

Finance Act 1965

Section 39 - Amendment of Section 155

In section 155 of the Income tax Act,

(i) after sub section (5), the following sub section shall be inserted, namely :

"(5A) Where an allowance by way of development allowance has been made wholly or partly to an assessee in respect of the cost of planting in any area in any assessment year under section 33A and subsequently

(i) at any time before the expiry of eight years from the end of the previous year in which such allowance was made, the land is sold or otherwise transferred by the assessee to any person other than the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), or in connection with any amalgamation or succession referred to in sub section (5) or sub section (6) of section 33A; or

(ii) at any time before the expiry of the eight years referred to in sub section (3) of section 33A, the assessee utilises the amount credited to the reserve account under clause (ii) of that sub section

(a) for distribution by way of dividends or profits; or

(b) for remittance outside India as profits or for the creation of any asset outside India; or

(c) for any other purpose which is not a purpose of the business of the undertaking,

the development allowance originally allowed shall be deemed to have been wrongly allowed, and the Income tax Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub section (7) of that section being reckoned from the end of the previous year in which the sale or transfer took place or the money was so utilised.";

(ii) in sub section (7), for the words "the super tax", the words "the tax" shall be substituted.
