

Amendment of section 193.	<p>69. In section 193 of the Income-tax Act, in the proviso, after clause (v) and before the <i>Explanation</i>, the following clauses shall be inserted with effect from the 1st day of June, 2002, namely:—</p> <p>“(vi) any interest payable to the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, in respect of any securities owned by it or in which it has full beneficial interest; or</p> <p>“(vii) any interest payable to the General Insurance Corporation of India (hereafter in this clause referred to as the Corporation) or to any of the four companies (hereafter in this clause referred to as such company), formed by virtue of the schemes framed under sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972, in respect of any securities owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest; or</p> <p>“(viii) any interest payable to any other insurer in respect of any securities owned by it or in which it has full beneficial interest.”.</p>	31 of 1956. 5 57 of 1972. 10
Amendment of section 194.	<p>70. In section 194 of the Income-tax Act, for the first and second provisos, the following proviso shall be substituted with effect from the 1st day of June, 2002, namely:—</p> <p>“Provided that the provisions of this section shall not apply to such income credited or paid to—</p> <p>(a) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, in respect of any shares owned by it or in which it has full beneficial interest;</p> <p>(b) the General Insurance Corporation of India (hereafter in this proviso referred to as the Corporation) or to any of the four companies (hereafter in this proviso referred to as such company), formed by virtue of the schemes framed under sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972, in respect of any shares owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest;</p> <p>(c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest.”.</p>	15 31 of 1956. 20 57 of 1972.
Amendment of section 194A.	<p>71. In section 194A of the Income-tax Act, after sub-section (1) and before the <i>Explanation</i>, the following proviso shall be inserted with effect from the 1st day of June, 2002, namely:—</p> <p>“Provided that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the financial year in which such interest is credited or paid, shall be liable to deduct income-tax under this section.”.</p>	25 30
Amendment of section 194C.	<p>72. In section 194C of the Income-tax Act, after sub-section (2) and before <i>Explanation I</i>, the following proviso shall be inserted with effect from the 1st day of June, 2002, namely:—</p> <p>“Provided that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the financial year in which such sum is credited or paid to the account of the sub-contractor, shall be liable to deduct income-tax under this sub-section.”.</p>	35
Amendment of section 194H.	<p>73. In section 194H of the Income-tax Act, with effect from the 1st day of June, 2002,—</p> <p>(a) for the words “ten per cent.”, the words “five per cent.” shall be substituted;</p> <p>(b) after the proviso and before the <i>Explanation</i>, the following proviso shall be inserted, namely:—</p> <p>“Provided further that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the financial year in which such commission or brokerage is credited or paid, shall be liable to deduct income-tax under this section.”.</p>	40 45
Amendment of section 194-I.	<p>74. In section 194-I of the Income-tax Act, after the proviso and before the <i>Explanation</i>, the following proviso shall be inserted with effect from the 1st day of June, 2002, namely:—</p> <p>“Provided further that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the</p>	50

financial year in which such income by way of rent is credited or paid, shall be liable to deduct income-tax under this section.”.

75. In section 194J of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted with effect from the 1st day of June, 2002, namely:— Amendment of section 194J.

5 “Provided further that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the financial year in which such sum by way of fees for professional services or technical services is credited or paid, shall be liable to deduct income-tax under this section.”.

10 **76.** For section 194K of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2002, namely:— Substitution of new section for section 194K.

 ‘194K. Where any income is payable to a resident in respect of units of a Mutual Fund specified under clause (23D) of section 10 or of the Unit Trust of India, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by 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. Income in respect of units.

Explanation.—For the purposes of this section,—

52 of 1963. (a) “Unit Trust of India” means the Unit Trust of India established under the Unit Trust of India Act, 1963;

20 (b) where any income as aforesaid 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’.

25 **77.** In section 195 of the Income-tax Act, in sub-section (1), the second proviso shall be omitted with effect from the 1st day of June, 2002. Amendment of section 195.

78. In section 195A of the Income-tax Act, for the words “Where, under an agreement”, the words, brackets, figures and letter “In a case other than that referred to in sub-section (1A) of section 192, where under an agreement” shall be substituted with effect from the 1st day of June, 2002. Amendment of section 195A.

30 **79.** In section 196A of the Income-tax Act, in sub-section (1), the proviso shall be omitted with effect from the 1st day of June, 2002. Amendment of section 196A.

80. In section 196C of the Income-tax Act, the proviso shall be omitted with effect from the 1st day of June, 2002. Amendment of section 196C.

81. In section 196D of the Income-tax Act, in sub-section (1), the proviso shall be omitted with effect from the 1st day of June, 2002. Amendment of section 196D.

35 **82.** In section 197A of the Income-tax Act, after sub-section (1A), the following sub-section shall be inserted with effect from the 1st day of June, 2002, namely:— Amendment of section 197A.

40 “(1B) The provisions of this section shall not apply where the amount of any income of the nature referred to in sub-section (1) or sub-section (1A), as the case may be, or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income-tax.”.

83. In section 198 of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of June, 2002, namely:— Amendment of section 198.

