Finance (No. 2) Act, 1996

Section 4 - Amendment of Section 10

In section 10 of the Income-tax Act, -

(a) in clause (10A), after sub-clause (ii), the following sub-clause shall be inserted with effect from the 1st day of April, 1997, namely :-

"(iii) any payment in commutation of pension received from a fund under clause (23AAB);";

(b) in clause (10D), after the words, brackets, figures and letters "other than any sum received under sub-section (3) of section 80DDA", the following shall be inserted with effect from the 1st day of October, 1996, namely :-

'or under a Keyman insurance policy.

Explanation : For the purposes of this clause, "Keyman insurance policy" means a life insurance policy taken by a person on the life of another person who is or was the employee of the first mentioned person or is or was connected in any manner whatsoever with the business of the first mentioned person;';

(c) in clause (15), in sub-clause (iv), after item (i), in the Explanation, for clause (e), the following clause shall be substituted with effect from the 1st day of April, 1997, namely :-

"(e) the operation of ships or aircrafts or construction or operation of rail systems;";

(d) after clause (23AAA), the following clause shall be inserted with effect from the 1st day of April, 1997, namely :-

'(23AAB) any income of a fund, by whatever named called, set up by the Life Insurance Corporation of India on or after the 1st day of August, 1996 under a pension scheme, -

(i) to which contribution is made by any person for the purpose of receiving pension from such fund;

(ii) which is approved by the Controller of Insurance.

Explanation : For the purposes of this clause, the expression "Controller of Insurance" shall have the meaning assigned to it in clause (5B) of section 2 of the Insurance Act, 1938 (4 of 1938);';

(e) after clause (23BBB), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1992, namely :-

"(23BBC) any income of the SAARC Fund for Regional Projects set up by Colombo Declaration issued on the 21st day of December, 1991 by the Heads of State or Government of the member Countries of South Asian Association for Regional Co-operation established on the 8th day of December, 1985 by the Charter of the South Asian Association for Regional Co-operation;";

(f) after clause (23F), the following clause shall be inserted with effect from the 1st day of April, 1997, namely :-

'(23G) any income by way of dividends, interest or long-term capital gains of an infrastructure capital fund or an infrastructure capital company from investments made by way of shares or long-term finance in any enterprise carrying on the business of developing, maintaining and operating any infrastructure facility, which fulfils the conditions specified in sub-section (4A) of section 80-IA.

Explanation : For the purposes of this clause, -

(a) "infrastructure capital company" means such company as has made investments by way of acquiring shares or providing long-term finance to an enterprise carrying on the business of developing, maintaining and operating infrastructure facility;

(b) "infrastructure capital fund" means such fund operating under a trust deed, registered under the provisions of the Registration Act, 1908 (16 of 1908), established to raise monies by the trustees for investment by way of acquiring shares or providing long-term finance to an enterprise carrying on the business of developing, maintaining and operating infrastructure facility;

(c) "infrastructure facility" shall have the meaning assigned to it in clause (ca) of sub-section (12) of section 80-IA;

(d) "long-term finance" shall have the meaning assigned to it in clause (viii) of sub-section (1) of section 36;';

(g) for clause (24), the following clause shall be substituted with effect from the 1st day of April, 1997, namely :-

'(24) any income chargeable under the heads "Income from house property" and "Income from other sources" of -

(a) a registered union within the meaning of the Trade Unions Act, 1926 (16 of 1926) formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen;

(b) an association of registered unions referred to in sub-clause (a);'.