APPENDICES
APPENDIX I

Quantum and Dates of Installments of Advance-tax

<table>
<thead>
<tr>
<th>Due date of installment</th>
<th>Amount payable</th>
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</thead>
<tbody>
<tr>
<td>On or before 15th September</td>
<td>No less than 20% of such advance tax.</td>
</tr>
<tr>
<td>On or before 15th December</td>
<td>Not less than 50% of such advance tax as reduced by the amount, if any, paid in the earlier installment.</td>
</tr>
<tr>
<td>On or before the 15 March</td>
<td>The whole amount of such advance tax as reduced by the amount or amount or amounts, if any, paid in the earlier installment or installments.</td>
</tr>
</tbody>
</table>

The corresponding provision in the 1922 Act was to be found in sec. 18A(1)(a) and 18A (1)(b) of the Act. Under this act 15th day of March if the notice was served after the 15th day of December. In other cases on the dates on which installments fall payable in the notice of demand. Under the original 1961 act these dates w.e.f. 1st April 1969 due were:

a) In case of a persons serving
75% or more of the income subject

to advance tax from a source or

sources for which the previous

ends on or before 31st December.

b) In any other case

15th June
15th September
15th December
15th September
15th December
15th March

From 1987 the financial year (i.e. year ending on 31st March) shall be the previous for all the assesses. Thenceforward uniform due dates for payments of advance tax have been prescribed viz. 15th September, 15th December and 15th March and not less than 20%, 50% and 100% of the advance tax due shall be paid by these dates. Within the financial year after the due date of last installment will constitute advance tax or not it is provided that any amount paid by way of advance tax on or before 31st March of the relevant year shall also be treated as advance tax for that year. There is a provision which enables the assessee to pay advance tax on capital gains or on income of casual nature which may accrue to the assessee till the last date of the financial year.
APPENDIX II
Calculation of Interest u/s 244 & Numerical Illustrations

Illustration I - Grant of refund under section 143(1) out of tax paid or tax deducted at source - interest payable by the Department under section 244A:

(i) Tax paid by way of advance tax/TDS. before 31st March, 1989  Rs. 300000.00
(ii) Tax due as per return of income for the assessment year 1989-90, filed on 31st August, 1989, the due date. Rs. 240000.00
(iii) Refund due to the assessee. Rs. 60000.00
(iv) Date of actual refund granted under section 143(1) 10.10.1989.
(v) Interest payable by the department @ 1.5% per month for six months, and ten days (1.4.1989 to 10.10.1989) i.e. for seven months @ 10.5 per cent on Rs.60000/- Rs. 6300.00

Note: Interest is to be paid for full month even where the delay is for part of a month.

Illustration II:
Grant of refund under section 143(1) out of advance tax paid or tax deducted at source in a case where the return is filed late by the assessee - Interest payable by the department under section 244A:

(i) Tax paid by way of advance tax /TDS before 31st March, 1989  Rs. 300000.00
(ii) Tax due as per return of income for the assessment year 1989-90 Rs. 200000.00
(iii) Due date for filling the return of income 31.08.89
(iv) Date of filing the return 31.12.89
(v) Delay in filing the return 4 months.
(vi) Refund due to the assessee Rs. 100000.00
(vii) Date of actual refund granted under section 143(1) 31.01.1990

(viii) Interest payable by the Department at 1.5 per cent per month for six months (i.e. 10 months comprised in the period 01.04.1989 -31.01.1990 minus four months of delay in filing the return) i.e. at 9% on Rs.100000.00 Rs. 90000.00
Note: Under section 244(2) interest shall not be payable by the Government for the period of delay attributable to the assessee, since in the present case, delay of four months in filing the return is attributable to the assessee, interest shall not be payable to him for this period.

**Illustration III:**
Grant of refund as a result of the appellate order – Interest payable by the Department under section 244A:

(i) Tax due as per return of income for the assessment year 1989-90 filed on 31st October, 1989, the due date

Rs. 300000.00

(ii) The tax of Rs.300000.00 due as per return has been paid by the assessee as follows:

- By way of advance tax 31.03.1989
  Rs. 280000
- Under section 140A on 31.10.1989
  Rs. 20000

---

(iii) Tax determined on completion of regular assessment under section 143(3) on 31.03.1990

Rs. 4,00,000

(iv) Date of payment of further demand of Rs.100000

Rs. 1.5.1990

(v) Tax determined as a result of appellate order under section 250 on 30.09.1990

Rs. 3,20,000

(vi) Refund due as a result of appeal.

