Finance Act, 2002

Section 7 - AMENDMENT OF SECTION 11 -In Section 11 of the Income Tax Act-, with effect from the 1st day of April, 2003

a) in sub-section (1),- (i) in clause (a), for the words "twenty-five per cent", the words "fifteen per cent" shall be substituted; (ii) in clause (b), for the words "twenty-five per cent", the words "fifteen per cent" shall be substituted; (iii) in the Explanation,- (A) in clause (1), for the words "twenty-five per cent", the words "fifteen per cent" shall be substituted; (B) in clause (2), for the words "seventy-five per cent", the words "eighty-five per cent" shall be substituted; (b) in sub-section (2),- (i) for the words "seventy-five per cent", the words "eighty-five per cent" shall be substituted; (ii) after the second proviso, the following Explanation shall be inserted, namely:- "Explanation.-Any amount credited or paid, out of income referred to in clause (a) or clause (b) of sub-section (1), read with the Explanation to that sub-section, which is not applied, but is accumulated or set apart, to any trust or institution registered underSection 12-AA-or to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or subclause (v) or sub-clause (vi) or sub-clause (vi-a) of clause (23-C) ofSection 10-, shall not be treated as application of income for charitable or religious purposes, either during the period of accumulation or thereafter."; (c) in sub-section (3),- (i) after clause (c), the following clause shall be inserted, namely:- "(d) is credited or paid to any trust or institution registered underSection 12-AA-or to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub- clause (v) or sub-clause (vi) or sub- clause (vi-a) of clause (23 -C) ofSection 10 -,"; (ii) for the words -"set apart or ceases to remain so invested or deposited or", the words "set apart or ceases to remain so invested or deposited or credited or paid or" shall be substituted; (d) in sub-section (3-A), the following proviso shall be inserted, namely:- "Provided that the Assessing Officer shall not allow application of such income by way of payment or credit made for the purposes referred to in clause (d) of sub-section (3) of Section 11-.".