45 “Provided that the sum being the tax paid, under sub-section (1A) of section 192 for the purpose of computing the income of an assessee, shall not be deemed to be income received.”.

84. Section 199 of the Income-tax Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted with effect from the 1st day of June, 2002, namely:— Amendment of section 199.

50 “(2) Any sum referred to in sub-section (1A) of section 192 and paid to the Central Government shall be treated as the tax paid on behalf of the person in respect of whose income, such payment of tax has been made and credit shall be given to him for the amount so paid on production of the

certificate furnished under section 203 in the assessment under this Act for the assessment year for which such income is assessable.”.

Amendment of section 200.	85. Section 200 of the Income-tax Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted with effect from the 1st day of June, 2002, namely:—	5
	“(2) Any person being an employer, referred to in sub-section (1A) of section 192 shall pay, within the prescribed time, the tax to the credit of the Central Government or as the Board directs.”.	
Amendment of section 201.	86. In section 201 of the Income-tax Act, in sub-section (1), after the words “If any such person”, the words and figures “referred to in section 200” shall be inserted with effect from the 1st day of June, 2002.	10
Amendment of section 203.	87. Section 203 of the Income-tax Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted with effect from the 1st day of June, 2002, namely:—	
	“(2) Every person, being an employer, referred to in sub-section (1A) of section 192 shall, within such period, as may be prescribed, furnish to the person in respect of whose income such payment of tax has been made, a certificate to the effect that tax has been paid to the Central Government, and specify the amount so paid, the rate at which the tax has been paid and such other particulars as may be prescribed.”.	15
Insertion of new section 206CA.	88. After section 206C of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2002, namely:—	20
Tax-collection account number.	“206CA. (1) Every person collecting tax in accordance with the provisions of section 206C, shall, within such time as may be prescribed, apply to the Assessing Officer for the allotment of a tax-collection account number.	
	(2) Where a tax collection account number has been allotted to a person, such person shall quote such number—	25
	(a) in all challans for the payment of any sum in accordance with the provisions of sub-section (3) of section 206C;	
	(b) in all certificates furnished under sub-section (5) of section 206C;	
	(c) in all the returns delivered in accordance with the provisions of sub-section (5A) or sub-section (5B) of section 206C to any income-tax authority; and	30
	(d) in all other documents pertaining to such transactions as may be prescribed in the interest of revenue.”.	
Amendment of section 210.	89. In section 210 of the Income-tax Act, in sub-section (3), the words, brackets and figure “and who has not paid any advance tax under sub-section (1)” shall be omitted with effect from the 1st day of June, 2002.	35
Amendment of section 244A.	90. In section 244A of the Income-tax Act, in sub-section (1), in clauses (a) and (b), for the words “three-fourth per cent.”, the words “two-third per cent.” shall be substituted with effect from the 1st day of June, 2002.	
Amendment of section 245C.	91. In section 245C of the Income-tax Act, sub-section (1E) shall be omitted with effect from the 1st day of June, 2002.	40
Amendment of section 245D.	92. In section 245D of the Income-tax Act, with effect from the 1st day of June, 2002,—	
	(a) in sub-section (1), for the words “the Settlement Commission may, by order, allow the application to be proceeded with or reject the application”, the words, figures and letter “the Settlement Commission, shall, where it is possible, by order, reject the application or allow the application to be proceeded with within a period of one year from the end of the month in which such application was made under section 245C” shall be substituted;	45
	(b) after sub-section (4), the following sub-section shall be inserted, namely:—	
	“(4A) In every application allowed to be proceeded with under sub-section (1), the Settlement Commission shall, where it is possible, pass an order under sub-section (4) within a period of four years from the end of the financial year in which such application was allowed to be proceeded with.”.	50

- 93.** Section 245HA of the Income-tax Act shall be omitted with effect from the 1st day of June, 2002. Omission of section 245HA.
- 94.** In section 252 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted, namely:— Amendment of section 252.

“(3) The Central Government shall appoint the Senior Vice-President or one of the Vice-Presidents of the Appellate Tribunal to be the President thereof.”.

- 95.** For section 269T of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2002, namely:— Substitution of new section for section 269T.

‘269T. No branch of a banking company or a co-operative bank and no other company or co-operative society and no firm or other person shall repay any loan or deposit made with it otherwise than by an account payee cheque or account payee bank draft drawn in the name of the person who has made the loan or deposit if— Mode of repayment of certain loans or deposits.

(a) the amount of the loan or deposit together with the interest, if any, payable thereon, or

(b) the aggregate amount of the loans or deposits held by such person with the branch of the banking company or co-operative bank or, as the case may be, the other company or co-operative society or the firm, or other person either in his own name or jointly with any other person on the date of such repayment together with the interest, if any, payable on such loans or deposits,

is twenty thousand rupees or more:

Provided that where the repayment is by a branch of a banking company or co-operative bank, such repayment may also be made by crediting the amount of such loan or deposit to the savings bank account or the current account (if any) with such branch of the person to whom such loan or deposit has to be repaid.

