

## Finance Act, 2006

### Chapter III - Direct Taxes

---

#### Section 3 - Amendment of section 2

---

In section 2 of the Income-tax Act,--

(i) in clause (24),--

(A) in sub-clause (ia),--

(a) after the words, brackets and figures "sub-clause (iv) or sub-clause (v)", the words, brackets, figures and letter "or by any university or other educational institution referred to in sub-clause (vi) or by any hospital or other institution referred to in sub-clause (via)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1999;

(b) for the words, brackets, figures and letter "or by any university or other educational institution referred to in sub-clause (vi) or by any hospital or other institution referred to in sub-clause (via)", as so inserted by sub-item (a), the words, brackets, figures and letters "or by any university or other educational institution referred to in sub-clause (iiia) or sub-clause (vi) or by any hospital or other institution referred to in sub-clause (iiiae) or sub-clause (via)" shall be substituted with effect from the 1st day of April, 2007;

(B) after sub-clause (vii), the following sub-clause shall be inserted with effect from the 1st day of April, 2007, namely:--

"(viiia) the profits and gains of any business of banking (including providing credit facilities) carried on by a co-operative society with its members;";

(ii) after clause (26), the following clauses shall be inserted, namely:--

'(26A) "infrastructure capital company" means such company which makes investments by way of acquiring shares or providing long-term finance to any enterprise or undertaking wholly engaged in the business referred to in sub-section (4) of section 80-IA or sub-section (1) of section 80-IAB or an undertaking developing and building a housing project referred to in subsection (10) of section 80-IB or a project for constructing a hotel of not less than three-star category as classified by the Central Government or a project for constructing a hospital with at least one-hundred beds for patients;

(26B) "infrastructure capital fund" means such fund operating under a trust deed registered under the provisions of the Registration Act, 1908(16 of 1908) established to raise monies by the trustees for investment by way of acquiring shares or providing long-term finance to any enterprise or undertaking wholly engaged in the business referred to in sub-section (4) of section 80-IA or subsection (1) of section 80-IAB or an undertaking developing and building a housing project referred to in sub-section (10) of section 80-IB or a project for constructing a hotel of not less than three-star category as classified by the Central Government or a project for constructing a hospital with at least one-hundred beds for patients;";

(iii) in clause (37A), in sub-clause (iii), for the words and figures, "an agreement entered into by the Central Government under section 90, whichever is applicable by virtue of the provisions of section 90;"; the words, figures and letters "an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, whichever is applicable by virtue of the provisions of section 90, or section 90A, as the case may be;" shall be substituted with effect from the 1st day of June, 2006;

(iv) in clause (48), the Explanation shall be omitted.

---

#### Section 4 - Amendment of section 10

---

In section 10 of the Income-tax Act,--

(a) in clause (6BB), for the words, figures and letters "or entered into after the 31st day of March, 2006 and approved by the Central Government in this behalf, the words, figures and letters "or entered into after the 31st day of March, 2007 and approved by the Central Government in this behalf shall be substituted with effect from the 1st day of April, 2007;

(b) in clause (15A), in the proviso, for the words, figures and letters "the 1st day of April, 2006", the words, figures and letters "the 1st day of April, 2007" shall be substituted with effect from the 1st day of April, 2007;

(c) in clause (17), for sub-clause (iii), the following sub-clause shall be substituted with effect from the 1st day of April, 2007, namely:--

"(iii) any constituency allowance received by any person by reason of his membership of any State Legislature under any Act or rules made by that State Legislature;";

(d) in clause (23C),--

(i) after the eleventh proviso, the following proviso shall be inserted with effect from the 1st day of June, 2006, namely:--

"Provided also that in case the fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in the first proviso makes an application on or after the 1st

day of June, 2006 for the purposes of grant of exemption or continuance thereof, such application shall be made at any time during the financial year immediately preceding the assessment year from which the exemption is sought:";

(ii) after the twelfth proviso as so inserted, the following proviso shall be inserted with effect from the 1st day of April, 2007, namely:--

"Provided also that any anonymous donation referred to in section 115BBC on which tax is payable in accordance with the provisions of the said section shall be included in the total income;"

(e) in clause (23EA), for the words "any income", the words "any income, by way of contributions received from recognised stock exchanges and the members thereof," shall be substituted with effect from the 1st day of April, 2007;

