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Finance Act, 2012, (Central)

Section 54 - Amendment of Section 115u

In section 115U of the Income-tax Act,--

(i) with effect from the 1st day of April, 2013,--

(a) in sub-section (1), for the words "income received", at both the places where they occur, the words "income accruing or arising to or received" shall respectively be substituted;

(b) in sub-sect ion (2),--

(i) for the words 'The person responsible for making", the words 'The person responsible for crediting or making" shall be substituted;

(ii) for the words "to the person receiving such income", the words "to the person who is liable to tax in respect of such income" shall be substituted;

(iii) for the words "income paid", the words "income paid or credited" shall be substituted;

(c) in sub-section (3),--

(i) for the words "income paid", the words "income paid or credited" shall be substituted;

(ii) for the words "the person receiving such income as it had been", the words, brackets and figure "the person referred to in sub-section (1) as it had been" shall be substituted;

(iii) for the words "had accrued", the words "had accrued or arisen" shall be substituted;

(d) sub-section (4), the following sub-section shall be inserted, namely:--

"(5) The income accruing or arising to or received by the venture capital company or venture capital fund, during a previous year, from investments made in venture capital undertaking if not paid or credited to the person referred to in sub-section (1), shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year";

(ii) the Explanation shall be numbered as Explanation 1 thereof and after Explanation 1 as so numbered, the following Explanation shall be inserted with effect from the 1st day of July, 2012, namely:--

> "Explanation 2.--For the removal of doubts, it is hereby declared that any income which has been included in total income of the person referred to in sub-section (1) in a previous year, on account of it having accrued or arisen in the said previous year, shall not be included in the total income of such person in the previous year in which such income is actually paid to him by the venture capital company or the venture capital fund.".

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