

³[THE THIRD SCHEDULE

(See Section 4)

RATES OF SURTAX

Surtax shall be charged on the amount (hereinafter referred to as the chargeable amount) by which the chargeable profits exceed the amount of the statutory deduction at the following rates, namely:—

(i) on so much of the chargeable amount as does not exceed five per cent. of the amount of capital as computed in accordance with the Second Schedule 25 per cent.

(ii) on the balance, if any, of the chargeable amount ⁴[40 per cent.]

⁵[Provided that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India—

(i) which is such a company as is referred to in section 108 of the Income-tax Act, and

(ii) whose paid-up share capital (subscribed and paid for in cash) as on the last day of the previous year, is not less than twenty-five per cent. of the amount of the capital as computed under the Second Schedule to this Act,

the aggregate of—

(a) the amount of income-tax-payable by the company in respect of its total income of the previous year under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under the provisions of the said Act or the annual Finance Act; and

(b) the amount of surtax computed in accordance with the foregoing provisions of this Schedule, exceeds the amount calculated at seventy per cent. of the total income of the company, the amount of such excess shall be deducted from the amount of surtax referred to in clause (b) above and the balance shall be the amount of the surtax payable by the company.]

1. The words, brackets and figures “other than the debentures referred to in clause (iv) or moneys referred to in clause (iv) of rule 1” omitted by Act 66 of 1976, s. 29 (w.e.f. 1-4-1977).

2. Subs. by s. 29, *ibid.*, for certain words, brackets and figures (w.e.f. 1-4-1977).

3. Subs. by Act 32 of 1971, s. 38, for “The Third Schedule” (w.e.f. 1-4-1972).

4. Subs. by Act 20 of 1974, s. 15, for “30 per cent.” (w.e.f. 1-4-1975).

5. Ins. by s. 15, *ibid.* (w.e.f. 1-4-1975).