(f) clause (23G) shall be omitted with effect from the 1st day of April, 2007;

(g) in clause (38),--

(i) before the Explanation, the following proviso shall be inserted with effect from the 1st day of April, 2007, namely:--

"Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB.";

(ii) in the Explanation, in clause (i), for the words "fifty per cent.", the words "sixty-five per cent." shall be substituted with effect from the 1st day of June, 2006;

(h) after clause (41), the following shall be inserted, namely:--

'(42) any specified income arising to a body or authority which--

(a) has been established or constituted or appointed under a treaty or an agreement entered into by the Central Government with two or more countries or a convention signed by the Central Government;

(b) is established or constituted or appointed not for the purposes of profit;

(c) is notified by the Central Government in the Official Gazette for the purposes of this clause.

Explanation.--For the purposes of this clause, "specified income" means the income, of the nature and to the extent, arising to the body or authority referred to in this clause, which the Central Government may notify in this behalf.'

---

#### **Section 5 - Amendment of section 10B**

---

In section 10B of the Income-tax Act, in sub-section (1),--

(a) in the second proviso, for the word "also", the word "further" shall be substituted;

(b) after the third proviso, the following proviso shall be inserted, namely:--

"Provided also that no deduction under this section shall be allowed to an assessee who does not furnish a return of his income on or before the due date specified under sub-section (1) of section 139."

---

#### **Section 6 - Amendment of section 13**

---

In section 13 of the Income-tax Act, after sub-section (6) and before Explanation 1, the following sub-section shall be inserted with effect from the 1st day of April, 2007, namely:--

"(7) Nothing contained in section 11 or section 12 shall operate so as to exclude from the total income of the previous year of the person in receipt thereof, any anonymous donation referred to in section 115BBC on which tax is payable in accordance with the provisions of that section."

---

#### **Section 7 - Amendment of section 14A**

---

Section 14A of the Income-tax Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-sections shall be inserted, with effect from the 1st day of April, 2007, namely:--

"(2) The Assessing Officer shall determine the amount of expenditure incurred in relation to such income which does not form part of the total income under this Act in accordance with such method as may be prescribed, if the Assessing Officer, having regard to the accounts of the assessee, is not satisfied with the correctness of the claim of the assessee in respect of such expenditure in relation to income which does not form part of the total income under this Act.

(3) The provisions of sub-section (2) shall also apply in relation to a case where an assessee claims that no expenditure has been incurred by him in relation to income which does not form part of the total income under this Act".

---

#### **Section 8 - Amendment of section 17**

---

In section 17 of the Income-tax Act, in clause (2), after sub-clause (vi), in the proviso, with effect from the 1st day of April, 2007,--

(i) in clause (iii), after the words "Central Government", the words, brackets and figures "or the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and

Development Authority Act, 1999,(41 of 1999)" shall be inserted;

(ii) in clause (iv), after the words "Central Government", the words, brackets and figures "or the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999,(41 of 1999)" shall be inserted.

---

### Section 9 - Amendment of section 36

---

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

(a) for clause (ib), the following clause shall be substituted with effect from the 1st day of April, 2007, namely:--

"(ib) the amount of any premium paid by cheque by the assessee as an employer to effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by--

(A) the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972(57 of 1972) and approved by the Central Government; or

(B) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999(41 of 1999);";

(b) in clause (iia), in the Explanation, clause (iii) shall be omitted;

(c) in clause (viii), in the Explanation, for clause (d), the following clause shall be substituted with effect from the 1st day of April, 2007, namely:--

'(d) "infrastructure facility" means--

(i) an infrastructure facility as defined in the Explanation to clause (i) of sub-section (4) of section 80-IA, or any other public facility of a similar nature as may be notified by the Board in this behalf in the Official Gazette and which fulfils the conditions as may be prescribed;

(ii) an undertaking referred to in clause (ii) or clause (iii) or clause (iv) of sub-section (4) of section 80-IA; and

(iii) an undertaking referred to in sub-section (10) of section 80-IB;'.  

