

FORM NO. 1
INTEREST-TAX

See section 7 of the Interest-tax Act, 1974 and rule 3 of the Interest-tax Rules, 1974	RETURN OF CHARGE-ABLE INTEREST	For use in Income-tax Office
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Name and Office address
(in block letters)

Permanent Account
Number

Telephone

Ward/ Circle/ Special Range
where assessed/assessable

Assessment year

Whether this is a revised return. If so, state the receipt number and date of previous return

State whether resident or non-resident

PART I
STATEMENT OF CHARGEABLE INTEREST

- | | |
|---|-----|
| 1. Interest on loans and advances made in india [see Sl. No. 7(i) and (ii) of Notes] | Rs. |
| 2. Less: Interest which is established to have become bad debt [see Sl. No. 7(iii) of Notes] | Rs. |
| 3. Chargeable interest (1-2) | Rs. |
| 4. Chargeable interest as rounded off to the nearest multiple of ten rupees [Section 288A of the Income-tax Act as applied to section 21 of the Interest-tax Act] | Rs. |

PART II
STATEMENT OF INTEREST-TAX

- | | |
|--|-----|
| 1. Tax on Chargeable interest | Rs. |
| 2. Add: | |
| (a) Interest for late filing of return [Section 12] | Rs. |
| (b) Interest for default in payment of advance tax [Section 12A] | Rs. |
| (c) Interest for deferment of advance tax payment [Section 12B] | Rs. |
| 3. Total tax and interest payable (1+2) | Rs. |
| 4. Advance tax paid | Rs. |

Amount (Rs.)	Date	1st Installment	2nd Instalment	3rd Instalment	Total

5. Tax on self-assessment :

Date of payment	Interest-tax (Rs.)	Interest out of Sl.No. 2 above (Rs.)	Total (Rs.)

- | | |
|---|-----|
| 6. Total tax and interest paid (4+5) | Rs. |
| 7. Tax/interest payable or refundable (3-6) | Rs. |

PART III
OTHER SUMS NOT INCLUDED IN CHARGEABLE INTEREST AND CLAIMED TO BE NOT TAXABLE

Particulars	Amount (Rs.)	Reasons why not taxable

Particulars	Amount (Rs.)	Reasons why not taxable

Verification

I _____ [name in full and block letters] son/ daughter/ wife of _____ being the _____ [designation] of _____ [name of the credit institution] solemnly declare that to the best of my knowledge and belief the information given in this return and the statement accompanying it are correct and complete and that the amount of chargeable interest and other particulars shown therein are truly stated and relate to the previous year relevant to the assessment year commencing on the 1st day of April,

I further solemnly declare that during the said previous year no other chargeable interest accrued or arose to or was received by the credit institution.

I further declare that in my capacity as _____ [designation] I am competent to make this return and verify it on behalf of the credit institution.

Date

Signature

Place

Notes :

1. This return should be signed by the principal officer of the credit institution or where in the case of a non-resident credit institution any person has been treated as its agent under section 163 of the Income-tax Act, 1961 by such person.
2. Before signing the verification the signatory should satisfy himself that this return and the accompanying statements are correct and complete in all respects, (Any person making a false statement in this return or the accompanying statements shall be liable to prosecution under section 24 of the Interest-tax Act, 1974, and on conviction be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine).
3. Delete inappropriate words.
4. If the interest-tax payable on the basis of this return exceeds the amount of interest-tax paid in advance, such excess interest-tax together with interest payable under any provision of this Act must be paid before furnishing of the return and the return shall be accompanied by proof of payment of such interest-tax and interest [Section 9(1)].
5. Attach a copy of the audited accounts along with a copy of the auditors report.
6. "Credit institution" means,-
 - (i) a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);
 - (ii) a public financial institution as defined in section 4A of the Companies Act, 1956 (1 of 1956);
 - (iii) a State financial corporation established under section 3 or section 3A or an institution notified under section 46 of the State Financial Corporations Act, 1951 (63 of 1951); and
 - (iv) any other financial company;

"Financial company" means a company, other than a company referred to in sub-clause (i), (ii) or (iii) of clause (5A), being-

 - (i) a hire-purchase finance company, that is to say, a company which carries on, as its principal business, hire purchase transactions or the financing of such transactions;
 - (ii) an investment company, that is to say, a company which carries on, as its principal business, the acquisition of shares, stock, bonds, debentures, debenture stock, or securities issued by the Government or a local authority, or other marketable securities of a like nature;
 - (iii) a housing finance company, that is to say, a company which carries on, as its principal business the business of financing of acquisition or construction of houses, including acquisition or development of land in connection therewith;
 - (iv) a loan company, that is to say, a company not being a company referred to in sub clauses (i) to (iii) which carries on, as its principal business, the business of providing finance, whether by making loans or advances or otherwise;
 - (v) a mutual benefit finance company, that is to say, a company which carries on, as its principal business, the business of acceptance of deposits from its members and which is declared by the Central Government under section 620A of the Companies Act, 1956 (1 of 1956), to be a Nidhi or Mutual Benefit Society;
 - (vi) a residuary non-banking company (other than a financial company referred to in sub-clause (i), (ii), (iii), (iv) or (v)), that is to say, a company which receives any deposit under any scheme or

arrangement, by whatever name called, in one lump sum or in instalments by way of contributions or subscriptions or by sale of units or certificates or other instruments or in any other manner; or

(vii) a miscellaneous finance company, that is to say, a company which carries on exclusively, or almost exclusively, two or more classes of business referred to in the preceding sub-clauses.

7. (i) "Interest" means interest on loans and advances made in India and includes-
- (a) commitment charges on unutilised portion of any credit sanctioned for being availed of in India; and
 - (b) discount on promissory notes and bills of exchange drawn or made in India, but does not include-
 - (I) interest referred to in sub-section (1B) of section 42 of the Reserve Bank of India Act, 1934(2 of 1934);
 - (II) discount on treasury bills.
- (ii) Subject to the provisions of the Interest-tax Act, the chargeable interest of any previous year of a credit institution shall be the total amount of interest (other than interest on loans and advances made to other credit institutions or to any cooperative society engaged in carrying on the business of banking) accruing or arising to the credit institution in that previous year:
Provided that any interest in relation to categories of bad or doubtful debts referred to in section 43D of the Income-tax Act shall be deemed to accrue or arise to the credit institution in the previous year in which it is credited by the credit institution to its profit and loss account for that year or, as the case may be in which it is actually received by the credit institution, whichever is earlier.
- (iii) in computing the chargeable interest of the previous year, there shall be allowed from the total amount of interest (other than interest on loans and advances made to credit institutions) accruing or arising to the assessee in the previous year, a deduction in respect of the amount of interest which is established to have become a bad debt during the previous year:
Provided that such interest has been taken into account in computing the chargeable interest of the assessee of an earlier previous year and the amount has been written off as irrecoverable in the accounts of the assessee for the previous year during which it is established to have become a bad debt.