SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com

Source: sooperkanoon.com/act/9187

Finance Act 1978

Section 31 - Amendment of Section 273

In the Income-tax Act, with effect from the 1st day of June, 1978, section 273 shall be renumbered as sub-section (2) thereof and -

(1) before sub-section (2) as so renumbered, the following sub-section shall be inserted, namely :-

"(1) If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment for any assessment year, is satisfied that any assessee -

(a) has furnished under clause (a) of sub-section (1) of section 209A a statement of the advance tax payable by him which he knew or had reason to believe to be untrue, or

(b) has without reasonable cause failed to furnish a statement of the advance tax payable by him in accordance with the provisions of clause (a) sub-section (1) of section 209A,

he may direct that such person shall, in addition to the amount of tax, if any, payable by him, pay by way of penalty, a sum -

(i) which, in the case referred to in clause (a), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the tax actually paid during the financial year immediately preceding the assessment year under the provisions of Chapter XVII-C falls short of -

(1) seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215, or

(2) the amount which would have been payable by way of advance tax if the assessee had furnished a correct and complete statement in accordance with the provisions of clause (a) of sub-section (1) of section 209A,

whichever is less;

(ii) which, in the case referred to in clause (b), shall not be less than ten per cent. but shall not exceed one and a half times of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215.";

(2) in sub-section (2) as so renumbered, -

(a) for clause (a), the following clause shall be substituted, namely :-

"(a) has furnished under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5) of section 209A, or under sub-section (1) or sub-section (2) of section 212, an estimate of the advance tax payable by him which he knew or had reason to believe to be untrue, or";

(b) in clause (aa), after the words "has furnished", the words, brackets, figures and letter "under sub-section (4) of section 209A or" shall be inserted;

(c) in clause (b), for the words, brackets and figures "sub-section (3) of section 212", the words, brackets, letters and figures "clause (b) of sub-section (1) of 209A" shall be substituted :

(d) in clause (c), for the words, brackets, figures and letter "sub-section (3A) of section 212", the words, brackets, figures and letters "sub-section (4) of section 209A or sub-section (3A) of section 212" shall be substituted;

(e) for sub-clause (2) of clause (i), the following sub-clause shall be substituted, namely :-

"(2) where a statement under clause (a) of sub-section (1) of section 209A was furnished by the assessee or where a notice under section 210 was issued to the assessee, the amount payable under such statement or, as the case may be, such notice,";

(f) for clause (iii), following clause shall be substituted, namely :-

"(iii) which, in the case referred to in clause (c), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which -

(a) where the assessee has sent a statement under clause (a), or an estimate under clause (b), of sub-section (1) of section 209A, or an estimate in lieu of a statement under sub-section (2) of that section, the tax payable in accordance with such statement or estimate; or

(b) where the assessee was required to pay advance tax in accordance with the notice issued to him under section 210, the tax payable under such notice,

falls short of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215.";

(g) in the Explanation, for the words brackets, figures and letter "proviso to sub-section (3A) of section 212", the words, brackets, figures and letters "proviso to sub-section (4) of section 209A or, as the case may be, proviso to sub-section (3A) of section 212" shall be substituted.

SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com