

(b) the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1990, namely:—

"Provided that where any notice has been served under this sub-section for the purposes of this clause after the end of the relevant assessment year commencing on or after the 1st day of April, 1990 to a person who has not made a return within the time allowed under sub-section (1) of section 139 or before the end of the relevant assessment year, any such notice issued to him shall be deemed to have been served in accordance with the provisions of this sub-section." 5

Amendment of section 148.

36. In section 148 of the Income-tax Act, in sub-section (1),—

(i) the following provisos shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1991, namely:— 10

"Provided that in a case—

(a) where a return has been furnished during the period commencing on the 1st day of October, 1991 and ending on the 30th day of September, 2005 in response to a notice served under this section, and

(b) subsequently a notice has been served under sub-section (2) of section 143 after the expiry of twelve months specified in the proviso to sub-section (2) of section 143, as it stood immediately before the amendment of said sub-section by the Finance Act, 2002 but before the expiry of the time limit for making the assessment, re-assessment or re-computation as specified in sub-section (2) of section 153, every such notice referred to in this clause shall be deemed to be a valid notice: 15
20 of 2002.

Provided further that in a case—

(a) where a return has been furnished during the period commencing on the 1st day of October, 1991 and ending on the 30th day of September, 2005, in response to a notice served under this section, and

(b) subsequently a notice has been served under clause (i) of sub-section (2) of section 143 after the expiry of twelve months specified in the proviso to clause (i) of sub-section (2) of section 143, but before the expiry of the time limit for making the assessment, re-assessment or re-computation as specified in sub-section (2) of section 153, every such notice referred to in this clause shall be deemed to be a valid notice."; 25

(ii) after the second proviso as so inserted by clause (i), the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2005, namely:— 30

"*Explanation.*—For the removal of doubts, it is hereby declared that nothing contained in the first proviso or the second proviso shall apply to any return which has been furnished on or after the 1st day of October, 2005 in response to a notice served under this section." 35

Amendment of section 153.

37. In section 153 of the Income-tax Act, with effect from the 1st day of June, 2006,—

(a) in sub-section (1), the following proviso shall be inserted, namely:—

'Provided that in case the assessment year in which the income was first assessable is the assessment year commencing on the 1st day of April, 2004 or any subsequent assessment year, the provisions of clause (a) shall have effect as if for the words "two years", the words "twenty-one months" had been substituted.'; 40

(b) in sub-section (1A), for the words "two years", the words "twenty-one months" shall be substituted;

(c) in sub-section (1B), for the words "one year", the words "nine months" shall be substituted;

(d) in sub-section (2), after the proviso, the following proviso shall be inserted, namely:— 45

'Provided further that where the notice under section 148 was served on or after the 1st day of April, 2005, the provisions of this sub-section shall have effect as if for the words "one year", the words "nine months" had been substituted.';

(e) in sub-section (2A), after the proviso, the following proviso shall be inserted, namely:—

'Provided further that where the order under section 254 is received by the Chief Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Commissioner on or after the 1st day of April, 2005, the provisions of this sub-section shall have effect as if for the words "one year", the words "nine months" had been substituted.' 50

Amendment of section 153B.

38. In section 153B of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted with effect from the 1st day of June, 2006, namely:— 55

'Provided further that in the case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2004 or any subsequent financial year,—

(i) the provisions of clause (a) or clause (b) of this sub-section shall have effect as if for the words "two years" the words "twenty-one months" had been substituted; 60

(ii) the period of limitation for making the assessment or re-assessment in case of other person referred to in section 153C, shall be the period of twenty-one months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or nine months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later.

39. In section 155 of the Income-tax Act, in sub-section (14), with effect from the 1st day of April, 2007,— Amendment of section 155.

(a) for the words and figures "credit for tax deducted in accordance with the provisions of section 199", the words, figures and letter "credit for tax deducted or collected in accordance with the provisions of section 199 or, as the case may be, section 206C" shall be substituted;

(b) for the word and figures "section 203", the words, figures and letter "section 203 or section 206C" shall be substituted;

(c) in the proviso, for the words "income from which the tax has been deducted", the words "income from which the tax has been deducted or income on which the tax has been collected" shall be substituted.

40. In section 194A of the Income-tax Act, in sub-section (3), *Explanation 2* shall be omitted. Amendment of section 194A.

41. In section 199 of the Income-tax Act, in sub-section (3), for the figures, letters and words "1st day of April, 2006", the figures, letters and words "1st day of April, 2008" shall be substituted. Amendment of section 199.

