMENTS

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 salaried 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 assessed. 67-73

DIRECTORATE OF INSPECTION
(RESEARCH, STATISTICS & PUBLICATION)

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All India Income-tax Statistics 1963-64 .

P R E F A C E

INTRODUCTORY: All India Income-tax Statistics for the year 1963-64 is a compilation relating to assessments completed by the Income-tax Department of the Government of India during the financial year 1963-64. It makes a departure from the previous issues of the compilation inter alia in the following respects:-

(a) The capital gains assessed to tax exhibited in All India Statement No. 3 have 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, have been 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. In order to know the income from any particular source, the previous presentation necessitated adding up of the figures given under each category of assessees for different ranges of total income assessed, which is not now necessary.

SCOPE AND COVERAGE:

The statistics contained in this compilation relate to assessments completed during the financial year 1963-64 and largely cover assessments relating to the assessment year 1963-64. Such assessments also include a proportion of assessments of earlier assessment years brought forward. Hence the statistics presented in this volume cannot be taken as exclusively relating to assessments for the assessment year 1963-64. The old nomenclature of referring to assessees in the appended tables has been maintained but these figures in fact represent assessments.

The analysis given in the statements refers to demand raised on regular assessments. No account is taken of items like demand raised in respect of advance payments under Section 210 or provisional assessments under Section 141 of the Income-tax Act, or of miscellaneous demand like penalties, interest etc. It may also be noted that the

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figures of surcharge demand analysed in the statements do not include the additional surcharge levied on residual income under the provisions of the Finance Act, 1963, as this levy was abolished by the Finance Act, 1964. Hence the total tax demand analysed in the statistics will not be comparable with the total income-tax demand and collections of the year.

The total number of assessments completed by the Income-tax Department during the year 1963-64 is 15,85,585 whereas the statistics analysed in the various statements given in the publication relate only to 12,57,589 assessments - 11,76,024 resulting in a tax demand and 79565 resulting in a net refund. The remaining 328006 assessments did not result in either demand or refund. They represent generally - (i) assessments in respect of new industrial undertakings satisfying the conditions laid down for exemption under the provisions of the Income-tax Act, (ii) assessments in which the entire income is absorbed by initial or additional depreciation and development rebate, (iii) assessments of Registered Firms with income less than Rs.25,000, where the tax is not levied on the firms themselves but is levied in the hands of the partners and (iv) other 'no assessment' cases, where the assessable income is computed at a figure less than the taxable minimum.

NATURE OF INFORMATION:

Before giving the salient features revealed in these statistics, it may be appropriate to explain in brief the nature of the information in the various statements of this compilation.

India Statement No. 1
Demand and Collections
of the year.

This statement gives a summary of the gross demand, collections and arrears of Income-tax for the year. The details of arrears on the 1st April, amount reduced on appeals, demand raised during the year, collections and arrears as on 31st March are given under the heads Income-tax, Super-tax, Corporation-tax, Surcharge, Excess Profits-tax, Business Profits-tax and Miscellaneous.

India Statement No. 2
Summary of gross collections
of the year.

This statement is a summary of the gross collections of the tax during the year under the various heads such as (a) regular assessments, (b) provisional assessments, (c) advance payments, (d) deductions at source etc.

India Statement No. 3
Analysis of income
according to source

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 assessments or refunded to assessee 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 u/s 147) made during the financial year 1953-54. Additional demand raised or decrease in demand ordered in reassessments 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 the income is derived.

This statement shows the income from 'Business and Profession' and tax on the same classified according to different industries, trades and professions.

This statement gives an analysis of the Income-tax demand according to the range of total income assessed and status of assesseees, viz. (i) Individuals, (ii) Hindu Undivided Families, (iii) Unregistered Firms and Associations of Persons, (iv) Registered Firms, (v) Companies and (vi) Others. Income from Capital Gains and tax demand on the same 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 Reates' in All India Statement No. 3.

The income range below Rs.3,000 includes a number of cases in respect of assesseees other than Companies. The figures so analysed mainly refer to non-resident assesseees 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 Rs.3,000 or below.

