

## Finance Act 2005

### Section 3 - Amendment of Section 2

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In section 2 of the Income-tax Act, with effect from the 1st day of April, 2006,-

(a) in clause (7), in sub-clause (a), for the words "assessment of his income", the words "assessment of his income or assessment of fringe benefits" shall be substituted;

(b) after clause (23A), the following clause shall be inserted, namely:-

'(23B) "fringe benefits" means any fringe benefits referred to in section 115WB;';

(c) in clause (42A), in the proviso, after the words, brackets, figures and letter "clause (23D) of section 10", the words "or a zero coupon bond" shall be inserted;

(d) in clause (43), after the words "the aforesaid date", the words, figures and letters "and in relation to the assessment year commencing on the 1st day of April, 2006, and any subsequent assessment year includes the fringe benefit tax payable under section 115WA" shall be inserted;

(e) in clause (47), after sub-clause (iv), the following sub-clause shall be inserted, namely:-

"(iva) the maturity or redemption of a zero coupon bond; or";

(f) after clause (47) and the Explanation relating thereto, the following shall be inserted, namely:-

'(48) "zero coupon bond" means a bond-

(a) issued by any infrastructure capital company or infrastructure capital fund or public sector company on or after the 1st day of June, 2005;

(b) in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company; and

(c) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

Explanation.--For the purposes of this clause, the expressions "infrastructure capital company" and "infrastructure capital fund" shall have the same meanings respectively assigned to them in clauses (a) and (b) of Explanation 1 to clause (23G) of section 10.

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