42. In section 201 of the Income-tax Act, in sub-section (1A), after the words "such tax is actually paid", occurring at the end, the words, brackets and figures "and such interest shall be paid before furnishing the quarterly statement for each quarter in accordance with the provisions of sub-section (3) of section 200" shall be inserted with effect from the 1st day of June, 2006. Amendment of section 201.

43. In section 203 of the Income-tax Act, in sub-section (3), for the figures, letters and words "1st day of April, 2006", the figures, letters and words "1st day of April, 2008" shall be substituted. Amendment of section 203.

44. In section 203A of the Income-tax Act, in sub-section (2), after clause (b), the following clause shall be inserted with effect from the 1st day of June, 2006, namely:— Amendment of section 203A.

"(ba) in all the quarterly statements prepared and delivered or caused to be delivered in accordance with the provisions of sub-section (3) of section 200 or sub-section (3) of section 206C;"

45. In section 203AA of the Income-tax Act, for the figures, letters and words "1st day of April, 2005", the figures, letters and words "1st day of April, 2008" shall be substituted. Amendment of section 203AA.

46. In section 206 of the Income-tax Act, in sub-section (1), for the words "responsible for deducting tax", the words, figures and letters "responsible for deducting tax before the 1st day of April, 2005" shall be substituted. Amendment of section 206.

47. In section 206C of the Income-tax Act,— Amendment of section 206C.

(a) in sub-section (4), in the proviso, for the figures, letters and words "1st day of April, 2006", the figures, letters and words "1st day of April, 2008" shall be substituted;

(b) in sub-section (5),—

(i) in the first proviso, for the figures, letters and words "1st day of April, 2006", the figures, letters and words "1st day of April, 2008" shall be substituted;

(ii) in the second proviso, for the words "after the end of each financial year", the words, figures and letters "after the end of each financial year beginning on or after the 1st day of April, 2008" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2005;

(c) In sub-section (5A), for the words "collecting tax", the words, figures and letters "collecting tax before the 1st day of April, 2005" shall be substituted;

(d) after sub-section (6), the following sub-section shall be inserted with effect from the 1st day of April, 2007, namely:—

"(6A) If any person responsible for collecting tax in accordance with the provisions of this section does not collect the whole or any part of the tax or after collecting, fails to pay the tax as required by or under this Act, he shall, without prejudice to any other consequences which he may incur, be deemed to be an assessee in default in respect of the tax:

Provided that no penalty shall be charged under section 221 from such person unless the Assessing Officer is satisfied that the person has without good and sufficient reasons failed to collect and pay the tax.";

(e) in sub-section (7),—

(i) for the word "seller", the words "person responsible for collecting tax" shall be substituted with effect from the 1st day of April, 2007;

(ii) after the words "tax was actually paid", occurring at the end, the words, brackets and figure "and such interest shall be paid before furnishing the quarterly statement for each quarter in accordance with the provisions of sub-section (3)" shall be inserted with effect from the 1st day of June, 2006;

(f) in sub-section (8), for the word "seller", the words "person responsible for collecting tax" shall be substituted with effect from the 1st day of April, 2007.