Rs. 80,000

(vii) Date of grant of actual refund.

31.10.1990

(viii) Interest payable by the Department at 1.5 per cent per month for six months (1.5.1990-31.10.1990) i.e. at 9% on Rs.80000

Rs. 7,200

[Taken from circular No. 549 dated 31 October 1989]

Note: Since the last tax has been correctly paid and the return has been filed in time neither any tax or interest is due from the assessee nor is any refund due to him. Therefore no action under section 143(1) is necessary.

As it is shown in Table from 1 Oct.1991 the interest payable by the Government has been reduced to 1% p.m. or part of a month comprised in the period of delay in the grant of refund out of any tax or penalty.
Appendix III

Chelliah Committee on presumptive taxation.

Implementation of the income tax encounters problems everywhere in the case of certain sections of the population. Tax Reforms Committee chaired by Prof. Rajah J. Chelliah (Popularly came to be known as Chelliah Committee) brands such cases as "Hard To Tax Groups" [Page 78 of the interim Report 6.119] Farmers, self-employed persons, professionals and small enterprises are examples of such hard to tax groups. Such persons and organizations do not generally maintain accounts in a verifiable form. This renders the assessment work hard. In developing countries the problem is particularly acute because of the preponderance of unorganised sector in the economy. In India, nearly forty percent of the industrial output is accounted for by small enterprises. Enterprises operating in the service sector (e.g. traders, restaurant keepers, barber shops, beauty parlours, repair shops and transport operators etc.) are mostly unincorporated and come under the category of "small" ventures. Bringing all these under tax net is difficult for any tax administration.

But all of the "small" ventures are not that small. Many abuse the situation and defraud the revenue. Taxbase of income tax cannot be truly broadened unless these small and medium ventures are caught in the tax net. This is necessary not only on the ground of revenue but equity also. They should be brought into tax net without burdening the tax machinery to any significant degree.

Presumptive taxation as an instrument to tax the hard to tax groups
It is expedient in relation to such groups to resort to presumptive taxation. Presumptive taxation, in essence, envisages the application of simple methods for assessing the tax base, or in some cases, the tax itself instead of going through complicated legal and accounting processes. Under this method, only the income which a tax payer could be reasonably presumed to earn in a given situation as reflected by his investment or assets or scale of business is to be taxed. Apart from its administrative ease, the presumptive approach is commended by fiscal experts also on equity and efficiency grounds. When the tax is levied on average income and effort, as advocated by its early proponents, there is a built in incentive for efficiency as incomes above the average do not attract any additional tax while those who do not make the optimal use of their assets or earning capacity get penalised. Presumptive Income Taxation. "Administrative Efficiency and Equity Aspect" by Vito Tanzi and Milka Casanegra de Jantscher, IMF Working Paper WP/87/54(1987)

The celebrated Musgrave Mission on Tax Reform in Bolivia recommended the presumptive approach for the effective taxation of
small enterprises and the estimated method for the hard to tax groups [Fiscal Reform in Bolivia [Harvard Law School 1981]

Parallels of what we call presumptive taxation is to be found in the French Forfait system. Under forfait the tax base is estimated by using indicators rather than accounting records. The only limitation with this system is tax is negotiated on case by case basis. In Israel "takshivs" (Israele presumptive tax method) use indicators like physical inputs. In Mexico since 1989 value of assets employed by taxpayers in business has been used as indicators of levy of taxation. To reduce evasion Turkey introduced a "Living Standard Assessment System" in 1983. A partial presumptive approach has been adopted in the Philippines under a "Modified Gross Income Tax System" whereby deductions allowable against salary incomes are limited to specified fractions of the gross income. A similar approach is now proposed for computing taxable business income. ("Simplified Net Income Tax" system). Indian Income tax system also has been using presumptive method.

Problems of Presumptive taxation Following are the few problems of presumptive taxation that warrant special attention.

1) Estimation of Parameters: Determination of taxable capacity on certain indicators require certain parameters for estimation. But this then is required in taxation where gross receipt is the tax base. Wealth or business could be some of the parameters whereby presumptive taxation could be based upon.

2) Inherent differentials of the indicators, Despite acceptance of commonality of indicators all indicators differ intrinsically. This intrinsic difference of indicator poses a problem. In Israel there are as many as more than 80 takshirs. Not all countries can afford to undertake such exercises.