---

### Section 10 - Amendment of section 40

---

In section 40 of the Income-tax Act, in clause (a), after sub-clause (ii),--

(a) the following Explanation shall be inserted, namely:--

"Explanation 1.--For the removal of doubts, it is hereby declared that for the purposes of this sub-clause, any sum paid on account of any rate or tax levied includes and shall be deemed always to have included any sum eligible for relief of tax under section 90 or, as the case may be, deduction from the Indian income-tax payable under section 91.";

(b) after Explanation 1 as so inserted, the following Explanation shall be inserted with effect from the 1st day of the June, 2006, namely:--

"Explanation 2.--For the removal of doubts, it is hereby declared that for the purposes of this sub-clause, any sum paid on account of any rate or tax levied includes any sum eligible for relief of tax under section 90A;"  

---

### Section 11 - Amendment of section 43

---

In section 43 of the Income-tax Act, in clause (5), in the proviso, in clause (d), for the brackets and letters "(aa)", the brackets and letters "(ac)" shall be substituted.

---

### Section 12 - Amendment of section 43B

---

In section 43B of the Income-tax Act,--

(a) after Explanation 3B, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989, namely:--

"Explanation 3C.--For the removal of doubts, it is hereby declared that a deduction of any sum, being interest payable under clause (d) of this section, shall be allowed if such interest has been actually paid and any interest referred to in that clause which has been converted into a loan or borrowing shall not be deemed to have been actually paid.";

(b) after Explanation 3C as so inserted, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1997, namely:--

"Explanation 3D.--For the removal of doubts, it is hereby declared that a deduction of any sum, being interest payable under clause (e) of this section, shall be allowed if such interest has been actually paid and any interest referred to in that clause which has been converted into a loan or advance shall not be deemed to have been actually paid."  

---

### Section 13 - Amendment of section 54EC

---

In section 54EC of the Income-tax Act, after sub-section (3), in the Explanation, for clause (b), the following clause shall be substituted, namely:--

'(b) "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April, 2006,--

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988(68 of 1988), and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956(1 of 1956), and notified by the Central Government in the Official Gazette for the purposes of this section.'

---

#### **Section 14 - Amendment of section 54ED**

---

In section 54ED of the Income-tax Act, in sub-section (1), for the words "from the transfer of a long-term capital asset," the words, figures and letters "from the transfer before the 1st day of April, 2006, of a long-term capital asset," shall be substituted with effect from the 1st day of April, 2007.

---

#### **Section 15 - Insertion of new section 80AC**

---

After section 80AB of the Income-tax Act, the following section shall be inserted, namely:--

"80AC. Deduction not to be allowed unless return furnished.--Where in computing the total income of an assessee of the previous year relevant to the assessment year commencing on the 1st day of April, 2006 or any subsequent assessment year, any deduction is admissible under section 80-IA or section 80-IAB or section 80-IB or section 80-IC, no such deduction shall be allowed to him unless he furnishes a return of his income for such assessment year on or before the due date specified under sub-section (1) of section 139."

---

#### **Section 16 - Amendment of section 80C**

---

In section 80C of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2007,--

(a) in clause (xi), for the words, brackets, figures and letter "notified under clause (23D)", the words, brackets, figures and letter "referred to in clause (23D)" shall be substituted;

(b) in clause (xiii), for the words, brackets, figures and letter "notified under clause (23D)", the words, brackets, figures and letter "referred to in clause (23D)" shall be substituted;

(c) in clause (xiv), for the words, brackets, figures and letter "notified under clause (23D)", the words, brackets, figures and letter "referred to in clause (23D)" shall be substituted;

(d) after clause (xx), the following shall be inserted, namely:--

"(xxi) as term deposit-

(a) for a fixed period of not less than five years with a scheduled bank; and

(b) which is in accordance with a scheme framed and notified, by the Central Government, in the Official Gazette for the purposes of this clause."

Explanation.--For the purposes of this clause, "scheduled bank" means the State Bank of India constituted under the State Bank of India Act, 1955(23 of 1955), or a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959(38 of 1959), or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970(5 of 1970), or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980(40 of 1980), or any other bank, being a bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).'

---

#### **Section 17 - Amendment of section 80CCC**

---

In section 80CCC of the Income-tax Act, in sub-section (1), for the words "ten thousand rupees", the words "one lakh rupees" shall be substituted with effect from the 1st day of April, 2007.