The refunds allowed to various assesseees from whom no tax was due because of (i) their income being exempt from tax or (ii) their income being below the taxable limit or (iii) their having incurred a net loss, but at the same time suffered deduction of tax at source on Dividends and /or Interest on Securities, are given against 'Pure Refundees' at the bottom of the statement.

The figures of tax shown against the '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 on account of appeals,

revisions, rectifications etc., which are not included in the rangewise analysis given in the statement.

All India Statement No. 6.
Classification of assesses after tax.

This statement gives a classification of assesses according to the ranges of the net income left in their hands after deduction of the tax payable by them from their total assessed income.

All India Statement No. 5-A.
Analysis of income according to principal sources.

This statement gives an analysis of the gross income assessed according to the principal sources of income generally taken into account for purposes of income-tax levy. The analysis gives the number of assesses, gross income assessed and gross demand levied from each of the different sources according to the range of total income assessed and status of assesses. The figures shown as 'Unclassified Pure Refundees' under each source at the bottom of the statement represent income earned from the source by assesses whose incomes are either exempt from tax or below taxable limit.

All India Statement No. 5-B.
Break-up of Individuals into salaried and non-salaried categories.

The statement analyses the tax demand of the 'Individuals' assessed to tax according to (i) Salaried Persons and (ii) Non-salaried persons.

All India Statement No. 5-C.
Break-up of companies into Public and Private Ltd. Companies.

This statement gives a break-up of the income assessed and tax demand of the Companies according to their categories viz. Resident/Non-resident and Public/Private Limited Companies.

All India Statement No. 5-D.
Analysis of Capital Gains by range and status of assesses.

This statement 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 assesses.

All India Statement No. 5-E.
Classification of gross income, loss etc. by range and status of assesses.

This statement gives a classification of the gross income losses set off and the net income (after deduction of tax payable from assessed income) according to the range of income assessed and status of assesses.

SALIENT FEATURES:

The following are the salient features regarding All India Income-tax Statistics for the year 1963-64:-

(1) Gross demand and collections.

The demand raised in regular assessments during the year 1963-64 including arrear assessments, in respect of Income-tax, Excess Profits Tax and Business Profits Tax was Rs.273 crores nearly. With a brought-forward arrear of Rs.244 crores,

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the total demand for collection was Rs.517 crores, out of which Rs.235 crores was collected leaving an arrear of Rs.282 crores for collection at the end of the year. The total gross collections in the year including collections on account of provisional assessments, advance payments etc. was Rs.587 crores nearly.

Statistics by
Range of Income

The maximum concentration of assessee is in the income range below Rs.20,000. While 90 % of assessee are in this range, the tax demand from them is Rs.31.0 crores which is only 11 % of the total demand. Assessee with incomes below Rs.10,000 are 73 %, but their contribution to tax demand is Rs.11.3 crores which is only 4 % of the total demand. Assessee with incomes between Rs.20,001 and Rs.50,000 and Rs.50,001 and Rs.1,00,000 forming nearly 8 % and 2 % respectively of the total number of assessee account for a tax demand of Rs.42.0 crores (13 %) and Rs.31.4 crores (12 %) respectively.

There are only 8440 assessee with incomes over Rs. one lakh but the tax demand from them is Rs.169.8 crores (60 %). These assessee forming less than 1 % of the total represent 2253 Individuals, 237 Hindu Undivided Families 327 Unregistered Firms/ Association of Persons, 3408 Registered Firms, 213 Companies and 2 assessee under 'Other' category. The tax demand from Individuals and Companies in this group are Rs.28.9 and Rs.128.7 crores respectively.

Assessee (1103) with incomes over Rs.5 lakhs account for a total tax demand of Rs.122.0 crores (43 %), the tax on the companies (846) alone being Rs.112.0 crores (40 %). Individuals and Hindu Undivided Families having incomes over Rs.5 lakhs number 86 and 6, their assessed incomes being Rs.8.7 and 0.8 crores and the tax demand being Rs.6.1 and 0.6 crores respectively.

