



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
(पोत परिवहन, सड़क परिवहन और राजमार्ग मंत्रालय)  
**National Highways Authority of India**  
(Ministry of Shipping, Road Transport & Highways)  
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CIRCULAR

Income-Tax Act 1961 Section 206-C has been amended by insertion of Sub-Section (1C) made effective from 1st October, 2004 on collection of tax at sources on the payments made to NHAI by the franchisee for leasing of toll plaza. The provision attracts collection of tax at source from franchisee (other than PSU) together with the said payment at the specified rates. / Project Directors are advised to comply with the provision of Section 206-C (1C) of Income Tax Act and collect the amount at the specified rates plus surcharge and education cess on the receipt from 1st October, 2004 onwards. If the tax has not been collected, the same may be collected with interest and deposited to Govt. A/c on or before 31<sup>st</sup> March, 2005. Amended provisions of the Act are enclosed for guidance and the same may be strictly complied in future as well.

This issues with the approval of Competent Authority.

  
(T.K. Chattopadhyay)  
DGM (Finance)

To  
The Project Director, PIUs/CMUs

Copy for kind information to  
All Members/CGMs/GMs

**Amendment by Finance (no. 2) Act 2004 to Income Tax Act 1961 Section 206-C  
insertion of Sub-Section(1C)**

Finance (No.2) Act, 2004 provides as under:

[(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:

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

- (2) The power to recover tax by collection under sub-section (1) [or sub-section(1C)] shall be without prejudice to any other mode of recovery.
- (3) Any person collecting any amount under sub-section (1) [or sub-section(1C)] shall pay within [the prescribed time] the amount so collected to the credit of the Central Government or as the Board directs.

The following proviso shall be inserted to sub-section(3) of section 206C by the Finance (No.2) Act, 2004 w.e.f. 1.4.2005:

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 30<sup>th</sup> June, the 30<sup>th</sup> September, the 31<sup>st</sup> December and the 31<sup>st</sup> March in each financial year and deliver or cause to be delivered to the prescribed income-tax authority, or the person authorized 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.