---

#### **Section 18 - Amendment of section 80-IA**

---

In section 80-IA of the Income-tax Act, in sub-section (4), with effect from the 1st day of April, 2007,--

(a) in clause (iii), after the proviso, the following proviso shall be inserted, namely:--

'Provided further that in the case of any undertaking which develops, develops and operates or maintains and operates an industrial park, the provisions of this clause shall have effect as if for the figures, letters and words "31st day of March, 2006", the figures, letters and words "31st day of March, 2009" had been substituted;'

(b) in clause (iv),--

(i) in sub-clause (a), for the words, figures and letters "the 31st day of March, 2006", the words, figures and letters "the 31st day of March, 2010" shall be substituted;

(ii) in sub-clause (b), for the words, figures and letters "the 31st day of March, 2006", the words, figures and letters "the 31st day of March, 2010" shall be substituted;

(iii) in sub-clause (c), for the words, figures and letters "the 31st day of March, 2006", the words, figures and letters "the 31st day of March, 2010" shall be substituted.

---

### Section 19 - Amendment of section 80P

---

In section 80P of the Income-tax Act, after sub-section (3), the following shall be inserted with effect from the 1st day of April, 2007, namely:--

'(4) The provisions of this section shall not apply in relation to any co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank.

Explanation.--For the purposes of this sub-section,--

(a) "co-operative bank" and "primary agricultural credit society" shall have the meanings respectively assigned to them in Part V of the Banking Regulation Act, 1949(10 of 1949);

(b) "primary co-operative agricultural and rural development bank" means a society having its area of operation confined to a taluk and the principal object of which is to provide for long-term credit for agricultural and rural development activities.'

---

### Section 20 - Insertion of new section 90A

---

In Chapter IX of the Income-tax Act, after section 90, the following section shall be inserted with effect from the 1st day of June, 2006, namely:--

'90A. Adoption by Central Government of agreements between specified associations for double taxation relief.--(1) Any specified association in India may enter into an agreement with any specified association in the specified territory outside India and the Central Government may, by notification in the Official Gazette, make such provisions as may be necessary for adopting and implementing such agreement--

(a) for the granting of relief in respect of--

(i) income on which have been paid both income-tax under this Act and income-tax in any specified territory outside India; or

(ii) income-tax chargeable under this Act and under the corresponding law in force in that specified territory outside India to promote mutual economic relations, trade and investment, or

(b) for the avoidance of double taxation of income under this Act and under the corresponding law in force in that specified territory outside India, or

(c) for exchange of information for the prevention of evasion or avoidance of income-tax chargeable under this Act or under the corresponding law in force in that specified territory outside India, or investigation of cases of such evasion or avoidance, or

(d) for recovery of income-tax under this Act and under the corresponding law in force in that specified territory outside India.

(2) Where a specified association in India has entered into an agreement with a specified association of any specified territory outside India under sub-section (1) and such agreement has been notified under that sub-section, for granting relief of tax, or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of this Act shall apply to the extent they are more beneficial to that assessee.

(3) Any term used but not defined in this Act or in the agreement referred to in sub-section (1) shall, unless the context otherwise requires, and is not inconsistent with the provisions of this Act or the agreement, have the same meaning as assigned to it in the notification issued by the Central Government in the Official Gazette in this behalf.

Explanation 1.--For the removal of doubts, it is hereby declared that the charge of tax in respect of a company incorporated in the specified territory outside India 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 company.

Explanation 2.--For the purposes of this section, the expressions--

(a) "specified association" means any institution, association or body, whether incorporated or not, functioning under any law for the time being in force in India or the laws of the specified territory outside India and which may be notified as such by the Central Government for the purposes of this section;

(b) "specified territory" means any area outside India which may be notified as such by the Central Government for the purposes of this section.'

---

### Section 21 - Amendment of section 92C

---

In section 92C of the Income-tax Act, in sub-section (4), in the first proviso, for the words, figures and letters "section 10A or section 10B", the words, figures and letters "section 10A or section 10AA or section 10B" shall be substituted with effect from the 1st day of April, 2007.

