

(2) For the purposes of sub-section (1), a transaction or arrangement shall be considered an abuse if the entering into or the application of such transaction or arrangement results, or would but for this section have resulted, in a tax advantage being obtained for—

(i) a person other than a tonnage tax company; or

(ii) a tonnage tax company in respect of its non-tonnage tax activities.

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*Explanation.*—For the purposes of this section, “tax advantage” includes,—

(i) the determination of the allowance for any expense or interest, or the determination of any cost or expense allocated or apportioned, or, as the case may be, which has the effect of reducing the income or increasing the loss, as the case may be, from activities other than tonnage tax activities chargeable to tax, computed on the basis of entries made in the books of account in respect of the previous year in which the transaction was entered into; or

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(ii) a transaction or arrangement which produces to the tonnage tax company more than ordinary profits which might be expected to arise from tonnage tax activities.

Exclusion from tonnage tax scheme.

115VZC. (1) Where a tonnage tax company is a party to any transaction or arrangement referred to in sub-section (1) of section 115VZB, the Assessing Officer shall, by an order in writing, exclude such company from the tonnage tax scheme:

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Provided that an opportunity shall be given by the Assessing Officer by serving a notice calling upon such company to show cause, on a date and time to be specified in the notice, why it should not be excluded from the tonnage tax scheme:

Provided further that no order under this sub-section shall be passed without the previous approval of the Chief Commissioner.

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(2) The provisions of this section shall not apply where the company shows to the satisfaction of the Assessing Officer that the transaction or arrangement was a *bona fide* commercial transaction and had not been entered into for the purpose of obtaining tax advantage under this Chapter.

(3) Where an order has been passed under sub-section (1) by the Assessing Officer excluding the tonnage tax company from the tonnage tax scheme, the option for tonnage tax scheme shall cease to be in force from the first day of the previous year in which the transaction or arrangement was entered into.’

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Amendment of section 139.

29. In section 139 of the Income-tax Act, in sub-section (9), in the *Explanation*, in clause (c), in sub-clause (i), for the words “deducted at source and”, the words, figures and letters “deducted at source before the 1st day of April, 2005 and” shall be substituted with effect from the 1st day of April, 2005.

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Amendment of section 139A.

30. In section 139A of the Income-tax Act,—

(a) in sub-section (5A), the first proviso shall be omitted with effect from the 1st day of April, 2005;

(b) in sub-sections (5C) and (5D), for the word “buyer”, the words “buyer or licensee or lessee” shall be substituted with effect from the 1st day of October, 2004.

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Insertion of new section 142A.

31. After section 142 of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 15th day of November, 1972, namely:—

Estimate by Valuation Officer in certain cases.

‘142A. (1) For the purposes of making an assessment or re-assessment under this Act, where an estimate of the value of any investment referred to in section 69 or section 69B or the value of any bullion, jewellery or other valuable article referred to in section 69A or section 69B is required to be made, the Assessing Officer may require the Valuation Officer to make an estimate of such value and report the same to him.

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(2) The Valuation Officer to whom a reference is made under sub-section (1) shall, for the purposes of dealing with such reference, have all the powers that he has under section 38A of the Wealth-tax Act, 1957.

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27 of 1957.

(3) On receipt of the report from the Valuation Officer, the Assessing Officer may, after giving the assessee an opportunity of being heard, take into account such report in making such assessment or re-assessment:

Provided that nothing contained in this section shall apply in respect of an assessment made on or before the 30th day of September, 2004, and where such assessment has become final and conclusive on or before that date, except in cases where a reassessment is required to be made in accordance with the provisions of section 153A.

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*Explanation.*—In this section, “Valuation Officer” has the same meaning as in clause (r) of section 2 of the Wealth-tax Act, 1957.’.

**32.** In section 153 of the Income-tax Act, in *Explanation 1*, with effect from the 1st day of October, 2004,— Amendment of section 153.

5 (a) in clause (v), for the words “that section,”, the words “that section, or” shall be substituted;

(b) after clause (v) and before the words “shall be excluded”, the following clauses shall be inserted, namely:—

10 “(vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Commissioner under sub-section (3) of section 245R, or

15 “(vii) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Commissioner under sub-section (7) of section 245R.”.