3) Escapement of above average classes: Since certain indicators are the basis and not accounting of actual income in presumptive assessment the above average class escape taxation.

4) It may prove to be an engine of tax evasion: Presumptive taxation may open up opportunities for evasion as some may be induced to seek recategorization as members of hard to tax groups or show their income as derived from lightly taxed sources.

5) Presumptive taxation is of no avail if where receipts are understated:

No amount of refinement of formulae for arriving at net income can help, if the actual gross receipts are not disclosed.

On balance presumptive taxation appears easier to administer than seeking to tax actual incomes. Physical indicators are more amenable to verification than references of income. Because
mainly of its administrative merits developing countries are falling back upon the presumptive approach as the only practicable way of taxing small enterprises and to hard to tax groups effectively. In view of the structure of the economy and the limitations of the administration, the principle of presumptive taxation has been recommended by Chelliah Committee. [Page 81 6.125 of the interim report]

Possible approach of presumptive taxation.

The possible approach for presumptive taxation can be as follows:

Potential income approach:

Presumptive taxation may be based on potential income. Potential may be estimated with reference to investments, the rated capacity of the plant or equipment installed in business, the average productivity of land in case of agricultural income or the maintainable rent in the case of property. While this approach has the merit of efficiency, its implementation may be objected on the ground of equity. The potential may often not be realisable because of factors beyond the control of the taxpayers. This would be particularly true of income form manufacturing and trading though for taxation for real estate and agricultural incomes it might be more suitable than taxation of actual incomes for presumptive assessment of taxpayers in non-agricultural activities (small traders, small scale producers) therefore one has to look for ways of determining income presumptively which could be said to reasonably approximate incomes. The tax would be levied on income ex post but determined presumptively and not on income ex ante, so to say. This approach resembles that suggested by Musgrave Mission on Tax Reforms in Bolivia Chelliah Committee, dwelling at length on Musgrave Tax Reforms in Bolivia suggests that the Musgrave Reforms in Bolivia could be profitably applied in India albeit with appropriate modifications. They seek to confine presumptive taxation only to non corporate sector.

For inducing traders and manufacturers operating on a small scale but enjoying taxable income to make some contribution to income tax, the Chelliah Committee recommends two schemes: [Ibid page 82] The first variant which they call the scheme of presumptive taxation envisages a system under which one is required only to pay a lump sum tax in lieu of income-tax. This scheme, the committee opines, will apply only to traders and manufacturers having a total business turnover of between Rs.3 lakh to Rs.5 lakh. Under the other scheme, the net income of the taxpayer will be estimated as a specified percentage of the gross turnover in business (the percentages depending on the type of business activity). This, they brand to be the estimated income scheme (E.IS.) The two schemes are on following lines.

Presumptive tax Scheme.
Under this scheme traders and manufacturers deriving income from business should be allowed an option to pay tax in a lump sum of Rs.1000/- without filing any return if their total turnover in business happens to fall between Rs.3 lakh and Rs.5 lakh as estimated by themselves.

If such small traders/manufacturers have income from other sources like brokerage, commission interest, dividend, property etc. If the income from these sources be modest this facility should not be denied to them. For brokerage income the committee prescribes the limit of Rs.25000/-. But for brokerage, be taxed at 20% without it being aggregated with other heads. When the trader/producer has income from other sources, again the scheme would be open to the trader or producer if the receipts from such other sources would include receipt in the nature of interest dividend, property, salary etc. However in such cases the taxpayer should not be permitted to claim any refund of tax deducted at source on such receipts.

Taxpayers opting for this scheme should not, however be allowed any deduction on account of savings incentives or any other provision of the Income-tax Act. No return need be filed by persons opting for this scheme. Nor should they be required to make any advance payment of tax in installments. It should suffice if they pay the tax in one lump-sum any time before the 15th of March during the accounting year.

Estimated income Scheme (EIS).

Persons having business turnover of more than Rs. 5 lakh or brokerage or commission receipts exceeding Rs.25000/- or receipts from other sources above Rs.10000/- should come under the alternative scheme viz., the Estimated Income Scheme (EIS). Under this scheme, net income from business will be presumed to be equal to:

(a) eight per cent of the receipts from trading or manufacturing operations.
(b) fifty per cent of the receipts from brokerage or commission,
(c) ten per cent from receipts from contracts relating to construction of roads, bridges buildings other public works and transporting. This is in line with the scheme of estimating income taxation for contractors.
(d) eighty per cent of receipts from other sources being in the nature of interest dividend, export incentive schemes or any other receipt of similar nature.

