Finance Act, 2006

Section 16 - Amendment of Section 80c

In section 80C of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2007,--

(a) in clause (xi), for the words, brackets, figures and letter "notified under clause (23D)", the words, brackets, figures and letter "referred to in clause (23D)" shall be substituted;

(b) in clause (xiii), for the words, brackets, figures and letter "notified under clause (23D)", the words, brackets, figures and letter "referred to in clause (23D)" shall be substituted;

(c) in clause (xiv), for the words, brackets, figures and letter "notified under clause (23D)", the words, brackets, figures and letter "referred to in clause (23D)" shall be substituted;

(d) after clause (xx), the following shall be inserted, namely:--

"(xxi) as term deposit-

(a) for a fixed period of not less than five years with a scheduled bank; and

(b) which is in accordance with a scheme framed and notified, by the Central Government, in the Official Gazette for the purposes of this clause.".

Explanation.--For the purposes of this clause, "scheduled bank" means the State Bank of India constituted under the State Bank of India Act, 1955(23 of 1955), or a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959(38 of 1959), or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970(5 of 1970), or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980(40 of 1980), or any other bank, being a bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).'.