**33.** In section 153B of the Income-tax Act, in sub-section (1), in the *Explanation*, with effect from the 1st day of October, 2004,— Amendment of section 153B.

(a) in clause (iv), for the words “that section,”, the words “that section, or” shall be substituted;

20 (b) after clause (iv) and before the words “shall be excluded”, the following clauses shall be inserted, namely:—

“(v) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Commissioner under sub-section (3) of section 245R, or

25 “(vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Commissioner under sub-section (7) of section 245R.”.

**34.** In section 194C of the Income-tax Act, in sub-section (3), for clause (i), the following clause shall Amendment of section 194C.  
30 be substituted with effect from the 1st day of October, 2004, namely:—

“(i) the amount of any sum credited or paid or likely to be credited or paid to the account of, or to, the contractor or sub-contractor, if such sum does not exceed twenty thousand rupees:

35 Provided that where the aggregate of the amounts of such sums credited or paid or likely to be credited or paid during the financial year exceeds fifty thousand rupees, the person responsible for paying such sums referred to in sub-section (1) or, as the case may be, sub-section (2) shall be liable to deduct income-tax under this section; or”.

**35.** After section 194L of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2004, namely:— Insertion of new section 194LA.

40 ‘194LA. Any person responsible for paying to a resident any sum, being in the nature of compensation or the enhanced compensation or the consideration or the enhanced consideration on account of compulsory acquisition, under any law for the time being in force, of any immovable property (other than agricultural land), shall, at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to ten per cent. of such sum as income-tax thereon: Payment of compensation on acquisition of certain immovable property.

45 Provided that no deduction shall be made under this section where the amount of such payment or, as the case may be, the aggregate amount of such payments to a resident during the financial year does not exceed one hundred thousand rupees.

*Explanation.*—For the purposes of this section,—

50 (i) “agricultural land” means agricultural land in India including land situate in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of section 2;

(ii) “immovable property” means any land (other than agricultural land) or any building or part of a building.’.

**36.** In section 197 of the Income-tax Act, in sub-section (1), for the figures and letters “194C, 194D, 194G, 194H, 194-I, 194J, 194K”, the figures and letters “194C, 194D, 194G, 194H, 194-I, 194J, 194K”, Amendment of section 197.

194LA" shall be substituted with effect from the 1st day of October, 2004.

- Amendment of section 198. **37.** In section 198 of the Income-tax Act, for the portion beginning with the words and figures "the provisions of sections 192" and ending with the word, figures and letter "section 196D", the words "the foregoing provisions of this Chapter" shall be substituted with effect from the 1st day of October, 2004.
- Amendment of section 199. **38.** In section 199 of the Income-tax Act,— 5
- (a) in sub-section (1), for the portion beginning with the words and figures "the provisions of sections 192" and ending with the word, figures and letter "section 196D", the words "the foregoing provisions of this Chapter" shall be substituted with effect from the 1st day of October, 2004;
- (b) after sub-section (2), the following sub-section shall be inserted at the end with effect from the 1st day of April, 2005, namely:— 10
- “(3) Where any deduction is made in accordance with the foregoing provisions of this Chapter on or after the 1st day of April, 2005 and paid to the Central Government, the amount of tax deducted and specified in the statement referred to in section 203AA shall be treated as tax paid on behalf of the persons referred to in sub-section (1) or, as the case may be, sub-section (2) and credit shall be given to him for the amount so deducted in the assessment made under this Act for the assessment year for which such income is assessable without the production of certificate.”. 15
- Amendment of section 200. **39.** In section 200 of the Income-tax Act,—
- (a) in sub-section (1), for the portion beginning with the words and figures "the provisions of sections 192" and ending with the word, figures and letter "section 196D", the words "the foregoing provisions of this Chapter" shall be substituted with effect from the 1st day of October, 2004; 20
- (b) after sub-section (2), the following sub-section shall be inserted with effect from the 1st day of April, 2005, namely:—
- “(3) Any person deducting any sum on or after the 1st day of April, 2005 in accordance with the foregoing provisions of this Chapter or, as the case may be, any person being an employer referred to in sub-section (1A) of section 192 shall, after paying the tax deducted to the credit of the Central Government within the prescribed time, prepare quarterly statements 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 such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed.”. 25
- Amendment of section 202. **40.** In section 202 of the Income-tax Act, for the portion beginning with the word and figures "sections 192" and ending with the word, figures and letter "section 196D", the words "the foregoing provisions of this Chapter" shall be substituted with effect from the 1st day of October, 2004.
- Amendment of section 203. **41.** In section 203 of the Income-tax Act,—
- (a) in sub-section (1), for the portion beginning with the words and figures "the provisions of sections 192" and ending with the word, figures and letter "section 196D", the words "the foregoing provisions of this Chapter" shall be substituted with effect from the 1st day of October, 2004; 35
- (b) after sub-section (2), the following sub-section shall be inserted at the end with effect from the 1st day of April, 2005, namely:—
- “(3) Where the tax has been deducted or paid in accordance with the foregoing provisions of this Chapter on or after the 1st day of April, 2005, there shall be no requirement to furnish a certificate referred to in sub-section (1) or, as the case may be, sub-section (2)”. 40
- Substitution of new section for section 203A. **42.** For section 203A of the Income-tax Act, the following section shall be substituted with effect from the 1st day of October, 2004, namely:—
- ‘203A. (1) Every person, deducting tax or collecting tax in accordance with the provisions of this Chapter, who has not been allotted a tax-deduction account number or, as the case may be, a tax-collection account number, shall, within such time as may be prescribed, apply to the Assessing Officer for the allotment of a "tax-deduction and collection-account number". 45
- (2) Where a "tax deduction account number" or, as the case may be, a "tax-collection account number" or a "tax deduction and collection-account number" has been allotted to a person, such person shall quote such number— 50
- (a) in all challans for the payment of any sum in accordance with the provisions of section 200 or sub-section (3) of section 206C;

