Finance Act, 1984

Section 28 - Insertion of New Section 269ss

In Chapter XXB of the Income-tax Act, -

(a) in the heading, for the words "MODE OF REPAYMENT", the words "MODE OF ACCEPTANCE, PAYMENT OR REPAYMENT" shall be substituted;

(b) before section 269T, the following section shall be inserted, namely :-

'269SS. Mode of taking or accepting certain loans and deposits. - No person shall, after the 30th day of June, 1984, take or accept from any other person (hereafter in this section referred to as the depositor) any loan or deposit otherwise than by an account payee cheque or account payee bank draft if, -

(a) the amount of such loan or deposit or the aggregate amount of such loan and deposit; or

(b) on the date of taking or accepting such loan or deposit, any loan or deposit taken or accepted earlier by such person from the depositor is remaining unpaid (whether repayment has fallen due or not), the amount or the aggregate amount remaining unpaid; or

(c) the amount or the aggregate amount referred to in clause (a) together with the amount or the aggregate amount referred to in clause (b), is ten thousand rupees or more :

Provided that the provisions of this section shall not apply to any loan or deposit taken or accepted from, or any loan or deposit taken or accepted by, -

(a) Government;

(b) any banking company, post office saving bank or co-operative bank;

(c) any corporation established by a Central, State or Provincial Act;

(d) any Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);

(e) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette.

Explanation : For the purposes of this section, -

(i) "banking company" shall have the meaning assigned to it in clause (a) of the Explanation to sub-section (8) of section 40A;

(ii) "co-operative bank" shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949 (10 of 1949);

(iii) "loan or deposit" means loan or deposit of money.'.