

(b) after sub-section (1) as so numbered, the following sub-section shall be inserted and shall be deemed to have been inserted, namely:—

5 “(2) Where books of account or documents or assets seized or requisitioned as referred to in sub-section (1) has or have been received by the Assessing Officer having jurisdiction over such other person after the due date for furnishing the return of income for the assessment year relevant to the previous year in which search is conducted under section 132 or requisition is made under section 132A and in respect of such assessment year—

(a) no return of income has been furnished by such other person and no notice under sub-section (1) of section 142 has been issued to him, or

10 (b) a return of income has been furnished by such other person but no notice under sub-section (2) of section 143 has been served and limitation of serving the notice under sub-section (2) of section 143 has expired, or

(c) assessment or reassessment, if any, has been made,

15 before the date of receiving the books of account or documents or assets seized or requisitioned by the Assessing Officer having jurisdiction over such other person, such Assessing Officer shall issue the notice and assess or reassess total income of such other person of such assessment year in the manner provided in section 153A.”.

**48.** In section 194A of the Income-tax Act, in sub-section (3), with effect from 1st day of June, 2005,— Amendment of section 194A.

(i) after clause (ix), the following clause shall be inserted, namely:—

20 “(x) to such income which is paid or payable by an infrastructure capital company or infrastructure capital fund or a public sector company in relation to a zero coupon bond issued on or after the 1st day of June, 2005 by such fund or company or public sector company;”;

(ii) for the *Explanation*, the following *Explanations* shall be substituted, namely:—

25 “*Explanation 1.*—For the purposes of clauses (i), (vii) and (viii), “time deposits” means deposits (excluding recurring deposits) repayable on the expiry of fixed periods.

*Explanation 2.*—For the purposes of clause (x), “infrastructure capital company” and “infrastructure capital fund” shall have the meanings respectively assigned to them in clauses (a) and (b) of *Explanation 1* to clause (23G) of section 10.”.

**49.** In section 194C of the Income-tax Act, in sub-section (3), in clause (i), with effect from the 1st day of June, 2005,— Amendment of section 194C.

(a) in the proviso, for the words “under this section; or”, the words “under this section:” shall be substituted;

(b) after the proviso, the following provisos shall be inserted, namely:—

35 “Provided further that no deduction shall be made under sub-section (2), from the amount of any sum credited or paid or likely to be credited or paid during the previous year to the account of the sub-contractor during the course of business of plying, hiring or leasing goods carriages, on production of a declaration to the person concerned paying or crediting such sum, in the prescribed form and verified in the prescribed manner and within such time as may be prescribed, if such sub-contractor is an individual who has not owned more than two goods carriages at any time during the previous year:

40 Provided also that the person responsible for paying any sum as aforesaid to the sub-contractor referred to in the second proviso shall furnish to the prescribed income-tax authority or the person authorised by it such particulars as may be prescribed in such form and within such time as may be prescribed; or”;

45 (c) after clause (iii), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of clause (i), “goods carriage” shall have the same meaning as in the *Explanation* to sub-section (7) of section 44AE.’.

**50.** In section 199 of the Income-tax Act, in sub-section (3), for the figures, letters and words “1st day of April, 2005”, the figures, letters and words “1st day of April, 2006” shall be substituted. Amendment of section 199.

- Amendment of section 203. **51.** In section 203 of the Income-tax Act, in sub-section (3), for the figures, letters and words “1st day of April, 2005”, the figures, letters and words “1st day of April, 2006” shall be substituted.
- Insertion of new section 206A. **52.** After section 206 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2005, namely:—
- Furnishing of quarterly return in respect of payment of interest to residents without deduction of tax. “206A. (1) Any banking company or co-operative society or public company referred to in the proviso to clause (i) of sub-section (3) of section 194A responsible for paying to a resident any income not exceeding five thousand rupees by way of interest (other than interest on securities), shall prepare quarterly returns for the period ending on the 30th June, the 30th September, the 31st December and the 31st March in each financial year and deliver or cause to be delivered to the prescribed income-tax authority or the person authorised by such authority the quarterly returns as aforesaid, in the prescribed form, verified in such manner and within such time as may be prescribed, on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media. 5  
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- (2) The Central Government may, by notification in the Official Gazette, require any person other than a person mentioned in sub-section (1) responsible for paying to a resident any income liable for deduction of tax at source under Chapter XVII, to prepare and deliver or cause to be delivered quarterly returns in the prescribed form and verified in such manner and within such time as may be prescribed, to the prescribed income-tax authority or the person authorised by such authority on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media.” 15
- Amendment of section 206C. **53.** In section 206C of the Income-tax Act,—
- (a) in sub-section (4), in the proviso, for the figures, letters and words “1st day of April, 2005”, the figures, letters and words “1st day of April, 2006” shall be substituted; 20
- (b) in sub-section (5), in the first proviso, for the figures, letters and words “1st day of April, 2005”, the figures, letters and words “1st day of April, 2006” shall be substituted.
- Amendment of section 238. **54.** In section 238 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted with effect from the 1st day of April, 2006, namely:— 25
- “(1A) Where the value of fringe benefits provided or deemed to have been provided by one employer is included under any provisions of Chapter XII-H in the value of fringe benefits provided or deemed to have been provided by any other employer, the latter alone shall be entitled to a refund under this Chapter in respect of such fringe benefits.”.
- Amendment of section 239. **55.** In section 239 of the Income-tax Act, in sub-section (2), after clause (c), the following clause shall be inserted with effect from the 1st day of April, 2006, namely:— 30
- “(d) where the claim is in respect of fringe benefits which are assessable for any assessment year commencing on or after the first day of April, 2006, one year from the last day of such assessment year.”.
- Amendment of section 244A. **56.** In section 244A of the Income-tax Act, with effect from the 1st day of April, 2006,—
- (a) in sub-section (1), in clause (a),— 35
- (i) for the words “out of any tax”, the words, figures and letters “out of any tax paid under section 115WJ or” shall be substituted;
- (ii) in the proviso, for the words “under sub-section”, the words, brackets, figures and letters “under sub-section (1) of section 115WE or sub-section” shall be substituted;
- (b) in sub-section (3), for the words “result of an order under”, the words, brackets, figures and letters “result of an order under sub-section (3) of section 115WE or section 115WF or section 115WG or” shall be substituted; 40
- (c) in sub-section (4), the following proviso shall be inserted, namely:—
- “Provided that in respect of assessment of fringe benefits, the provisions of this sub-section shall have effect as if for the figures “1989”, the figures “2006” had been substituted.”. 45
- Amendment of section 246A. **57.** In section 246A of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2006,—
- (i) after clause (a), the following clauses shall be inserted, namely:—
- “(aa) an order of assessment under sub-section (3) of section 115WE or section 115WF, where the assessee, being an employer objects to the value of fringe benefits assessed; 50
- (ab) an order of assessment or reassessment under section 115WG;”;