(b) in all certificates furnished under section 203 or sub-section (5) of section 206C;

(c) in all the returns, delivered in accordance with the provisions of section 206 or sub-section (5A) or sub-section (5B) of section 206C to any income-tax authority; and

5 (d) in all other documents pertaining to such transactions as may be prescribed in the interests of revenue.’.

**43.** After section 203A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2005, namely:—

Insertion of new section 203AA.

10 “203AA. The prescribed income-tax authority or the person authorised by such authority referred to in sub-section (3) of section 200, shall, within the prescribed time after the end of each financial year beginning on or after the 1st day of April, 2005 prepare and deliver to every person from whose income the tax has been deducted or in respect of whose income the tax has been paid a statement in the prescribed form specifying the amount of tax deducted or paid and such other particulars as may be prescribed.”.

Furnishing of statement of tax deducted, etc.

15 **44.** In section 204 of the Income-tax Act, for the portion beginning with the word and figures “sections 192” and ending with the words and figures “sections 195 to 203”, the words “the foregoing provisions of this Chapter” shall be substituted with effect from the 1st day of October, 2004.

Amendment of section 204.

**45.** In section 205 of the Income-tax Act, for the portion beginning with the word and figures “sections 192” and ending with the word, figures and letter “section 196D”, the words “the foregoing provisions of this Chapter” shall be substituted with effect from the 1st day of October, 2004.

Amendment of section 205.

20 **46.** In section 206 of the Income-tax Act,—

Amendment of section 206.

(a) in sub-section (1), with effect from the 1st day of October, 2004,—

(i) for the words “prescribed income-tax authority”, the words “prescribed income-tax authority or such other authority or agency as may be prescribed” shall be substituted;

(ii) the following proviso shall be inserted, namely:—

25 “Provided that the Board may, if it considers necessary or expedient so to do, frame a scheme for the purposes of filing such returns with such other authority or agency referred to in this sub-section.”;

(b) in sub-section (2), with effect from the 1st day of April, 2005,—

30 (i) for the words “other than the principal officer in the case of every company”, the words “other than the prescribed person in the case of every office of the Government and the principal officer in the case of every company” shall be substituted;

(ii) for the proviso, the following proviso shall be substituted, namely:—

35 “Provided that the prescribed person in the case of every office of Government and the principal officer in the case of every company responsible for deducting tax under the foregoing provisions of this Chapter shall, deliver or cause to be delivered, within the prescribed time after the end of each financial year, such returns on computer media under the said scheme.”.

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

Amendment of section 206C.

