Finance Act, 1993

Section 28 - Insertion of New Section 196d

After section 196D of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 1993, namely :-

"196D. Income of Foreign Institutional Investors from securities. - (1) Where any income in respect of securities referred to in clause (a) of sub-section (1) of section 115AD is payable to a Foreign Institutional Investor, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of twenty per cent.

(2) No deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to a Foreign Institutional Investor."

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