

Finance Act, 2000

Chapter VI - Miscellaneous

In the Indian Stamp Act, 1899, for section 8A, the following section shall be substituted, namely :-

'8A. Securities dealt in depository not liable to stamp duty.-(1) Notwithstanding anything contained in this Act or any other law for the time being in force,-

(a) an issuer, by the issue of securities to one or more depositories, shall, in respect of such issue, be chargeable with duty on the total amount of security issued by it and such securities need not be stamped;

(b) where an issuer issues certificate of security under sub-section (3) of section 14 of the Depositories Act, 1996 (22 of 1996), on such certificate duty shall be payable as is payable on the issue of duplicate certificate under this Act;

(c) the transfer of-

(i) registered ownership of securities from a person to a depository or from a depository to a beneficial owner;

(ii) beneficial ownership of securities, dealt with by a depository;

(iii) beneficial ownership of units, such units being units of a Mutual Fund including units of the Unit Trust of India established under sub-section (1) of section 3 of the Unit Trust of India Act, 1963 (52 of 1963), dealt with by a depository,

shall not be liable to duty under this Act or any other law for the time being in force.

Explanation 1.-For the purposes of this section, the expressions "beneficial ownership", "depository" and "issuer" shall have the meanings respectively assigned to them in clauses (a), (e) and (f) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996).

Explanation 2.-For the purposes of this section, the expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.'

Section 119 - Amendment of section 9 of Act 74 of 1956

In the Central Sales Tax Act, 1956 (42 of 1956), in section 9,-

(a) in sub-section (2), for the word "penalty", wherever it occurs, the words "interest or penalty" shall be substituted;

(b) in sub-section (2A), for the words "provisions relating to offences and penalties", the words "provisions relating to offences, interest and penalties" shall be substituted;

(c) after sub-section (2A), the following sub-section shall be inserted, namely:-

"(2B) If the tax payable by any dealer under this Act is not paid in time, the dealer shall be liable to pay interest for delayed payment of such tax and all the provisions for delayed payment of such tax and all the provisions relating to due date for payment of tax, rate of interest for delayed payment of tax and assessment and collection of interest for delayed payment of tax, of the general sales tax law of each State, shall apply in relation to due date for payment of tax, rate of interest for delayed payment of tax, and assessment and collection of interest for delayed payment of tax under this Act in such States as if the tax and the interest payable under this Act were a tax and an interest under such sales tax law.";

(d) in sub-section (3), for the words "including any penalty", the words "including any interest or penalty" shall be substituted.

Section 120 - Validation

(1) The provisions of section 9 of the Central Sales Tax Act, 1956 (74 of 1956) (hereafter in this section referred to as the Central Sales Tax Act), shall have effect, and shall be deemed always to have had effect, as if that section also provided-

(a) that all the provisions relating to interest of the general sales tax law of each State shall, with necessary modifications, apply in relation to-

(i) the assessment, reassessment, collection and enforcement of payment of any tax required to be collected under the Central Sales Tax Act, in such State; and

(ii) any process connected with such assessment, reassessment, collection or enforcement of payment; and

(b) that for the purposes of the application of the provisions of such law, the tax under the Central Sales Tax Act shall be deemed to be tax under such law.

(2) Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority, general sales tax law of any State imposed or purporting to have been imposed in pursuance of the provisions of section 9 of the Central Sales Tax Act, and all proceedings, acts or things taken or done for the purposes of, or in relation to, the imposition or collection of such interest, before the commencement of this Act, shall, for all purposes, be deemed to be and to have always been imposed, taken or done as validly and effectively as if the provisions of sub-section (1) had been in force when such interest was imposed or proceedings or acts or things were taken or done and, accordingly,-

(a) no suit or other proceedings shall be maintained or continued in, or before, any Court, Tribunal or other authority for the refund of any amount received or realised by way of such interest;

(b) no Court, Tribunal or other authority shall enforce any decree or order directing the refund of any amount received or realised by way of such interest;

(c) where any amount which had been received or realised by way of such interest is refunded before the date on which the Finance Act, 2000 receives the assent of the President and such refund would not have been allowed if the provisions of sub-section (1) had been in force on the date on which the order for such refund was passed, the amount so refunded may be recovered as an arrear of tax under the Central Sales Tax Act;

(d) any proceeding, act or thing which could have been validly taken, continued or done for the imposition or collection of such interest at any time before the commencement of this section if the provisions of sub-section (1) had then been in force but which had not been taken, continued

or done, may, after such commencement, be taken, continued or done.

(3) Nothing in sub-section (2) shall be construed as preventing any person-

(a) from questioning the imposition or collection of any interest or any proceedings, act or thing in connection therewith; or

(b) from claiming any refund,

in accordance with the provisions of the Central Sales Tax Act, read with sub-section (1).

Explanation.-For the purposes of this section, "general sales tax law" shall have the same meaning assigned to it in the Central Sales Tax Act.

Section 121 - Amendment of Act 21 of 1998

In the Finance (No. 2) Act, 1998, with effect from the 1st day of September, 1998,-

(a) in section 88, in clause (e), in sub-clause (ii), for the words "two per cent of the tax arrear", the words "two per cent of the disputed chargeable interest" shall be substituted and shall be deemed to have been substituted;

(b) in section 90, in sub-section (2), for the words "within thirty days of the passing of an order by the designated authority", the words "within thirty days from the date of receipt of an order passed by the designated authority" shall be substituted and shall be deemed to have been substituted.

Section 122 - Amendment of Act 27 of 1999

In the Finance Act, 1999, in the First Schedule, in Part III, in the opening portion, for the word, figures and letters "section 115AC", the word, figures and letters "section 115ACA" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1999.
