

Taxation Laws (Amendment) Act, 2003

Section 2 - Amendment of Section 10

In section 10 of the Income-tax Act, 1961(43 of 1961) (hereafter in this Chapter referred to as the Income-tax Act), in clause (15),--

(A) after sub-clause (iiia), the following sub-clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2001, namely:--

"(iiib) interest payable to the Nordic Investment Bank, being a multilateral financial institution constituted by the Governments of Denmark, Finland, Iceland, Norway and Sweden, on a loan advanced by it to a project approved by the Central Government in terms of the Memorandum of Understanding entered into by the Central Government with that Bank on the 25th day of November, 1986;"

(B) in sub-clause (iv),--

(a) in item (c), the existing Explanation shall be numbered as Explanation 1 thereof and after Explanation 1 as so numbered, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962, namely:--

"Explanation 2.--For the removal of doubts, it is hereby declared that the usance interest payable outside India by an undertaking engaged in the business of ship-breaking in respect of purchase of a ship from outside India shall be deemed to be the interest payable on a debt incurred in a foreign country in respect of the purchase outside India;"

(b) in the Explanation 1 occurring below item (i), after clause (d), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1991, namely:--

"(da) the business of ship-breaking; or".