

**Finance Act 2005**

**Section 12 - Amendment of Section 36**

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In section 36 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2006,--

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

'(iiia) the pro rata amount of discount on a zero coupon bond having regard to the period of life of such bond calculated in the manner as may be prescribed.

Explanation.--For the purposes of this clause, the expressions--

(i) "discount" means the difference between the amount received or receivable by the infrastructure capital company or infrastructure capital fund or public sector company issuing the bond and the amount payable by such company or fund or public sector company on maturity or redemption of such bond;

(ii) "period of life of the bond" means the period commencing from the date of issue of the bond and ending on the date of the maturity or redemption of such bond;

(iii) "infrastructure capital company" and "infrastructure capital fund" shall have the same meanings respectively assigned to them in clauses (a) and (b) of Explanation 1 to clause (23G) of section 10;';

(b) after clause (xii), the following shall be inserted, namely:--

'(xiii) any amount of banking cash transaction tax paid by the assessee during the previous year on the taxable banking transactions entered into by him.

Explanation.--For the purposes of this clause, the expressions "banking cash transaction tax" and "taxable banking transaction" shall have the same meanings respectively assigned to them under Chapter VII of the Finance Act, 2005.'

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