Finance Act 1965

Section 58 - Insertion of New Section 276a

After section 276 of the Income tax Act, the following section shall be inserted, namely :

"276A. Failure to comply with the provisions of sub section (1) and (3) of section 178. If a person, without reasonable cause or excuse,

(i) fails to give the notice in accordance with sub section (1) of section 178; or

(ii) fails to set aside the amount as required by sub section (3) of that section; or

(iii) parts with any of the assets of the company or the properties in his hands in contravention of the provisions of the aforesaid sub section,

he shall be punishable with rigorous imprisonment for a term which may extend to two years :

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months.".