---

### Section 22 - Insertion of new section 115BBC

---

In Chapter XII of the Income-tax Act, after section 115BBB, the following section shall be inserted with effect from the 1st day of April, 2007, namely:--

'115BBC. Anonymous donations to be taxed certain cases.--(1) Where the total income of an assessee, being a person in receipt of income on behalf of any university or other educational institution referred to in sub-clause (iiiad) or sub-clause (vi) or any hospital or other institution referred to in sub-clause (iiiie) or sub-clause (via) or any fund or institution referred to in sub-clause (iv) or any trust or institution referred to in sub-clause (v) of clause (23C) of section 10 or any trust or institution referred to in section 11, includes any income by way of any anonymous donation, the income-tax payable shall be the aggregate of--

(i) the amount of income-tax calculated on the income by way of any anonymous donation, at the rate of thirty per cent.; and

(ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (i).

(2) The provisions of sub-section (1) shall not apply to any anonymous donation received by--

(a) any trust or institution created or established wholly for religious purposes;

(b) any trust or institution created or established wholly for religious and charitable purposes other than any anonymous donation made with a specific direction that such donation is for any university or other educational institution or any hospital or other medical institution run by such trust or institution.

(3) For the purposes of this section, "anonymous donation" means any voluntary contribution referred to in sub-clause (iia) of clause (24) of section 2, where a person receiving such contribution does not maintain a record of the identity indicating the name and address of the person making such contribution and such other particulars as may be prescribed.'

---

### Section 23 - Amendment of section 115JAA

---

In section 115JAA of the Income-tax Act, for sub-sections (2) and (3), the following sub-sections shall be substituted with effect from the 1st day of April, 2007, namely:--

"(2) The tax credit to be allowed under sub-section (1) shall be the difference of the tax paid for any assessment year under sub-section (1) of section 115JA and the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of this Act:

Provided that no interest shall be payable on the tax credit allowed under sub-section (1).

(2A) The tax credit to be allowed under sub-section (1A) shall be the difference of the tax paid for any assessment year under sub-section (1) of section 115JB and the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of this Act:

Provided that no interest shall be payable on the tax credit allowed under sub-section (1A).

(3) The amount of tax credit determined under sub-section (2) shall be carried forward and set off in accordance with the provisions of sub-sections (4) and (5) but such carry forward shall not be allowed beyond the fifth assessment year immediately succeeding the assessment year in which tax credit becomes allowable under sub-section (1).

(3A) The amount of tax credit determined under sub-section (2A) shall be carried forward and set off in accordance with the provisions of sub-sections (4) and (5) but such carry forward shall not be allowed beyond the seventh assessment year immediately succeeding the assessment year in which tax credit becomes allowable under sub-section (1A)."

---

### Section 24 - Amendment of section 115JB

---

In section 115JB of the Income-tax Act, with effect from the 1st day of April, 2007,--

(i) in sub-section (1),--

(a) for the words, figures and letters "the 1st day of April, 2001", the words, figures and letters "the 1st day of April, 2007" shall be substituted;

(b) for the words "seven and one-half per cent.", at both the places where they occur, the words "ten per cent." shall be substituted;

(ii) in the Explanation occurring after sub-section (2),--

(a) in clause (f), for the words, figures, brackets and letters "section 10 (other than the provisions contained in clause (23G) thereof) or section 10A or section 10B or section 11 or section 12 apply.", the words, figures, brackets and letters "section 10 [other than the provisions contained in clause (38) thereof] or section 10A or section 10B or section 11 or section 12 apply; or" shall be substituted;

(b) after clause (f) --

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

"(g) the amount of depreciation,";

(B) for the portion beginning with the words "if any amount", and ending with the words "as reduced by--", the following shall be substituted, namely:--

"if any amount referred to in clauses (a) to (g) is debited to the profit and loss account, and as reduced by--";

(c) in clause (ii), for the words, figures, brackets and letter "section 10 (other than the provisions contained in clause (23G) thereof)", the words, figures and brackets "section 10 [other than the provisions contained in clause (38) thereof]" shall be substituted;

(d) after clause (ii), the following clauses shall be inserted, namely:--

"(ia) the amount of depreciation debited to the profit and loss account (excluding the depreciation on account of revaluation of assets); or

(ib) the amount withdrawn from revaluation reserve and credited to the profit and loss account, to the extent it does not exceed the amount of depreciation on account of revaluation of assets referred to in clause (ia); or".

---

#### **Section 25 - Amendment of section 115-O**

---

In section 115-O of the Income-tax Act, in sub-section (6), the words, brackets, figures and letter "not falling under clause (23G) of section 10" shall be omitted with effect from the 1st day of April, 2007.