Though there were 2253 individuals with incomes over Rs.1.lakh before payment of tax with an aggregate assessed income of Rs.44.8 crores, the number of individuals whose net income after payment of tax exceeded Rs.1 lakh, was only 207 with an aggregate income of Rs.4.2 crores.

Statistics by
Source of Income

Business and
Profession

The most important source of Income is 'Business and Profession' which accounts for a total assessed income of Rs.820.8 crores and tax demand of Rs.174.1 crores. Out of the various business groups, the assessee in the group 'Commerce, Transport & Communication' account for the largest income and tax demand, the figures being Rs.444.5 and Rs.57.4 crores respectively. The assessee engaged in 'Processing and Manufacture of Metals and Chemicals and products thereof' came second, the figures of (Contd.....)

income and tax demand being Rs.87.9 and Rs.32.6 crores respectively. The assessees engaged in 'Manufacture - Textiles and Leather and Products thereof', come next, the figures of Income and tax demand being Rs.63.1 and Rs.23.8 crores respectively.

(b) Salaries

The total gross income under the head 'Salaries' works out to Rs.377.3 crores and the gross tax demand on that account is Rs.32.3 crores. Government salaries account for Rs.103.8 crores of the total salary income assessed, the tax demand being Rs.5.3 crores.

(c) Dividends

The income from dividends assessed to tax is Rs.31.8 crores, the tax demand being Rs.22.4 crores. Of the total dividend income assessed, Companies account for Rs.20.1 crores (33 %) and Individuals Rs.35.9 crores (58 %), the relevant tax demand being Rs.3.7 crores (39 %) and Rs.12.0 crores (54 %) respectively. Income from dividends earned by assessees with total incomes over Rs.1 lakh is Rs.29.7 crores (48 %) and accounts for Rs.15.1 crores (67 %) of the tax demand.

(d) House Property

The number of assessees having income from House property is 261424. The income earned and tax demand on the same are Rs.42.3 crores and Rs.7.1 crores respectively. Individuals (207959) have the highest income from house property, the income assessed being Rs.30.0 crores (71 %) and the tax demand thereon being Rs.4.4 crores (62 %). Property income earned by assessees with total incomes over Rs.1 lakh is Rs.3.9 crores (9 %) and accounts for Rs.2.1 crores (30 %) of the tax demand.

(e) Interest on Securities

The total income assessed under the head 'Interest on Securities' is Rs.6.0 crores yielding a tax demand of Rs.2.5 crores. Individuals (20813) have the highest income assessed from 'Interest on Securities' viz. Rs.3.1 crores (46 %), but the tax demand involved is only Rs.0.7 crores (30 %). On the other hand, Companies (1213) with income of Rs.2.5 crores (37 %) yield a tax demand of Rs.1.3 crores (57 %). Income from Interest on Securities earned by assessees with total incomes over Rs.1 lakh is Rs.3.1 crores or 46 % of the total Interest on Securities income assessed and account for Rs.1.6 crores, 70 % of the tax demand.

(f) Capital Gains

The income from Capital Gains assessed to tax is Rs.5.7 crores and the tax on it Rs.1.3 crores. The Capital Gains arising from transfer of short-term assets is Rs.1.4 crores and the tax Rs.0.33 crores only.

(g) Exemptions and Rebates

The principal item on which exemptions and rebates are allowed pertain to double taxation relief, losses, insurance premia, donations to charitable institutions and contributions to provident funds. The total amount of losses set off against

income in assessments is Rs.8.5 crores owing to which taxation liability is reduced by Rs.3.4 crores. Double Incometax relief results in an abatement of tax to the tune of Rs.0.2 crores. Total contributions to provident and superannuation funds entitled to rebate amount to Rs.23.8 crores and the rebate allowed is Rs.1.7 crores. The amount of insurance premia entitled to relief under Section 87 of the Act is Rs.34.5 crores and the rebate allowed Rs.3.3 crores. Donations (Rs.3.5 crores) to charitable institutions and funds earned rebate in tax to the extent of Rs.1.0 crore.

COMPARATIVE STUDY:

- 1) Gross Demand, Collections and regular assessments.

