

47. In section 115JA of the Income-tax Act, with effect from the 1st day of April, 2001,— Amendment of section 115JA.

(i) in sub-section (1), after the words, figures and letters “the 1st day of April, 1997”, the words, figures and letters “but before the 1st day of April, 2001” shall be inserted;

(ii) in sub-section (2), in the *Explanation*, in item (i) below clause (f), in the proviso, after the words, figures and letters “the 1st day of April, 1997”, the words, figures and letters “but ending before the 1st day of April, 2001” shall be inserted.

48. In section 115JAA of the Income-tax Act, in sub-sections (4) and (5), after the word, figures and letters “section 115JA”, the words, figures and letters “or section 115JB, as the case may be” shall be inserted with effect from the 1st day of April, 2001. Amendment of section 115JAA.

49. After section 115JAA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2001, namely:— Insertion of new section 115JB.

115JB. (1) Notwithstanding anything contained in any other provision of this Act, where in the case of an assessee, being a company, the income-tax, payable on the total income as computed under this Act in respect of any previous year relevant to the assessment year commencing on or after the 1st day of April, 2001, is less than seven and one-half per cent. of its book profit, the tax payable for the relevant previous year shall be deemed to be seven and one-half per cent. of such book profit. Special provision for payment of tax by certain companies.

(2) Every assessee, being a company, shall, for the purposes of this section, prepare its profit and loss account for the relevant previous year in accordance with the provisions of Parts II and III of Schedule VI to the Companies Act, 1956:

1 of 1956.

Provided that while preparing the annual accounts including profit and loss account,—

(i) the accounting policies;

(ii) the accounting standards adopted for preparing such accounts including profit and loss account;

(iii) the method and rates adopted for calculating the depreciation,

shall be the same as have been adopted for the purpose of preparing such accounts including profit and loss account and laid before the company at its annual general meeting in accordance with the provisions of section 210 of the Companies Act, 1956:

1 of 1956.

Provided further that where the company has adopted or adopts the financial year under the Companies Act, 1956, which is different from the previous year under this Act,—

1 of 1956.

(i) the accounting policies;

(ii) the accounting standards adopted for preparing such accounts including profit and loss account;

(iii) the method and rates adopted for calculating the depreciation,

shall correspond to the accounting policies, accounting standards and the method and rates for calculating the depreciation which have been adopted for preparing such accounts including profit and loss account for such financial year or part of such financial year falling within the relevant previous year.

Explanation.—For the purposes of this section, “book profit” means the net profit as shown in the profit and loss account for the relevant previous year prepared under sub-section (2), as increased by—

(a) the amount of income-tax paid or payable, and the provision therefor; or

(b) the amounts carried to any reserves, by whatever name called; or

(c) the amount or amounts set aside to provisions made for meeting liabilities, other than ascertained liabilities; or

(d) the amount by way of provision for losses of subsidiary companies; or

(e) the amount or amounts of dividends paid or proposed ; or

(f) the amount or amounts of expenditure relatable to any income to which section 10 or section 10A or section 10B apply,

if any amount referred to in clauses (a) to (f) is debited to the profit and loss account, and as reduced by—

(i) the amount withdrawn from any reserves or provisions if any such amount is credited to the profit and loss account:

Provided that, where this section is applicable to an assessee in any previous year (including the relevant previous year), the amount withdrawn from reserves created or provisions made in a previous year relevant to the assessment year commencing on or after the 1st day of April, 2001 shall not be reduced from the book profit unless the book profit of such year has been increased by those reserves or provisions (out of which the said amount was withdrawn) under this *Explanation*; or

(ii) the amount of income to which any of the provisions of section 10 or section 10A or section 10B apply, if any such amount is credited to the profit and loss account; or

(iii) the amount of loss brought forward or unabsorbed depreciation, whichever is less as per books of account.

Explanation.—For the purposes of this clause, the loss shall not include depreciation; or

(iv) the amount of profits eligible for deduction under section 80HHC, computed under clause (a) or clause (b) or clause (c) of sub-section (3) or sub-section (3A), as the case may be, of that section, and subject to the conditions specified in that section; or

(v) the amount of profits eligible for deduction under section 80HHE computed under sub-section (3) or sub-section (3A), as the case may be, of that section, and subject to the conditions specified in that section; or

(vi) the amount of profits eligible for deduction under section 80HHF computed under sub-section (3) of that section, and subject to the conditions specified in that section; or

(vii) the amount of profits of sick industrial company for the assessment year commencing on and from the assessment year relevant to the previous year in which the said company has become a sick industrial company under sub-section (1) of section 17 of the Sick Industrial Companies (Special Provisions) Act, 1985 and ending with the assessment year during which the entire net worth of such company becomes equal to or exceeds the accumulated losses.

1 of 1986.

Explanation.—For the purposes of this clause, “net worth” shall have the meaning assigned to it in clause (ga) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

1 of 1986.

(3) Nothing contained in sub-section (1) shall affect the determination of the amounts in relation to the relevant previous year to be carried forward to the subsequent year or years under the provisions of sub-section (2) of section 32 or sub-section (3) of section 32A or clause (ii) of sub-section (1) of section 72 or section 73 or section 74 or sub-section (3) of section 74A.

(4) Every company to which this section applies, shall furnish a report in the prescribed form from an accountant as defined in the *Explanation* below sub-section (2) of section 288, certifying that the book profit has been computed in accordance with the provisions of this section along with the return of income filed under sub-section (1) of section 139 or along with the return of income furnished in response to a notice under clause (i) of sub-section (1) of section 142.

(5) Save as otherwise provided in this section, all other provisions of this Act shall apply to every assessee, being a company mentioned in this section.'

Amendment of section 115-O.

50. In section 115-O of the Income-tax Act, in sub-section (1), for the words “ten per cent.”, the words “twenty per cent.” shall be substituted with effect from the 1st day of June, 2000.

Amendment of section 115P.

51. In section 115P of the Income-tax Act, for the words “two per cent.”, the words “one and one-half per cent.” shall be substituted with effect from the 1st day of June, 2000.

Amendment of section 115R.

52. In section 115R of the Income-tax Act, with effect from the 1st day of June, 2000,—

(a) in sub-sections (1) and (2), for the words “ten per cent.”, the words “twenty per cent.” shall be substituted;

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

“(3A) The person responsible for making payment of the income distributed by the Unit Trust of India or a Mutual Fund and the Unit Trust of India or the Mutual Fund, as the case may be, shall on or before the 15th day of September in each year, furnish to the prescribed income-tax authority, a statement in the prescribed form and verified in the prescribed manner, giving the details of the amount of income distributed to unit holders during the previous year, the tax paid thereon and such other relevant details as may be prescribed.”.

Amendment of section 115S.

53. In section 115S of the Income-tax Act, for the words “two per cent.”, the words “one and one-half per cent.” shall be substituted with effect from the 1st day of June, 2000.

Insertion of new Chapter XII-F.

54. After Chapter XII-E of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of June, 2000, namely:—