**Finance (No. 2) Act, 1996**

**Section 14 - Amendment of Section 36**

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In section 36 of the Income-tax Act, in sub-section (1), in clause (viii), -

(a) for the words "before making any deduction under this section", the words "before making any deduction under this clause" shall be substituted and shall be deemed to have been substituted;

(aa) in the section proviso, for the words "(excluding the amounts capitalised from reserves)", the words "and general reserves" shall be substituted with effect from the 1st day of April, 1997;

(b) in the Explanation, after clause (d), the following clause shall be inserted and shall be deemed to have been inserted, namely :-

'(e) "long-term finance" means any loan or advance where the terms under which moneys are loaned or advanced provide for repayment along with interest thereof during a period of not less than five years.'.

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