(a) after sub-section (1B), the following sub-section shall be inserted with effect from the 1st day of October, 2004, namely:—

40 ‘(1C) Every person, who grants a lease or a licence or enters into a contract or otherwise transfers any right or interest either in whole or in part in any parking lot or toll plaza or mine or quarry, to another person, other than a public sector company (hereafter in this section referred to as “licensee or lessee”) for the use of such parking lot or toll plaza or mine or quarry for the purpose of business shall, at the time of debiting of the amount payable by the licensee or lessee to the account of the licensee or lessee or at the time of receipt of such amount from the licensee or lessee in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the licensee or lessee of any such licence, contract or lease of the nature specified in column (2) of the Table below, a sum equal to the percentage, specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax:

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TABLE		
Sl. No.	Nature of contract or licence or lease, etc.	Percentage
(1)	(2)	(3)
55 (i)	Parking lot	Two per cent.
(ii)	Toll plaza	Two per cent.
(iii)	Mining and quarrying	Two per cent.’;

(b) in sub-section (2), after the word, brackets and figure "sub-section (1)", the words, brackets, figure and letter "or sub-section (1C)" shall be inserted with effect from the 1st day of October, 2004;

(c) in sub-section (3),—

(i) after the word, brackets and figure "sub-section (1)", the words, brackets, figure and letter "or sub-section (1C)" shall be inserted with effect from the 1st day of October, 2004;

(ii) the following proviso shall be inserted with effect from the 1st day of April, 2005, namely:—

"Provided that the person collecting tax on or after the 1st day of April, 2005 in accordance with the foregoing provisions of this section shall, after paying the tax collected to the credit of the Central Government within the prescribed time, prepare quarterly statements 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, such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed.;"

(d) in sub-section (4), the following proviso shall be inserted with effect from the 1st day of April, 2005, namely:—

"Provided that where any amount is collected in accordance with the provisions of this section on or after the 1st day of April, 2005 and paid under sub-section (3) to the credit of the Central Government, the amount of tax collected and specified in the statement referred to in the second proviso to sub-section (5) shall be deemed as payment of tax on behalf of the person from whom the amount has been collected and credit shall be given to him for the amount so collected in the assessment made under this Act for the assessment year for which such income is assessable without the production of certificate.;"

(e) in sub-section (5),—

(i) for the word "buyer", the words "buyer or licensee or lessee" shall be substituted with effect from the 1st day of October, 2004;

(ii) the following provisos shall be inserted with effect from the 1st day of April, 2005, namely:—

"Provided that no certificate may be furnished in a case where tax has been collected in accordance with the foregoing provisions of this section on or after the 1st day of April, 2005:

Provided further that the prescribed income-tax authority or the person authorised by such authority referred to in sub-section (3) shall, within the prescribed time after the end of each financial year, prepare and deliver to the buyer referred to in sub-section (1) or, as the case may be, to the licensee or lessee referred to in sub-section (1C), a statement in the prescribed form specifying the amount of tax collected and such other particulars as may be prescribed.;"

(f) in sub-section (5A), with effect from the 1st day of October, 2004,—

(i) for the words, figures and letters "prepare half-yearly returns for the period ending on the 30th September and 31st March in each financial year", the words "prepare within the prescribed time after the end of each financial year" shall be substituted;

(ii) for the words "prescribed income-tax authority", the words "prescribed income-tax authority or such other authority or agency as may be prescribed" shall be substituted;

(iii) the following proviso shall be inserted, namely:—

"Provided that the Board may, if it considers necessary or expedient so to do, frame a scheme for the purposes of filing such returns with such other authority or agency referred to in this sub-section.;"

(g) for sub-sections (5B) and (5C), the following sub-sections shall be substituted with effect from the 1st day of April, 2005, namely:—

"(5B) Without prejudice to the provisions of sub-section (5A), any person collecting tax, other than in a case where the seller is a company, the Central Government or a State Government, may at his option, deliver or cause to be delivered such return to the prescribed income-tax authority in accordance with such scheme as may be specified by the Board in this behalf, by notification in the Official Gazette, and subject to such conditions as may be specified therein, on or before the prescribed time after the end of each financial year, on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media (hereinafter referred to as the computer media) and in the manner as may be specified in that scheme:

Provided that where the person collecting tax is a company or the Central Government or a State Government, such person shall, in accordance with the provisions of this section, deliver or cause to be delivered, within the prescribed time after the end of each financial year, such returns on computer media under the said scheme.