Explanation.—For the purposes of this section,—

(i) “banking company” shall have the meaning assigned to it in clause (i) of the *Explanation* to section 269SS;

(ii) “co-operative bank” shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949;

(iii) “loan or deposit” means any loan or deposit of money which is repayable after notice or repayable after a period and, in the case of a person other than a company, includes loan or deposit of any nature.’.

- 96.** After section 269UO of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2002, namely:— Insertion of new section 269UP.

“269UP. The provisions of this Chapter shall not apply to, or in relation to, the transfer of any immovable property effected on or after the 1st day of July, 2002.”. Chapter not to apply where transfer of immovable property effected after certain date.

- 97.** In section 271 of the Income-tax Act, in sub-section (1),— Amendment of section 271.

(a) in the opening portion, after the words and brackets “Commissioner (Appeals)”, the words “or the Commissioner” shall be inserted with effect from the 1st day of June, 2002;

(b) in clause (ii), for the words “in addition to any tax payable”, the words “in addition to tax, if any, payable” shall be substituted with effect from the 1st day of April, 2003;

(c) in clause (iii), for the words “in addition to any tax payable”, the words “in addition to tax, if any, payable” shall be substituted with effect from the 1st day of April, 2003;

(d) in *Explanation 1*, in clause (A), after the words and brackets “Commissioner (Appeals)”, the words “or the Commissioner” shall be inserted with effect from the 1st day of June, 2002;

(e) in *Explanation 3*, the words “who has not previously been assessed under this Act,” shall be omitted with effect from the 1st day of April, 2003;

(f) in *Explanation 4*, for clause (a), the following clause shall be substituted with effect from the 1st day of April, 2003, namely:—

“(a) in any case where the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished has the effect of reducing the loss declared in the return or converting that loss into income, means the tax that would have been chargeable on the income in respect of which particulars have been concealed or inaccurate particulars have been furnished had such income been the total income;”;

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(g) in *Explanation 7*, after the words and brackets “Commissioner (Appeals)”, the words “or the Commissioner” shall be inserted with effect from the 1st day of June, 2002.

Substitution of new section for section 271F. **98.** For section 271F of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2002, namely:—

Penalty for failure to furnish return of income. “271F. If a person who is required to furnish a return of his income, as required under sub-section (1) of section 139 or by the provisos to that sub-section, fails to furnish such return before the end of the relevant assessment year, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of five thousand rupees.”

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Amendment of section 272A. **99.** In section 272A of the Income-tax Act,—

1 of 1944.

(a) in sub-section (1), clause (d) shall be omitted with effect from the 1st day of June, 2002;

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(b) in sub-section (2), for clause (e), the following clause shall be substituted with effect from the 1st day of April, 2003, namely:—

“(e) to furnish the return of income which he is required to furnish under sub-section (4A) or sub-section (4C) of section 139 or to furnish it within the time allowed and in the manner required under those sub-sections; or”.

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Insertion of new section 272B. **100.** After section 272AA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2002, namely:—

Penalty for failure to comply with the provisions of section 139A. “272B. (1) If a person fails to comply with the provisions of section 139A, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees.

(2) If a person who is required to quote his permanent account number in any document referred to in clause (c) of sub-section (5) of section 139A, or to intimate such number as required by sub-section (5A) of that section, quotes or intimates a number which is false, and which he either knows or believes to be false or does not believe to be true, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees.

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(3) No order under sub-section (1) or sub-section (2) shall be passed unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter.”

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Insertion of new section 272BBB. **101.** After section 272BB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2002, namely:—

Penalty for failure to comply with the provisions of section 206CA. “272BBB. (1) If a person fails to comply with the provisions of section 206CA, he shall, on an order passed by the Assessing Officer, pay, by way of penalty, a sum of ten thousand rupees.

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(2) No order under sub-section (1) shall be passed unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter.”

Amendment of section 273B. **102.** In section 273B of the Income-tax Act, with effect from the 1st day of June, 2002,—

(a) after the words, brackets, figures and letters “sub-section (1) of section 272AA or”, the words, figures and letter “section 272B or” shall be inserted;

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(b) for the words, figures and letters “section 272BB or”, the words, figures, letters and brackets “section 272BB or sub-section (1) of section 272BBB or” shall be substituted with effect from the 1st day of June, 2002.

Insertion of new section 275B. **103.** After section 275A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2002, namely:—

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Failure to comply with the provisions of clause (iib) of sub-section (1) of section 132. “275B. If a person who is required to afford the authorised officer the necessary facility to inspect the books of account or other documents, as required under clause (iib) of sub-section (1) of section 132, fails to afford such facility to the authorised officer, he shall be punishable with rigorous imprisonment for a term which may extend to two years and shall also be liable to fine.”

104. In section 279 of the Income-tax Act, in sub-section (1), after the word, figures and letter "section 275A", the word, figures and letter " , section 275B" shall be inserted with effect from the 1st day of June, 2002. Amendment of section 279.

105. In the Second Schedule to the Income-tax Act, in rule 68A, in sub-rule (3), for the words "nine per cent.", the words "eight per cent." shall be substituted with effect from the 1st day of June, 2002. Amendment of Second Schedule.