---

#### **Section 26 - Amendment of section 115R**

---

In section 115R of the Income-tax Act, in sub-section (2), in the proviso, in clause (b), the word "open-ended" shall be omitted with effect from the 1st day of June, 2006.

---

#### **Section 27 - Amendment of section 115T**

---

In section 115T of the Income-tax Act, in the Explanation, in clause (b), with effect from the 1st day of June, 2006,--

(i) the word "open-ended" shall be omitted;

(ii) in sub-clause (ii), for the words "fifty per cent.", the words "sixty-five per cent." shall be substituted.

---

#### **Section 28 - Amendment of section 115WB**

---

In section 115WB of the Income-tax Act, with effect from the 1st day of April, 2007,--

(a) in sub-section (2),--

(i) in clause (D), in the proviso,--

(A) in clause (v), the word "and" occurring at the end shall be omitted;

(B) after clause (vi), the following clauses shall be inserted, namely:--

"(vii) being the expenditure on distribution of free samples of medicines or of medical equipment, to doctors; and

(viii) being the expenditure by way of payment to any person of repute for promoting the sale of goods or services of the business of the employer,";

(ii) in clause (F), the words and brackets "tour and travel (including foreign travel)" shall be omitted;

(iii) after clause (P), the following clause shall be inserted, namely:--

"(Q) tour and travel (including foreign travel).";

(b) in sub-section (3), after the words "payable by the employee", the words "or any benefit or amenity in the nature of free or subsidised transport or any such allowance provided by the employer to his employees for journeys by the employees from their residence to the place of work or such place of work to the place of residence" shall be inserted at the end.

---

#### **Section 29 - Amendment of section 115WC**

---

In section 115WC of the Income-tax Act, with effect from the 1st day of April, 2007,--

(a) in sub-section (1),--

(i) for clause (b), the following clause shall be substituted, namely:--

"(b) the amount of contribution, referred to in clause (c) of sub-section (1) of section 115WB, which exceeds one lakh rupees in respect of each employee;"

(ii) after clause (d), the following clause shall be inserted, namely:--

"(e) five per cent. of the expenses referred to in clause (Q) of sub-section (2) of section 115WB.";

(b) in sub-section (2),--

(i) after clause (a), the following clauses shall be inserted, namely:--

'(aa) in the case of an employer engaged in the business of carriage of passengers or goods by aircraft, the value of fringe benefits for the purposes referred to in clause (B) of sub-section (2) of section 115WB shall be "five per cent." instead of "twenty per cent." referred to in clause (c) of sub-section (1);

(ab) in the case of an employer engaged in the business of carriage of passengers or goods by ship, the value of fringe benefits for the purposes referred to in clause (B) of sub-section (2) of section 115WB shall be "five per

cent." instead of "twenty per cent." referred to in clause (c) of sub-section (1);;

(ii) after clause (d), the following clauses shall be inserted, namely:--

'(da) in the case of an employer engaged in the business of carriage of passengers or goods by aircraft, the value of fringe benefits for the purposes referred to in clause (G) of sub-section (2) of section 115WB shall be "five per cent." instead of "twenty per cent." referred to in clause (c) of sub-section (1);

(db) in the case of an employer engaged in the business of carriage of passengers or goods by ship, the value of fringe benefits for the purposes referred to in clause (G) of sub-section (2) of section 115WB shall be "five per cent." instead of "twenty per cent." referred to in clause (c) of sub-section (1);'

---

### Section 30 - Amendment of section 120

---

In section 120 of the Income-tax Act, in sub-section (1), the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1988, namely:--

"Explanation.--For the removal of doubts, it is hereby declared that any income-tax authority, being an authority higher in rank, may, if so directed by the Board, exercise the powers and perform the functions of the income-tax authority lower in rank and any such direction issued by the Board shall be deemed to be a direction issued under sub-section (1)."

