

Finance Act 2001

Section 48 - Amendment of Section 90

In section 90 of Income-tax Act, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962, namely :-

"Explanation.- For the removal of doubts, it is hereby declared that the charge of tax in respect of a foreign company at a rate higher than the rate at which a domestic company is chargeable, shall not be regarded as less favourable charge or levy of tax in respect of such foreign company, where such foreign company has not made the prescribed arrangement for declaration and payment within India, of the dividends (including dividends on preference shares) payable out of its income in India."