The following table reveals the comparative position regarding gross demand and collections in 1963-64 as compared to 1962-63.

	<u>1962-63</u> (Rupees in crores)	<u>1963-64</u>
1. Demand raised in regular assessments etc.	281	273
2. Total demand for collection	535	517
3. Gross Collections	512	587

Compared to the year 1962-63, the demand raised in assessments during the year, has gone down by nearly 3 %. The total demand including arrear demand for collection also has gone down by nearly 3 %. The total gross collections including those on account of provisional assessments, advance payments etc. have, however, gone up by nearly 15 %.

In regular assessments during 1963-64, the total number of assesses, income assessed and total tax on them work out respectively to 1178024, Rs.1530 crores and Rs.282 crores nearly, whereas the corresponding figures in the year 1962-63 were 1104209, Rs.1612 and Rs.322 crores nearly. Though the number of assesses have gone up by 7 %, the income assessed and the tax demand have fallen off by 3 % and 12 % respectively.

- i) By Income Groups

The comparative position regarding the assessments for the two years 1962-63 and 1963-64 according to ranges of income in consolidated groups is shown in the statement below:-

Range of Income	No. of assess-ees.	1962-63		No. of assess-ees	1963-64	
		Income assessed (Rs. in crores)	Tax demand		Income assessed (Rs. in crores)	Tax demand
Below Rs. 10000	787399	442.1	10.6	859098	483.8	11.3
10001 - 20000	190978	252.1	19.8	195846	268.6	20.3
20001 - 50000	94097	286.6	47.7	93996	286.3	46.0
50001 - 100000	22205	149.4	36.5	20644	139.2	34.4
100001 - 500000	8187	149.3	53.4	7337	133.1	47.8
Above 5 lakhs	1343	322.7	154.6	1103	249.3	122.0
Total	1104209	1612.2	322.6	1178024	1560.3	281.8

The assessments in ranges above Rs.20,000 show a fall in every respect viz. the number of assesses, income assessed and total tax demand. The p fall is maximum in the range above 5 lakhs, the percentages being 18 %, 23 % and 21 % for number of assesses, income assessed and t ax demand respectively, which could be partly explained as being due to a lower disposal of these categories of assessments in the year under review.

iii) By Status of Assessses.

The distribution of the number of assessses etc. amongst the different categories of a ssessees for the two years is given below:-

(Contd.....)

	1962-63			1963-64		
	No. of assess-ees	Income assessed (Rs. in crores)	Tax demand	No. of assess-ees	Income assessed (Rs. in crores)	Tax demand
1. Individuals	961841	923.1	118.3	1036534	959.1	115.8
2. Hindu Undivided Families	73409	95.1	14.1	71536	89.7	12.8
3. Unregistered Firms and Associations of Persons	26473	35.2	7.3	25877	34.9	7.6
4. Registered Firms	30437	197.4	7.8	33741	205.0	9.3
5. Companies	12024	361.2	175.1	10315	271.5	136.2
6. Others (Local Authorities)	25	0.1	0.1	21	0.1	0.1
Total	1104209	1612.2	322.7	1178024	1560.3	281.8

The fall in tax demand in 1963-64 is mainly attributable to the fall in assessments of companies which contribute the maximum share of the demand. A similar trend is noticeable in the case of Hindu Undivided Families also. In the case of Registered Firms, Unregistered Firms and Associations of Persons, there is a rise in the number of assesses, incomes assessed and tax demand. In case of Individuals there is also rise in the number of assesses and income assessed but there is a fall in tax demand.