Receipts from other sources for this purpose will not include any receipt falling under the heads "salaries" or income from house property if any, to determine the gross total income. Taxpayers opting for the scheme will be eligible for deductions allowed for savings and specified activities as may be available under the Income-tax Act from time to time. The total income so computed should be subjected to tax at the appropriate rates.
Unlike in the case of presumptive taxation, tax due under the EIS should be paid in advance in three installments and the provisions in the Income-tax Act should apply. EIS, should however be restricted to persons whose turnover and/or receipts do not exceed Rs. 25 lakhs.

**Common features to both the proposed schemes.**

A simple statement (statement '1' or '2') as may be appropriate should be furnished by the taxpayers coming under these schemes nearest to the Income-tax office.

The challan and statement form should be made available freely in all Bank offices or branches, market committees, office of trade associations etc.

The presumption of the above schemes is that firm reveal correct quantum of their turnover & net profit rate is 8%. One important way of tax evasion is suppression of figures of sales. Checks are therefore necessary. Committee is of opinion that a system of checks can be evolved once the firm starts filing their statements showing the value of fixed assets, power consumption, number of employees, size and rent paid for the premises etc. Based on these statements and work of special cells to be set up for this purpose, the average relationship between these variables and the business turnover can be worked out by using statistical tools. The committee, however, suggests, to begin with, for the first three years, the statements of turnover may be accepted without any question [Ibid Page 84 6.315]. Similarly, the net profit ratio also can be established for different trades/activities with information which would be furnished by the taxpayers deriving income from business. The 8% ratio suggested above is intended only to help implementation of the presumptive approach.

If the presumptive approach is to find acceptance, every attempt should be made to estimate the ratios separately for each separate activity and for different locations as has been done in Israel for the "takshisv". Once these ratios are set up they should be given wide publicity(subject to periodic revisions) so that they can be used for self assessment by taxpayers having income from business on their own and also by tax officers as a check against gross under statement. In other words these ratios can be used as benchmarks or guidelines for estimating business incomes where verifiable accounts are not maintained. Incomes computed on the basis of ratios should be accepted without any question, any variation above or below the norms so set up beyond, say, 10% should be subjected to scrutiny and approval by the next higher official.

Committee also considered the schemata proposed for presumptive taxation vis a vis its legal frame work. Provisions of sec. 44 AC were under severe attack. Eintroduced by Finance Act
The section stipulated that the profits and gains of certain trades (forest and excise contractors) would be computed as prescribed percentages of the purchase price securing the right to sell the goods in question, in auction. The legality of the section was challenged on several grounds. One was that the taxation of presumptive income is beyond the competence of parliament as presumptive income cannot be regarded as income as understood by entry 82 of List of the Seventh Schedule of the constitution, which authorises the centre to levy the tax on income other than agricultural income. Another contention was that it is discriminatory and arbitrary and is thus violative of Article 14 of the constitution which guarantees equality of all before law. Yet another contention was that it violates article 19(ii) as the rates are "confiscatory" and thus amounts to unreasonable restriction on the freedom to carry on trade or business. While some high Courts have upheld the validity of the provision. [Kerala High Court in P.K.Kutty Haji Vs. Union of India (1989) 176 ITR 481]

Legal ramifications of presumptive taxation.

Committee expressed fear of attack on presumptive assessment a precedent of attack of Sec. 44 AC have been cited and analyzed by them. At the same time they have also cited a Kerala High Court case (aforesaid) where 44 AC was upheld. Following legal defenses could be forwarded justifying the presumptive taxation.

i) Where the phenomenon could not be verifiable by ascertainable basis law in all fields are replete with "deeming" provisions e.g. Deemed Gifts under Gift tax Law.

ii) In the assessment of property income taxation time and again notional rent has been taken to be basis for determination of Annual Value for levy of income tax and it has been accepted in India and such a basis of notional rent has been accepted in Britain also.

iii) When the assesses can not or, say, do not offer any verifiable evidences for determination of their income the Revenue has every right to base the calculation of their income on certain presumptive basis the basis, it is agreed must be plausible one. The present practice of BJA(Best judgment assessment) it is submitted, carries with it, the tinge of presumptive assessment, which upto now has not been questioned in Court of Law.

iv) If in the proper accounting principle indicators and/ or quantum or rates be based there is no reason for their being declared of confiscatory nature.