(ii) in clause (j), in sub-clause (B), for the word, figures and letter “section 271F”, the words, figures and letters “section 271F, section 271FB” shall be substituted.

**58.** In section 271 of the Income-tax Act, with effect from the 1st day of April, 2006,—

Amendment of section 271.

(a) in sub-section (1),—

5 (A) in clause (b), for the words, brackets and figures “under sub-section (1) of section 142”, the words, brackets, figures and letters “under sub-section (2) of section 115WD or under sub-section (2) of section 115WE or under sub-section (1) of section 142” shall be substituted;

(B) in clause (c), for the words “such income”, the words “such income, or” shall be substituted;

(C) after clause (c), the following clause shall be inserted, namely:—

10 “(d) has concealed the particulars of the fringe benefits or furnished inaccurate particulars of such fringe benefits;”;

(D) in sub-clause (iii),—

(i) for the word, brackets and letter “clause (c)”, the words, brackets and letters “clause (c) or clause (d)” shall be substituted;

15 (ii) for the word “income”, at both the places where it occurs, the words “ income or fringe benefits” shall be substituted;

(b) after sub-section (5), the following sub-section shall be inserted, namely:—

20 “(6) Any reference in this section to the income shall be construed as a reference to the income or fringe benefits, as the case may be, and the provisions of this section shall, as far as may be, apply in relation to any assessment in respect of fringe benefits also.”.

**59.** After section 271FA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2006, namely:—

Insertion of new section 271FB.

25 “271FB. If an employer, who is required to furnish a return of fringe benefits, as required under sub-section (1) of section 115WD, fails to furnish such return within the time prescribed under that sub-section, the Assessing Officer may direct that such employer shall pay, by way of penalty, a sum of one hundred rupees for every day during which the failure continues.”.

Penalty for failure to furnish return of fringe benefits.

**60.** In section 272A of the Income-tax Act, in sub-section (2), after clause (k), the following clause shall be inserted with effect from the 1st day of June, 2005, namely:—

Amendment of section 272A.

30 “(l) to deliver or cause to be delivered the quarterly return within the time specified in sub-section (1) of section 206A,”.

**61.** In section 273B of the Income-tax Act, for the word, figures and letters “section 271FA”, the words, figures and letters “section 271FA, section 271FB” shall be substituted with effect from the 1st day of April, 2006.

Amendment of section 273B.

**62.** In section 276CC of the Income-tax Act, with effect from the 1st day of April, 2006,—

Amendment of section 276CC.

35 (a) in the opening portion, after the words “in due time”, the words, brackets, figures and letters “the return of fringe benefits which he is required to furnish under sub-section (1) of section 115WD or by notice given under sub-section (2) of the said section or section 115WH or” shall be inserted;

40 (b) in the proviso, for the words, brackets and figures “return of income under sub-section (1) of section 139”, the words, brackets, figures and letters “return of fringe benefits under sub-section (1) of section 115WD or return of income under sub-section (1) of section 139” shall be substituted.

45 **63.** In section 278 of the Income-tax Act, for the words “any income chargeable to tax”, the words “any income or any fringe benefits chargeable to tax” shall be substituted with effect from the 1st day of April, 2006.

Amendment of section 278.

**64.** In section 295 of the Income-tax Act, in sub-section (2), clause (e) shall be omitted with effect from the 1st day of April, 2006.

Amendment of section 295.