---

### Section 31 - Amendment of section 139

---

In section 139 of the Income-tax Act,--

(I) in sub-section (1), in the first proviso, after clause (vi), for the words "during the previous year", the words, figures and letters "during any previous year ending before the 1st day of April, 2005" shall be substituted;

(II) in sub-section (9), in the Explanation,--

(A) in clause (c), in sub-clause (i),--

(a) for the words "deducted at source", the words "deducted or collected at source" shall be substituted with effect from the 1st day of April, 2007;

(b) for the words, figures and letters "before the 1st day of April, 2006", the words, figures and letters "before the 1st day of April, 2008" shall be substituted;

(c) in the proviso, with effect from the 1st day of April, 2007,--

(i) for the words "claimed to have been deducted at source", the words "claimed to have been deducted or collected at source" shall be substituted;

(ii) for clause (a), the following clause shall be substituted, namely:--

"(a) a certificate for tax deducted or collected was not furnished under section 203 or section 206C to the person furnishing his return of income;";

(B) after clause (f), the following proviso shall be inserted with effect from the 1st day of June, 2006, namely:--

"Provided that the Board may, by rules made by it,--

(a) dispense, for a class or classes of persons, with any of the conditions specified in clauses (a) to (f); or

(b) include any of the conditions specified in clauses (a) to (f) of this Explanation in the form of return prescribed under sub-section (1) or sub-section (6) of this section."

---

### Section 32 - Amendment of section 139A

---

In section 139A of the Income-tax Act,--

(a) after sub-section (1A), the following sub-section shall be inserted with effect from the 1st day of June, 2006, namely:--

"(1B) Notwithstanding anything contained in sub-section (1), the Central Government may, for the purpose of collecting any information which may be useful for or relevant to the purposes of this Act, by notification in the Official Gazette, specify, any class or classes of persons who shall apply to the Assessing Officer for the allotment of the permanent account number and such persons shall, within such time as mentioned in that notification, apply to the Assessing Officer for the allotment of a permanent account number";

(b) for sub-section (2), the following sub-section shall be substituted with effect from the 1st day of June, 2006, namely:--

"(2) The Assessing Officer, having regard to the nature of the transactions as may be prescribed, may also allot a permanent account number, to any other person (whether any tax is payable by him or not), in the manner and in accordance with the procedure as may be prescribed.";

(c) in sub-section (5B), after clause (iii), the following clause shall be inserted with effect from the 1st day of June, 2006, namely:--

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

(d) in sub-section (5C), for the word "seller", the words "person responsible for collecting tax" shall be substituted with effect from the 1st day of April, 2007;

(e) in sub-section (5D),--

(A) in the opening portion, for the word "seller", the word "person" shall be substituted with effect from the 1st day of April, 2007;

(B) after clause (ii), the following clause shall be inserted with effect from the 1st day of June, 2006, namely:--

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

---

### Section 33 - Insertion of new section 139B

---

After section 139A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2006, namely:--

139B. Scheme for submission of returns through Tax Return Preparers.--(1) For the purpose of enabling any specified class or classes of persons in preparing and furnishing returns of income, the Board may, without prejudice to the provisions of section 139, frame a Scheme, by notification in the Official Gazette, providing that such persons may furnish their returns of income through a Tax Return Preparer authorised to act as such under the Scheme.

(2) Every Tax Return Preparer shall assist the persons furnishing the return of income in such manner as may be specified in the Scheme framed under this section and affix his signature on such return.

(3) For the purposes of this section,--

(a) "Tax Return Preparer" means any individual, [not being a person referred to in clause (ii) or clause (iii) or clause (iv) of sub-section (2) of section 288 or an employee of the "specified class or classes of persons"], who has been authorised to act as a Tax Return Preparer under the Scheme framed under this section;

(b) "specified class or classes of persons" means any person, other than a company or a person, whose accounts are required to be audited under section 44AB or under any other law for the time being in force, who is required to furnish a return of income under this Act.

(4) The Scheme framed by the Board under this section may provide for the following, namely:--

(a) the manner in which and the period for which the Tax Return Preparers shall be authorised under sub-section (3);

(b) the educational and other qualifications to be possessed, and the training and other conditions required to be fulfilled, by a person to act as a Tax Return Preparer;

(c) the code of conduct for the Tax Return Preparers;

(d) the duties and obligations of the Tax Return Preparers;

(e) the circumstances under which the authorisation given to a Tax Return Preparer may be withdrawn;

(f) any other matter which is required to be, or may be, specified by the Scheme for the purposes of this section.

(5) Every Scheme framed by the Board under this section shall be laid, as soon as may be after it is framed, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree that the Scheme should not be framed, the Scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that Scheme.

