

Finance Act, 2012, (Central)

Section 75 - Amendment of Section 195

In section 195 of the Income-tax Act,--

(a) in sub-section (1),--

(i) for the words "any interest", the words, brackets, figures and letters "any interest (not being interest referred to in section 194LB or section 194LC)" shall be substituted;

(ii) the Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962, namely:--

"Explanation 2.--For the removal of doubts, it is hereby clarified that the obligation to comply with sub-section (1) and to make deduction thereunder applies and shall be deemed to have always applied and extends and shall be deemed to have always extended to all persons, resident or non-resident, whether or not the non-resident person has--

(i) a residence or place of business or business connection in India; or

(ii) any other presence in any manner whatsoever in India.";

(b) after sub-section (6), the following sub-section shall be inserted with effect from the 1st day of July, 2012, namely:--

"(7) Notwithstanding anything contained in sub-section (1) and sub-section (2), the Board may, by notification in the Official Gazette, specify a class of persons or cases, where the person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum, whether or not chargeable under the provisions of this Act, shall make an application to the Assessing Officer to determine, by general or special order, the appropriate proportion of sum chargeable, and upon such determination, tax shall be deducted under sub-section (1) on that proportion of the sum which is so chargeable.".