Finance Act, 2003

Section 70 - Substitution of New Section for Section 185

For section 185 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2004, namely:--

'185. Assessment when section 184 not complied with.--

Notwithstanding anything contained in any other provision of this Act, where a firm does not comply with the provisions of section 184 for any assessment year, the firm shall be so assessed that no deduction by way of any payment of interest, salary, bonus, commission or remuneration, by whatever name called, made by such firm to any partner of such firm shall be allowed in computing the income chargeable under the head "Profits and gains of business or profession" and such interest, salary, bonus, commission or remuneration shall not be chargeable to income-tax under clause (v) of section 28.'.