5 (5C) Notwithstanding anything contained in any other law for the time being in force, a return filed on computer media shall be deemed to be a return for the purposes of sub-section (5A) and the rules made thereunder and shall be admissible in any proceedings made thereunder, without further proof of production of the original, as evidence of any contents of the original or of any facts stated therein.

10 (5D) Where the Assessing Officer considers that the return delivered or caused to be delivered under sub-section (5B) is defective, he may intimate the defect to the person collecting tax and give him an opportunity of rectifying the defect within a period of fifteen days from the date of such intimation or within such further period which, on an application made in this behalf, the Assessing Officer may, in his discretion, allow; and if the defect is not rectified within the said period of fifteen days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, such return shall be treated as an invalid return and the provisions of this Act shall apply as if such person had failed to deliver the return.”;

(h) in sub-section (9), with effect from the 1st day of October, 2004,—

(i) for the word “buyer”, the words “buyer or licensee or lessee” shall be substituted;

20 (ii) after the word, brackets and figure “sub-section (1)”, at both the places where they occur, the words, brackets, figure and letter “or sub-section (1C)” shall be inserted.

**48.** In section 206CA of the Income-tax Act, after sub-section (2), the following proviso shall be inserted with effect from the 1st day of October, 2004, namely:— Amendment of section 206CA.

“Provided that the provisions of this section shall not apply on or after the 1st day of October, 2004.”.

25 **49.** In section 245RR of the Income-tax Act, for the words, brackets, figures and letter “under sub-section (1) of section 245R”, the words, brackets, figures and letter “under sub-section (1) of section 245Q” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of October, 1998. Amendment of section 245RR.

30 **50.** In section 246A of the Income-tax Act, in sub-section (1), in clause (a), in the opening portion, for the words “an order against the assessee”, the words, brackets, figures and letters “an order passed by a Joint Commissioner under clause (ii) of sub-section (3) of section 115VP or an order against the assessee” shall be substituted with effect from the 1st day of October, 2004. Amendment of section 246A.

**51.** In section 253 of the Income-tax Act, in sub-section (1), after clause (b), the following clause shall be inserted at the end, with effect from the 1st day of October, 2004, namely:— Amendment of section 253.

35 “(ba) an order passed by an Assessing Officer under sub-section (1) of section 115VZC, or”.

**52.** After section 271F of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2005, namely:— Insertion of new section 271FA.

40 “271FA. If a person who is required to furnish an annual information return, as required under sub-section (1) of section 285BA, fails to furnish such return within the time prescribed under that sub-section, the income-tax authority prescribed under the said sub-section may direct that such person 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 annual information return.

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

45 “(k) to deliver or cause to be delivered a copy of the statement within the time specified in sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C,”.

**54.** In section 272B of the Income-tax Act, in sub-section (2), after the word, brackets, figure and letter “sub-section (5A)”, the words, brackets, figure and letter “or sub-section (5C)” shall be inserted with effect from the 1st day of April, 2005. Amendment of section 272B.

50 **55.** In section 272BBB of the Income-tax Act, in sub-section (1), for the words “fails to comply”, the words, figures and letters “fails to comply before the 1st day of October, 2004” shall be substituted with effect from the 1st day of October, 2004. Amendment of section 272BBB.

