

## Finance Act, 1989

### Section 4 - Amendment of Section 10

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In section 10 of the Income-tax Act, -

(a) after clause (14), the following clause shall be inserted, namely :-

'(14A) any income received by a public financial institution as exchange risk premium from any person borrowing foreign currency from such institution, provided the amount of such premium is credited by such institution to a fund specified under clause (23E).

Explanation : For the purposes of this clause, -

(i) the expression "public financial institution" shall have the meaning assigned to it in section 4A of the Companies Act, 1956 (1 of 1956);

(ii) the expression "exchange risk premium" means a premium paid by a person borrowing foreign currency from a public financial institution to cover the risk which may be borne by such institution on account of fluctuations in exchange rate of foreign currencies borrowed by such institution;';

(b) in clause (15), in sub-clause (iv), after item (h), the following item shall be inserted with effect from the 1st day of April, 1990, namely :-

"(i) by Government on deposits made by an employee of the Central Government or a State Government, in accordance with such scheme as the Central Government may, by notification in the Official Gazette, frame in this behalf, out of the moneys due to him on account of his retirement, whether on superannuation or otherwise;";

(c) after clause (23D), the following clause shall be inserted, namely :-

'(23E) any income of such Exchange Risk Administration Fund set up by public financial institutions, either jointly or separately, as the Central Government may, be notification in the Official Gazette, specify in this behalf :

Provided that where any amount standing to the credit of the Fund and not charged to income-tax during any previous year is shared, either wholly or in part, with a public financial institution, the whole of the amount so shared shall be deemed to be the income of the previous year in which such amount is so shared and shall accordingly be chargeable to income-tax.

Explanation : For the purposes of this clause, the expression "public financial institution" shall have the meaning assigned to it in section 4A of the Companies Act, 1956 (1 of 1956);';

(d) after clause (26A), the following clause shall be inserted with effect from the 1st day of April, 1990, namely :-

'(26AA) any income of a person by way of winnings from any lottery, the draw of which is held in pursuance of any agreement entered into on or before the 28th day of February, 1989 between the State Government of Sikkim and the organising agents of such lottery, where such person is resident in the State of Sikkim in any previous year.

Explanation : For the purposes of this clause, a person shall be deemed to be resident in the State of Sikkim if he fulfils the requirements of clause (1) or clause (2) or clause (3) or clause (4) of section 6, as the case may be, subject to the modifications that -

(i) references in those clauses to India shall be construed as references to the State of Sikkim; and

(ii) in sub-clause (i) of clause (3), reference to Indian company shall be construed as reference to a company formed and registered under any law for the time being in force in the State of Sikkim and having its registered office in that State in that year;'.  

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