

Finance Act, 2002

Section 73 - Amendment of Section 194

In section 194 of the Income-tax Act, for the first and second provisos, the following proviso shall be substituted with effect from the 1st day of June, 2002, namely:--

"Provided that no such deduction shall be made in the case of a shareholder, being an individual, if--

(a) the dividend is paid by the company by an account payee cheque; and

(b) the amount of such dividend or, as the case maybe, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder, does not exceed one thousand rupees:

Provided further that the provisions of this section shall not apply to such income credited or paid to--

(a) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (32 of 1956) , in respect of any shares owned by it or in which it has full beneficial interest;

(b) the General Insurance Corporation of India (hereafter in this proviso referred to as the Corporation) or to any of the four companies (hereafter in this proviso referred to as such company), formed by virtue of the schemes framed under sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), in respect of any shares owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest;

(c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest."
