

Finance Act, 1987

Section 65 - Insertion of New Section 245ha

After section 245H of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 1987, namely :-

"245HA. Power of Settlement Commission to send a case back to the Income-tax Officer if the assessee does not co-operate. - (1) The Settlement Commission may, if it is of opinion that any person who made an application for settlement under section 245C has not co-operated with the Settlement Commission in the proceedings before it, send the case back to the Income-tax Officer who shall thereupon dispose of the case in accordance with the provisions of this Act as if no application under section 245C had been made.

(2) For the purposes of sub-section (1), the Income-tax Officer shall be entitled to use all the materials and other information produced by the assessee before the Settlement Commission or the results of the inquiry held or evidence recorded by the Settlement Commission in the course of the proceedings before it as if such materials, information, inquiry and evidence had been produced before the Income-tax Officer or held or recorded by him in the course of the proceedings before him.

(3) For the purposes of the time-limit under sections 149, 153, 154, 155 and 231 and for the purposes of payment of interest under section 243 and 244, in a case referred to in sub-section (1), the period commencing on and from the date of the application to the Settlement Commission under section 245C and ending with the date of receipt by the Income-tax Officer of the order of the Settlement Commission sending the case back to the Income-tax Officer shall be excluded; and where the assessee is a firm, for the purposes of the time-limit for cancellation of registration of the firm under sub-section (1) of section 186, the period aforesaid shall, likewise, be excluded."
