

**Finance Act 1969**

**Section 22 - Substitution of New Section for Section 273**

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For section 273 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1970, namely :-

"273. False estimate of, or failure to pay, advance tax. -If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment for the assessment year commencing on the 1st day of April, 1970, or any subsequent assessment year, is satisfied that any assessee -

(a) has furnished under section 212 an estimate 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 an estimate of the advance tax payable by him in accordance with the provisions of sub-section (3) of section 212, or

(c) has without reasonable cause failed to furnish an estimate of the advance tax payable by him in accordance with the provisions of sub-section (3A) of section 212,

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) where a notice under section 210 was issued to the assessee, the amount payable thereunder,

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; and

(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 the tax payable under the notice issued to the assessee under section 210 falls short of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215."

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