The committee opts to be cautious and focuses on the need to make the presumption rebuttable but only on presentation of well documented accounts and records. [Ibid 6.138 P 84]

It is agreed that presumptive assessment may not be sustainable in law unless a chance of rebuttal is allowed to the tax payer. If
the norms or ratios are fixed at reasonable levels, most taxpayers with relatively small scales of business activity will welcome and opt for the presumptive taxation scheme. It will also help induce a culture of compliance with tax laws which is essential for better collection of revenue and for inspiring confidence in the fairness of the system.

Scheme of presumptive taxation for contractors and truck owners

Transport industry is very much amenable to tax evasion. Tax evasion here is rampant. Investigation of tax evasion in this area of economic activity has not yielded satisfactory results both on account of the nature of industry and deficiencies in accounting practices. At present, the law provides for withholding of tax at rates which are fixed ad hoc, tending to be high for small contractors consequently, a significantly large proportion of the amount collected from contractors through the mechanism of tax deduction at source gets refunded at the end of the year resulting in infractuos work for the department. In the past in many cases of contractors engaged in the constructions of roads, bridges, buildings, either public works and transporting, income was estimated at a presumed rate of 10 percent of contract receipts in cases where material is supplied by the party placing the contract at 12.5% in cases where no material is supplied. The committee recommends that 10% of contract receipts from all contracts of roads, bridges, buildings, either public works and transporting, should be presumed to be the income in such cases. As to truck the committee recommends that each truck with an interstate permit could be presumed to yield an income of Rs.4000 per month and each truck with a state permit could be presumed to yield an income of Rs.3000 per month [Ibid 6.140 p 85]

The committee also recommended certain forms in the implementation of presumptive taxation. These statements are as follows:

**Statement 1**

<table>
<thead>
<tr>
<th>Form No</th>
<th>(For taxpayers opting for the presumptive tax system.)</th>
</tr>
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<tbody>
<tr>
<td>Assessment year</td>
<td>Ward/Circle/Range.</td>
</tr>
<tr>
<td>Name (Surname first)</td>
<td>(In block letters)</td>
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<tr>
<td>Status</td>
<td></td>
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<tr>
<td>Office address</td>
<td>(In block letters)</td>
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<tr>
<td>Telephone</td>
<td>Pin</td>
</tr>
</tbody>
</table>
Residential Address
(In block letters)
Telephone ________ Pin ________

Information relating to business

1> Name in which business is carried ____________________________

2> Names and addresses of branches/Godowns _______________________

3> Nature of business ____________________________________________

4> Number of employees __________________________________________

5> Bank accounts
(Name of the bank, address and account no.) _________________________

6> Estimated payment for electricity _________________________________

7> Rent paid ____________________________________________________

8> Turnover _____________________________________________________

9> Brokerage or commission _______________________________________

10> Other receipts ________________________________________________

Computation of Tax

Amount (In Rs.)

1) Tax on income from turnover 1000

2) Tax on brokerage or commission

3) Total Tax paid

Statement 2
(for tax payees opting for scheme of taxation)

Assessment Year Ward/Circle/Range PAN/GIR ______

Name (Surname first) _____________________________________________
(In block letters)

Status __________________________________________________________
Office address ________________________________
(In block letters)
Telephone _______ PIN _______
Residential Address ________________________________
(In Block letters)
Telephone ________________ PIN _______

Information relating to Business

1> Name which in business is carried on _______________

2> Names and addresses of branches / godowns ________________

3> Nature of business _______________________________

4> Please indicate the names and addresses of dealers from whom purchase of more than Rs.50000 made during the year.

5> Gross turnover/ sales (name of the commodity)
   a> ____________________________
   b> ____________________________
   c> ____________________________
   d> ____________________________

   Total ____________________________

6> Number of employers

7> Bank accounts
   (Name of the bank, address and Account No.)