Insertion of new section 277A.	<b>56.</b> After section 277 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2004, namely:—	
Falsification of books of account or document, etc.	“277A. If any person (hereafter in this section referred to as the first person) wilfully and with intent to enable any other person (hereafter in this section referred to as the second person) to evade any tax or interest or penalty chargeable and imposable under this Act, makes or causes to be made any entry or statement which is false and which the first person either knows to be false or does not believe to be true, in any books of account or other document relevant to or useful in any proceedings against the first person or the second person, under this Act, the first person shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.	5 10
	<i>Explanation.</i> —It shall be sufficient in any charge under this section to allege a general intent to enable the second person to evade any tax, penalty or interest, without specifying any particular instance or sum of tax, penalty or interest which has been or would have been evaded by such second person.”.	
Amendment of section 278B.	<b>57.</b> In section 278B of the Income-tax Act, after sub-section (2) and before the <i>Explanation</i> , the following sub-section shall be inserted with effect from the 1st day of October, 2004, namely:—	15
	“(3) Where an offence under this Act has been committed by a person, being a company, and the punishment for such offence is imprisonment and fine, then, without prejudice to the provisions contained in sub-section (1) or sub-section (2), such company shall be punished with fine and every person, referred to in sub-section (1), or the director, manager, secretary or other officer of the company referred to in sub-section (2), shall be liable to be proceeded against and punished in accordance with the provisions of this Act.”.	20
Substitution of new section for section 285BA.	<b>58.</b> For section 285BA of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2005, namely:—	
Obligation to furnish annual information return.	‘285BA. (1) Any person, being—	25
	(a) an assessee; or	
	(b) the prescribed person in the case of an office of Government; or	
	(c) a local authority or other public body or association; or	
	(d) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or	16 of 1908.
	(e) the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988; or	30 59 of 1988.
	(f) the Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898; or	6 of 1898.
	(g) the Collector referred to in clause (c) of section 3 of the Land Acquisition Act, 1894; or	1 of 1894.
	(h) the recognised stock exchange referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; or	35 42 of 1956.
	(i) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934; or	2 of 1934.
	(j) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996,	40 22 of 1996.
	who is responsible for registering or maintaining a record of any specified financial transaction during any financial year beginning on or after the 1st day of April, 2004 under any law for the time being in force, or enters, on or after the 1st day of April, 2004, into any specified financial transaction with any person, shall furnish an annual information return, in respect of such specified financial transaction which is registered or recorded or entered into by him during any financial year beginning on or after the 1st day of April, 2004 and information relating to which is relevant and required for the purposes of this Act, to the prescribed income-tax authority or such other authority or agency as may be prescribed.	45
	(2) The annual information return referred to in sub-section (1) shall be furnished within the prescribed time after the end of such financial year, in such form and manner (including on a floppy, diskette, magnetic cartridge tape, CD-ROM or any computer readable media) as may be prescribed.	50

(3) For the purposes of this sub-section, "specified financial transaction" includes—

(a) a transaction of purchase, sale or exchange of goods or property or right or interest in a property; or

(b) a transaction for rendering any service which may be prescribed; or

5 (c) a transaction under a works contract; or

(d) a transaction by way of an investment made or an expenditure incurred; or

(e) a transaction for taking or accepting any loan or deposit,

10 where the value, or as the case may be, the aggregate value of such transaction or transactions referred to in clauses (a) to (e) during a financial year exceeds fifty thousand rupees or such other higher value as may be prescribed:

Provided that the Board may, for the purposes of this sub-section, prescribe different value for different transactions specified in clauses (a) to (e), having regard to the nature of the financial transaction, for different persons referred to in clauses (a) to (j) of sub-section (1).

15 (4) Where the prescribed income-tax authority considers that the annual information return furnished under sub-section (1) is defective, he may intimate the defect to the person who has furnished such return and give him an opportunity of rectifying the defect within a period of one month from the date of such intimation or within such further period which, on an application made in this behalf, the prescribed income-tax authority may, in his discretion, allow; and if the defect is not rectified within the said period of one month or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, such return shall be  
20 treated as an invalid return and the provisions of this Act shall apply as if such person had failed to furnish the annual information return.

(5) Where a person who is required to furnish an annual information return under sub-section (1) has not furnished the same within the prescribed time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such return within a period not exceeding sixty days from the date of service of such notice and he shall furnish the annual information return within the time specified in the notice."

59. In the Thirteenth Schedule to the Income-tax Act, with effect from the 1st day of April, 2005,—

Amendment of Thirteenth Schedule.

30 (a) for the brackets, words, figures and letters "[See section 80-IC(2)]", the brackets, words, figures and letters "[See sections 80-IB(4) and 80-IC(2)]" shall be substituted;

(b) after Part B, the following Part shall be inserted, namely:—

"PART C

FOR THE STATE OF JAMMU AND KASHMIR

S.No.	Article or thing
35 1.	Cigarettes/cigars of tobacco, manufactured tobacco and substitutes
2.	Distilled/brewed alcoholic drinks
3.	Aerated branded beverages and their concentrates".