Finance Act 1975

Section 20 - Amendment of Section 194a

(1) In section 194A of the Income-tax Act, -

(a) in sub-section (3), -

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

"(i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person referred to in sub-section (1) to the account of, or to, the payee, does not exceed one thousand rupees;";

(ii) after clause (vii), the following clause shall be inserted, namely :-

"(viii) to such income credited or paid by the Central Government under any provision of this Act or the Indian Income-tax Act, 1922 (11 of 1922) or the Estate Duty Act, 1953 (34 of 1953) or the Wealth-tax Act, 1957 (27 of 1957) or the Gift-tax Act, 1958 (18 of 1958) or the Super Profits Tax Act, 1963 (14 of 1963) or the Companies (Profits) Surtax Act, 1964 (7 of 1964) or the Interest-tax Act, 1974 (45 of 1974).";

(b) after sub-section (3), the following sub-section shall be inserted, namely :-

"(4) The person responsible for making the payment referred to in sub-section (1) may, at the time of making any deduction, increase or reduce the amount to be deducted under this section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct during the financial year.".

(2) Notwithstanding the substitution of clause (i) of sub-section (3) of section 194A of the Income-tax Act by sub-section (1) of this section, nothing in section 201 or section 276B of that Act shall apply to, or in relation to, any failure to deduct income-tax under sub-section (1) of the said section 194A on any income by way of interest other than income chargeable under the head "Interest on securities" credited or paid on or after the 1st day of April, 1975 but before the 1st day of June, 1975, where the income so credited or paid at any one time does not exceed four hundred rupees.