(Contd.....)

iv) By Sources of Income

The following table giving a consolidated picture of assessments made according to sources of income in the two years is also revealing in many respects:-

	No. of assess-ees	1962-63		No. of assess-ees	1963-64	
		Income assess- ed (Rs. in crores)	Tax demand		Income assess- ed (Rs. in crores)	Tax demand
1. Salaries	473229	352.6	33.8	520035	377.3	32.2
2. Interest on Securities	27839	16.2	7.0	25309	6.7	2.3
3. House Property	254763	42.8	7.6	261424	42.4	7.2
4. Business and Profession	528095	889.5	203.3	541638	820.8	174.1
5. Share and Partnership Profits	109134	172.7	36.2	120049	188.5	38.9
6. Dividends	120823	87.3	35.2	113455	61.8	22.4
7. Capital Gains	3154	8.5	2.1	4055	5.7	1.3
8. Income accruing or arising abroad	3847	6.2	2.0	3536	5.7	1.7
9. Other sources	179555	55.8	15.5	194451	65.7	18.4

Compared to 1962-63 the income-tax assessed in 1963-64 shows an increase only in case of 'Share and Partnership Profits' and 'Other sources'. In every other case there is a fall in the tax demand which is considerable in the case of 'Business and Profession', 'Dividends' and 'Interest on Securities'. The following break-up of the assessments in the case of Business and Profession under companies and non-companies shows that number of assessments in Company cases has fallen off substantially:-

(Contd.....)

	Companies			Non-Companies		
	No. of assess- ees	Income assess- ed (Rs. in crores)	Tax demand	No. of assess- ees	Income assess- ed (Rs. in crores)	Tax demand
	1	2	3	4	5	6
1962-63	9984	305	153	518111	584	50
1963-64	8342	237	124	533296	583	50

By Business Income
from Companies.

The following table gives a consolidated picture of the comparative position in the two years in respect of companies classified under the main business groups:-

Business Group	1962-63			1963-64		
	No. of assess- ees	Income assess- ed (Rs. in crores)	Tax demand	No. of assess- ees	Income assess- ed (Rs. in crores)	Tax demand
1. Forestry, Mining and Quarrying	242	16.3	8.9	209	10.9	6.0
2. Primary industries & Processing & Manufacture of foodstuffs (including beverages etc.)	814	26.3	13.7	582	22.1	11.7
3. Processing & manufacture- Textiles and Leather etc.	634	44.0	21.4	595	43.7	21.9
4. Processing & Manufacture- Metals etc.	1438	83.4	402 402	1356	60.0	30.0

Business Group	No. of assess-ees	1962-63	Tax	No. of assess-ees	1963-64	Tax
		Income assessed. (Rs. in crores)	demand		Income assessed (Rs. in crores)	demand
5. Processing & Manufacture- Cement, Rubber etc.	832	23.7	12.4	727	22.1	11.9
6. Construction and Utilities	368	9.2	4.8	300	7.6	4.2
7. Commerce, Transport & Communications	3790	47.6	24.4	3015	51.2	27.9
8. Finance	1442	49.7	24.8	1215	15.5	7.7
9. Professions	424	5.0	2.5	333	4.3	2.3
Total	9984	305.2	153.1	8342	237.4	123.6

It will be seen that the tax demand has gone down in every case except in 'Commerce, Transport and Communications' and 'Processing and Manufacture - Textile and leather etc.' In the case of 'Commerce, Transport and Communications', though there is a fall in the number of assesseees, there is a rise in the assessed income and tax demand. In the case of 'Processing and Manufacture - Textile and leather etc.' there is a slight increase in the tax demand but there is a fall in the number of assesseees and income assessed.

vi) Exemptions and Rebates.

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

(Contd.....)

	1962-63			1963-64		
	No. of assess-ees	Amount entitled for exemp-tion & rebate	Total relief in tax	No. of assess-ees	Amount entitled for exemp-tions & rebate	Total relief in tax
			(Rs. in crores)			(Rs. in crores)
1. Deductions	6494	11.0	4.6	6029	8.6	3.4
2. Exemptions	17689	17.5	3.5	18028	11.2	4.1
3. Abatements & Rebates	853428	57.5	6.0	953593	68.4	7.8
4. D.I.T. Relief	523	..	0.8	491	--	0.3

The total tax relief on account of (i) deductions due to losses set off under Sec. 71 and 72, (ii) exemptions due to profits of newly established industries etc., (iii) abatements and rebates on account of contributions to provident fund etc., and (iv) Double Income-tax Relief is Rs.15.3 crores as compared to Rs.17.9 crores in 1962-63.

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