

(i) in all certificates furnished in accordance with the provisions of sub-section (5) of section 206C;

(ii) in all returns prepared and delivered or caused to be delivered in accordance with the provisions of sub-section (5A) or sub-section (5B) of section 206C to an income-tax authority.”.

556. In section 140A of the Income-tax Act, after sub-section (1), the following sub-sections shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989, namely:—

Amendment of section 140A.

‘(1A) For the purposes of sub-section (1), interest payable under section 234A shall be computed on the amount of the tax on the total income as declared in the return as reduced by the advance tax, if any, paid and any tax deducted or collected at source.

10 (1B) For the purposes of sub-section (1), interest payable under section 234B shall be computed on an amount equal to the assessed tax or, as the case may be, on the amount by which the advance tax paid falls short of the assessed tax.

Explanation.—For the purposes of this sub-section, “assessed tax” means the tax on the total income as declared in the return as reduced by the amount of tax deducted or collected at source, 15 in accordance with the provisions of Chapter XVII, on any income which is subject to such deduction or collection and which is taken into account in computing such total income.’.

57. In section 143 of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2001,—

Amendment of section 143.

(a) in the second proviso, for the words “two years from the end of the assessment year in which the income was first assessable”, the words “one year from the end of the financial year in which the return is made” shall be substituted;

(b) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that where the return made is in respect of the income first assessable in the assessment year commencing on the 1st day of April, 1999, such intimation may be sent at any 25 time up to the 31st day of March, 2002.”.

58. In section 149 of the Income-tax Act, in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted with effect from the 1st day of June, 2001, namely:—

Amendment of section 149.

“(a) if four years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);

30 (b) if four years, but not more than six years, have elapsed from the end of the relevant assessment year unless the income chargeable to tax which has escaped assessment amounts to or is likely to amount to one lakh rupees or more for that year.”.

59. In section 153 of the Income-tax Act, with effect from the 1st day of June, 2001,—

Amendment of section 153.

(a) in sub-section (2),—

35 (i) for the words “two years”, the words “one year” shall be substituted;

(ii) for the proviso, the following proviso shall be substituted, namely:—

“Provided that where the notice under section 148 was served on or after the 1st day of April, 1999 but before the 1st day of April, 2000, such assessment, reassessment or recomputation may be made at any time up to the 31st day of March, 2002.”;

40 (b) for sub-section (2A), the following sub-section shall be substituted, namely:—

“(2A) Notwithstanding anything contained in sub-sections (1) and (2), in relation to the assessment year commencing on the 1st day of April, 1971, and any subsequent assessment year, an order of fresh assessment in pursuance of an order under section 250, section 254, section 263 or section 264, setting aside or cancelling an assessment, may be made at any time 45 before the expiry of one year from the end of the financial year in which the order under section 250 or section 254 is received by the Chief Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Chief Commissioner or Commissioner:

50 Provided that where the order under section 250 or section 254 is received by the Chief Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Chief Commissioner or Commissioner, on or after the 1st day of April, 1999 but before the 1st day of April, 2000, such an order of fresh assessment may be made at any time up to the 31st day of March, 2002.”;

(c) in sub-section (3), clause (i) shall be omitted.

Amendment
of section
154.

60. In section 154 of the Income-tax Act, after sub-section (7), the following sub-section shall be inserted with effect from the 1st day of June, 2001,—

“(8) Notwithstanding anything contained in sub-section (7), where an application for amendment under this section is made by the assessee on or after the 1st day of June, 2001 to an income-tax authority referred to in sub-section (1), the authority shall pass an order, within a period of six months from the end of the month in which the application is received by it,—

(a) making the amendment; or

(b) refusing to allow the claim.”.

Amendment
of section
158B.

61. In section 158B of the Income-tax Act, for clause (a), the following clause shall be substituted with effect from the 1st day of June, 2001, namely:—

‘(a) “block period” means the period comprising previous years relevant to six assessment years preceding the previous year in which the search was conducted under section 132 or any requisition was made under section 132A and also includes the period up to the date of the commencement of such search or date of such requisition in the previous year in which the said search was conducted or requisition was made:

Provided that where the search is initiated or the requisition is made before the 1st day of June, 2001, the provisions of this clause shall have effect as if for the words “six assessment years”, the words “ten assessment years” had been substituted.’.

Amendment
of section
158BFA.

62. In section 158 BFA of the Income-tax Act, in sub-section (1), for the words “two per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001.

Amendment
of section
192.

63. In section 192 of the Income-tax Act, after sub-section (2B), the following sub-section shall be inserted with effect from the 1st day of June, 2001, namely:—

‘(2C) A person responsible for paying any income chargeable under the head “Salaries” shall furnish to the person to whom such payment is made a statement giving correct and complete particulars of perquisites or profits in lieu of salary provided to him and the value thereof in such form and manner as may be prescribed.’.