- Amendment of section 234A. **48.** In section 234A of the Income-tax Act, in sub-section (1), after clause (b), for the words, brackets and figures "on the amount of the tax on the total income as determined under sub-section (1) of section 143 or on regular assessment as reduced by the advance tax, if any, paid and any tax deducted or collected at source", the following shall be substituted with effect from the 1st day of April, 2007, namely:—
- "on the amount of the tax on the total income as determined under sub-section (1) of section 143, and where a regular assessment is made, on the amount of the tax on the total income determined under regular assessment, as reduced by the amount of,—
- (i) advance tax, if any, paid;
 - (ii) any tax deducted or collected at source;
 - (iii) any relief of tax allowed under section 90 on account of tax paid in a country outside India;
 - (iv) any relief of tax allowed under section 90A on account of tax paid in a specified territory outside India referred to in that section;
 - (v) any deduction, from the Indian income-tax payable, allowed under section 91, on account of tax paid in a country outside India; and
 - (vi) any tax credit allowed to be set off in accordance with the provisions of section 115JAA."
- Amendment of section 234B. **49.** In section 234B of the Income-tax Act, in sub-section (1), for *Explanation 1*, the following *Explanation* shall be substituted with effect from the 1st day of April, 2007, namely:—
- 'Explanation 1.*—In this section, "assessed tax" means the tax on the total income determined under sub-section (1) of section 143 and where a regular assessment is made, the tax on the total income determined under such regular assessment as reduced by the amount of,—
- (i) any tax deducted or collected at source in accordance with the provisions of Chapter XVII on any income which is subject to such deduction or collection and which is taken into account in computing such total income;
 - (ii) any relief of tax allowed under section 90 on account of tax paid in a country outside India;
 - (iii) any relief of tax allowed under section 90A on account of tax paid in a specified territory outside India referred to in that section;
 - (iv) any deduction, from the Indian income-tax payable, allowed under section 91, on account of tax paid in a country outside India; and
 - (v) any tax credit allowed to be set off in accordance with the provisions of section 115JAA.'
- Amendment of section 234C. **50.** In section 234C of the Income-tax Act, in sub-section (1), for the *Explanation*, the following *Explanation* shall be substituted with effect from the 1st day of April, 2007, namely:—
- 'Explanation.*—In this section, "tax due on the returned income" means the tax chargeable on the total income declared in the return of income furnished by the assessee for the assessment year commencing on the 1st day of April immediately following the financial year in which the advance tax is paid or payable, as reduced by the amount of,—
- (i) any tax deductible or collectible at source in accordance with the provisions of Chapter XVII on any income which is subject to such deduction or collection and which is taken into account in computing such total income;
 - (ii) any relief of tax allowed under section 90 on account of tax paid in a country outside India;
 - (iii) any relief of tax allowed under section 90A on account of tax paid in a specified territory outside India referred to in that section;
 - (iv) any deduction, from the Indian income-tax payable, allowed under section 91, on account of tax paid in a country outside India; and
 - (v) any tax credit allowed to be set off in accordance with the provisions of section 115JAA.'
- Amendment of section 246A. **51.** In section 246A of the Income-tax Act, in sub-section (1), in clause (n), for the word, figures and letter "section 271C", the words, figures and letters "section 271C, section 271CA" shall be substituted with effect from the 1st day of April, 2007.
- Insertion of new section 271CA. **52.** After section 271C of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2007, namely:—
- "271CA. (1) If any person fails to collect the whole or any part of the tax as required by or under the provisions of Chapter XVII-BB, then, such person shall be liable to pay, by way of penalty, a sum equal to the amount of tax which such person failed to collect as aforesaid.

(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner."

53. In section 272A of the Income-tax Act, in sub-section (2), in the proviso, after the words, figures and letter "returns under sections 206 and 206C", the words, brackets, figures and letter "and statements under sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C" shall be inserted with effect from the 1st day of June, 2006. Amendment of section 272A.

54. In section 272BB of the Income-tax Act, with effect from the 1st day of June, 2006,— Amendment of section 272BB.

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

(1A) If a person who is required to quote his "tax deduction account number" or, as the case may be, "tax collection account number" or "tax deduction and collection account number" in the challans or certificates or statements or other documents referred to in sub-section (2) of section 203A, quotes a number which is false, and which he either knows or believes to be false or does not believe to be true, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees.;

(ii) in sub-section (2), after the word, brackets and figure "sub-section (1)", the words, brackets, figure and letter "or sub-section (1A)" shall be inserted.

55. In section 273B of the Income-tax Act,—

(a) for the word, figures and letter "section 271C", the words, figures and letters "section 271C, section 271CA" shall be substituted with effect from the 1st day of April, 2007; Amendment of section 273B.

(b) for the words, brackets, figures and letters "sub-section (1) of section 272BB", the words, brackets, figures and letters "sub-section (1) or sub-section (1A) of section 272BB" shall be substituted with effect from the 1st day of June, 2006.

56. In the Fourth Schedule to the Income-tax Act, in Part A, with effect from the 1st day of April, 2007,— Amendment of Fourth Schedule.

(a) in rule 3, after sub-rule (1), the following proviso shall be inserted, namely:—

"Provided that in a case where recognition has been accorded to any provident fund on or before the 31st day of March, 2006 and such provident fund does not satisfy the conditions set out in clause (ea) of rule 4, the recognition to such fund shall be withdrawn, if such fund does not satisfy, on or before the 31st day of March, 2007, the conditions set out in the said clause and any other condition which the Board may, by rules specify, in this behalf.";

(b) in rule 4, after clause (e), the following clause shall be inserted, namely:—

"(ea) the fund of an establishment to which the provisions of sub-section (3) or sub-section (4) of section 1 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 apply, and such establishment has been exempted under section 17 of the said Act from the operation of all or any of the provisions of any Scheme referred to in that section;".