---

### Section 34 - Amendment of section 140A

---

In section 140A of the Income-tax Act, with effect from the 1st day of April, 2007,--

(a) in sub-section (1), for the words "after taking into account the amount of tax, if any, already paid under any provision of this Act", the following shall be substituted, namely:--

"after taking into account,--

(i) the amount of tax, if any, already paid under any provision of this Act;

(ii) any tax deducted or collected at source;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and

(v) any tax credit claimed to be set off in accordance with the provisions of section 115JAA,";

(b) in sub-section (1A), for clause (i), the following clause shall be substituted, namely:--

"(i) under section 234A shall be computed on the amount of the tax on the total income as declared in the return as reduced by the amount of,--

- (a) advance tax, if any, paid;
  - (b) any tax deducted or collected at source;
  - (c) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;
  - (d) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and
  - (e) any tax credit claimed to be set off in accordance with the provisions of section 115JAA;"
- (c) in sub-section (1B), for the Explanation, the following Explanation shall be substituted, namely:--
- 'Explanation.--For the purposes of this sub-section, "assessed tax" means the tax on the total income as declared in the return as reduced by the amount of,--
- (i) 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 or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;
  - (iii) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and
  - (iv) any tax credit claimed to be set off in accordance with the provisions of section 115JAA.'

---

### Section 35 - Amendment of section 142

---

In section 142 of the Income-tax Act, in sub-section (1), in clause (i),--

(a) for the words, brackets and figures "within the time allowed under sub-section (1) of section 139", the words, brackets and figures "within the time allowed under sub-section (1) of section 139 or before the end of the relevant assessment year" shall be substituted;

(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."

---

### Section 36 - Amendment of section 148

---

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:--

"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(20 of 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:

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 (ii) of sub-section (2) of section 143 after the expiry of twelve months specified in the proviso to clause (ii) 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.:"

(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:--

"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."

---

### Section 37 - Amendment of section 153

---

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.');

(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:--

'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.'.

---

### **Section 38 - Amendment of section 153B**

---

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:--

'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;

(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.'.

---

### **Section 39 - Amendment of section 155**

---

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

(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.

---

### **Section 40 - Amendment of section 194A**

---

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

---

### **Section 41 - Amendment of section 199**

---

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.

---

### **Section 42 - Amendment of section 201**

---

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.

---

### **Section 43 - Amendment of section 203**

---

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.

---

---

**Section 44 - Amendment of section 203A**

---

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:--

"(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;"

---

**Section 45 - Amendment of section 203AA**

---

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.

---

**Section 46 - Amendment of section 206**

---

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.

---

**Section 47 - Amendment of section 206C**

---

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, 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 (5,4), 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.

---

**Section 48 - Amendment of section 234A**

---

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."

---

#### **Section 49 - Amendment of section 234B**

---

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.'

---

#### **Section 50 - Amendment of section 234C**

---

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.'

---

#### **Section 51 - Amendment of section 246A**

---

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.

---

#### **Section 52 - Insertion of new section 271CA**

---

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. Penalty for failure to collect tax at source.--(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."

---

#### **Section 53 - Amendment of section 272A**

---

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.

---

#### **Section 54 - Amendment of section 272BB**

---

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

(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.

---

#### **Section 55 - Amendment of section 273B**

---

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;

(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.

---

#### **Section 56 - Amendment of Fourth Schedule**

---

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

(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(19 of 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;".

---

#### **Section 57 - Amendment of Act 27 of 1957**

---

In section 17A of the Wealth-tax Act, with effect from the 1st day of June, 2006,--

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

'Provided further that in case the assessment year in which the net wealth was first assessable is the assessment year commencing on the 1st day of April, 2004 or any subsequent year, the provisions of this sub-section shall have effect as if for the words "two years", the words "twenty-one months" had been substituted.';

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

'Provided further that where the notice under sub-section (1) of section 17 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.';

(c) in sub-section (3), after the proviso, the following proviso shall be inserted, namely:--

'Provided further that where the order under section 23A or section 24 is received by the Chief Commissioner or Commissioner or, as the case may be, the order under section 25 is passed by the Commissioner, on or after the 1st day of April, 2005, the provisions of this subsection shall have effect as if for the words "one year", the words "nine months" had been substituted.'

---

---

---