Amendment
of section
194A.

64. In section 194A of the Income-tax Act, in sub-section (3), in clause (i), with effect from the 1st day of June, 2001,—

(i) for the words “five thousand rupees”, the words “two thousand five hundred rupees” shall be substituted;

(ii) in the proviso, the portion beginning with the words “the provisions of this clause” and ending with the words “had been substituted and” shall be omitted.

Amendment
of section
194B.

65. In section 194B of the Income-tax Act, after the words “crossword puzzle”, the words “or card game and other game of any sort” shall be inserted with effect from the 1st day of June, 2001.

Insertion of
new section
194H.

66. After section 194G of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2001, namely:—

Commission
or brokerage.

‘194H. Any person, not being an individual or a Hindu undivided family, who is responsible for paying, on or after the 1st day of June, 2001, to a resident, any income by way of commission (not being insurance commission referred to in section 194D) or brokerage, shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.:’

Provided that no deduction shall be made under this section in a case where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee, does not exceed two thousand five hundred rupees.

Explanation.—For the purposes of this section,—

(i) “commission or brokerage” includes any payment received or receivable, directly or indirectly, by a person acting on behalf of another person for services rendered (not being professional services) or for any services in the course of buying or selling of goods or in relation to any transaction relating to any asset, valuable article or thing, not being securities;

(ii) the expression “professional services” means services rendered by a person in the course of carrying on a legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or such other profession as is notified by the Board for the purposes of section 44AA;

42 of 1956.

5 (iii) the expression “securities” shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956;

(iv) where any income is credited to any account, whether called “Suspense account” or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly.’.

67. In section 196C of the Income-tax Act, for the words “bonds or shares” at both the places where they occur, the words “bonds or Global Depository Receipts” shall be substituted with effect from the 1st day of April, 2002.

Amendment of section 196C.

68. In section 201 of the Income-tax Act,—

Amendment of section 201.

15 (a) in sub-section (1), after the words “does not deduct”, the words “the whole or any part of the tax” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962;

(b) in sub-section (1A),—

20 (i) after the words “does not deduct”, the words “the whole or any part of the tax” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962;

(ii) for the words “eighteen per cent.”, the words “fifteen per cent.” shall be substituted with effect from the 1st day of June, 2001.

69. In section 206C of the Income-tax Act, in sub-section (7), for the words “two per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001.

Amendment of section 206C.

25 70. In section 220 of the Income-tax Act, in sub-section (2), for the words “one and one-half per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001.

Amendment of section 220.

71. Section 230A of the Income-tax Act shall be omitted with effect from the 1st day of June, 2001.

Omission of section 230A.

72. In section 234A of the Income-tax Act,—

Amendment of section 234A.

30 (a) in sub-section (1),—

(i) for the words “one and one-half per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001;

(ii) *Explanation 4* shall be omitted and shall be deemed to have been omitted with effect from the 1st day of April, 1989;

35 (b) in sub-section (3), for the words “one and one-half per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001.

73. In section 234B of the Income-tax Act,—

Amendment of section 234B.

(a) in sub-section (1),—

40 (i) for the words “one and one-half per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001;

(ii) for *Explanation 1*, the following *Explanation* shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1989, namely:—

45 ‘*Explanation 1.*—In this section, “assessed tax” means the tax on the total income determined under sub-section (1) of section 143 or on regular assessment as reduced by the amount of tax deducted or collected at source in accordance with the provisions of Chapter XVII on any income which is subject to such deduction or collection and which is taken into account in computing such total income.’;

(b) in sub-section (3), for the words “one and one-half per cent.”, the words “one and one-fourth per cent.” shall be substituted with effect from the 1st day of June, 2001.

50 74. In section 234C of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2001,—

Amendment of section 234C.

(i) in clause (a), in sub-clauses (i) and (ii), for the words “one and one-half per cent.”, the words “one and one-fourth per cent.” shall be substituted;