8> Estimated payment for electricity

9> Estimated payment for telephone

10> Rent paid
### Computation of Income

<table>
<thead>
<tr>
<th>Amount (In Rs.)</th>
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</tbody>
</table>

**1.** Turnover

**2.** Brokerage or Commission

**3.** Contract receipts

**4.** Receipt from other sources

**5.** Income from trading \(6\%\) of Col.1

**6.** Income from brokerage
\[\text{If Col.2; if col.1 is nil 50\% of col.3}\]

**7.** Income from execution of contract works
\[12.5\% \text{ of col.3}\]

**8.** Income from receipt from other sources
\[80\% \text{ of col.4}\]

**9.** Total income \([\text{Col.5 + Col.6 + Col.7 + Col.8}]\)

**10.** Tax on total income

**11.** Tax paid:
- a) advance tax
- b) TDS
- c) Self assessment

**Total**

**12.** Tax payable/refund

The budget proposals of the 1992-93 were drafted on the recommendations of Chelliah Committee. [Union Finance Minister, during his budget speech in the parliament on the 1992-93 budget.] Chelliah Committee report has been stated and analysed (wherever necessary). The Government of India accepted and formalised in law Chelliah committee recommendation on following lines:

1. Scheme of presumptive taxation is open initially for two assessment years viz A.Y. 1993-94 & 1994-1995 [section 115 K(6)]
2. A new chapter XII C is inserted in the Act w.e.f. 1.4.1993 namely special provisions relating to Retail Trade etc.[sec.58 of 1992 Finance Act]
3. Individuals and HUFs who have hitherto not been assessed to income tax having income from retail trade in any goods or merchandise or the business of running an eating place or
in vocation (which includes tailoring, hair cutting, clothes washing, typing, photo copying, repair work, repair work of any kind and other services of a similar nature.) may opt for paying a fixed sum annually [Section 115 K].

v> Such persons will not be entitled to deductions under chapter vi A except the deduction u/s 80L and tax rebate under chapter viii of the Act. The first such statement should be filed on 31.3.1993 for assessment year 1993-94. The second such statement should be filed on or before 31-3-1994.

vi> Such persons covered under this scheme should not have any income in excess of Rs. 5000 in the aggregate chargeable to tax from any source falling under any head of income, other than that covered under this scheme. That is such persons income should not exceed Rs. 40000 (35000 + Rs. 5000).

vii> In such cases Rs. 35000 is deemed to be the profit therefrom. The tax payable at the rate specified in Part III of the Finance Act of the relevant year for computing advance tax. At present the said rate is 20% and tax payable on the income of Rs. 35000 is Rs. 1400 (i.e. 20% of 7000) (Rs. 35000 - less basic exemption Rs. 28000 = Rs. 7000). If other income is Rs. 4000, then the tax payable on Rs. 39000 (Rs. 35000 + Rs. 4000) is Rs. 2200 (i.e. 20% of Rs. 11000).

viii> The department will not initiate any proceeding under the Act against such persons in respect of income from retail trade/business of running an eating place or engaged in specified vocation for the relevant assessment year, unless the Deputy Commissioner has evidence to show that the statement filed is untrue.

ix> Presumptive tax in respect of liquor/timber trade has been discontinued. Sec 44AC (already referred to while Chelliah committee Report) has been omitted and section 206C amended w.e.f. 1.4.1993 (i.e A.Y. 1993-94 and onwards).

At present a certain percentage of purchase price is taken as profit and tax is levied in respect of persons engaged in trading in country liquor, timber or other forest produce through contracts/leases from Government, cooperative societies, etc. If other income is Rs. 4000, then the tax payable on Rs. 39000 (Rs. 35000 + Rs. 4000) is Rs. 2200 (i.e. 20% of Rs. 11000).

At present a certain percentage of purchase price is taken as profit and tax is levied in respect of persons engaged in trading in country liquor, timber or other forest produce through contracts/leases from Government, cooperative societies, etc. This is discontinued from assess year 1993-94. However in these cases authorities collecting tax at source along with purchase price would continue to collect tax at source, since section 206C, as recast continues to be operative.

Tax reforms committee (Chelliah Committee) recommendations constituted the foundation of the budget proposals of 1992 budget. A brief resume of the foundations, apprehensions and recommendations of the said committee has been given followed by citation of changes in existing provisions and introduction of new chapter XXII C alongwith provisions thereof has been briefly discussed. If one consider the proposed schemata of presumptive taxation and its gamut of implementation manifested in the relevant provision of the 1992 Finance Act the only plausible conclusion appears to be that mutatis mutandis the Finance Act 1992 vis a vis presumptive taxation schemata is quite in conformity to the recommendations of Chelliah Committee.
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Reserve Bank of India Bulletin Taxation
The Economic Times
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