	(ii) in clause (b), in sub-clauses (i) and (ii), for the words "one and one-half per cent.", the words "one and one-fourth per cent." shall be substituted.	
Omission of section 241.	75. Section 241 of the Income-tax Act shall be omitted with effect from the 1st day of June, 2001.	
Amendment of section 244A.	76. In section 244A of the Income-tax Act, in sub-section (1), in clauses (a) and (b), for the words "one per cent.", the words "three-fourth per cent." shall be substituted with effect from the 1st day of June, 2001.	5
Amendment of section 251.	77. In section 251 of the Income-tax Act, in sub-section (1), in clause (a), the portion beginning with the words "or he may set aside" and ending with the words "on the basis of such fresh assessment;" shall be omitted with effect from the 1st day of June, 2001.	
Amendment of section 254.	78. In section 254 of the Income-tax Act, in sub-section (2A), the following provisos shall be inserted with effect from the 1st day of June, 2001, namely:— "Provided that where an order of stay is made in any proceedings relating to an appeal filed under sub-section (1) of section 253, the Appellate Tribunal shall dispose of the appeal within a period of one hundred and eighty days from the date of such order: Provided further that if such appeal is not so disposed of within the period specified in the first proviso, the stay order shall stand vacated after the expiry of the said period."	10 15
Amendment of section 264.	79. In section 264 of the Income-tax Act, in sub-section (5), for the words "a fee of twenty-five rupees", the words "a fee of five hundred rupees" shall be substituted with effect from the 1st day of June, 2001.	
Amendment of section 271.	80. In section 271 of the Income-tax Act, in sub-section (1),— (a) in clause (ii), for the words "a sum which shall not be less than one thousand rupees but which may extend to twenty-five thousand rupees", the words "a sum of ten thousand rupees" shall be substituted with effect from the 1st day of June, 2001; (b) after <i>Explanation 6</i> , the following <i>Explanation</i> shall be inserted with effect from the 1st day of April, 2002, namely:— " <i>Explanation 7.</i> —Where in the case of an assessee who has entered into an international transaction defined in section 92B, any amount is added or disallowed in computing the total income under sub-section (4) of section 92C, then, the amount so added or disallowed shall, for the purposes of clause (c) of this sub-section, be deemed to represent the income in respect of which particulars have been concealed or inaccurate particulars have been furnished, unless the assessee proves to the satisfaction of the Assessing Officer or the Commissioner (Appeals) that the price charged or paid in such transaction was computed in accordance with the provisions contained in section 92C and in the manner prescribed under that section, in good faith and with due diligence."	20 25 30
Amendment of section 271A.	81. In section 271A of the Income-tax Act, for the words "a sum which shall not be less than two thousand rupees but which may extend to one hundred thousand rupees", the words "a sum of twenty-five thousand rupees" shall be substituted with effect from the 1st day of June, 2001.	35
Insertion of new section 271AA.	82. After section 271A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2002, namely:— "271AA. Without prejudice to the provisions of section 271, if any person fails to keep and maintain any such information and document as required by sub-section (1) or sub-section (2) of section 92D, the Assessing Officer or Commissioner (Appeals) may direct that such person shall pay, by way of penalty, a sum equal to two per cent. of the value of each international transaction entered into by such person."	40
Penalty for failure to keep and maintain information and document in respect of international transaction.		
Insertion of new section 271BA.	83. After section 271B of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2002, namely:— "271BA. If any person fails to furnish a report from an accountant as required by section 92E, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of one hundred thousand rupees."	45
Penalty for failure to furnish report under section 92E.		
Amendment of section 271F.	84. In section 271F of the Income-tax Act, with effect from the 1st day of June, 2001,— (a) for the words "one thousand rupees", the words "five thousand rupees" shall be substituted; (b) in the proviso, for the words "five hundred rupees", the words "five thousand rupees" shall be substituted.	50
Insertion of new section 271G.	85. After section 271F of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2002, namely:— "271G. If any person who has entered into an international transaction fails to furnish any such information or document as required by sub-section (3) of section 92D, the Assessing Officer or the Commissioner (Appeals) may direct that such person shall pay, by way of penalty, a sum equal to two per cent. of the value of the international transaction for each such failure."	55
Penalty for failure to furnish information or document under section 92D.		
Amendment of section 272A.	86. In section 272A of the Income-tax Act,— (a) in sub-section (1), for the words "a sum which shall not be less than five hundred rupees but which may extend to ten thousand rupees", the words "a sum of ten thousand rupees" shall be	60

substituted with effect from the 1st day of June, 2001;

(b) in sub-section (2), after clause (h), the following clause shall be inserted with effect from the 1st day of April, 2002, namely:—

“(i) to furnish a statement as required by sub-section (2C) of section 192.”.

- 5 **87.** In section 272BB of the Income-tax Act, in sub-section (1), for the words “a sum which may extend to five thousand rupees”, the words “a sum of ten thousand rupees” shall be substituted with effect from the 1st day of June, 2001. Amendment of section 272BB.
- 10 **88.** In section 273B of the Income-tax Act, with effect from the 1st day of April, 2002,— Amendment of section 273B.
- (a) after the word, figures and letter “section 271A”, the word, figures and letters “, section 271AA” shall be inserted;
- (b) after the word, figures and letter “section 271B”, the word, figures and letters “, section 271BA” shall be inserted;
- (c) after the word, figures and letter “section 271F”, the word, figures and letter “, section 271G” shall be inserted.
- 15 **89.** In the Second Schedule to the Income-tax Act, in rule 68A, in sub-rule (3), for the words “twelve per cent.”, the words “nine per cent.” shall be substituted with effect from the 1st day of June, 2001. Amendment of Second Schedule.