Finance Act 1979

Section 6 - Amendment of Section 36

In section 36 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 1980, -

(a) after clause (i), the following clause shall be inserted, namely :-

"(ia) the amount of any premium paid by a federal milk co-operative society to effect or to keep in force an insurance on the life of the cattle owned by a member of a co-operative society, being a primary society engaged in supplying milk raised by its members to such federal milk co-operative society;";

(b) after clause (vii), the following clause shall be inserted namely :-

(viia) in respect of any provision for bad and doubtful debts made by a scheduled bank in relation to advances made by its rural branches, an amount not exceeding one and a half per cent. of the aggregate average advances made by such branches, computed in the prescribed manner.

Explanation : For the purposes of this clause, -

(i) "rural branch" means a branch of a schedule bank situated in a place which has a population of not more than ten thousand according to the last preceding census of which the relevant figures have been published before the first day of the previous year;

(ii) "scheduled bank" has the same meaning as in the Explanation at the end of clause (b) of sub-section (2) of section 11, but does not include a co-operative bank;;

(c) in clause (viii), -

(i) for the portion beginning with the words "agricultural development in India" and ending with the words "carried to such reserve account :", the following shall be substituted, namely :-

"agricultural development in India or by a public company formed and registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes, an amount not exceeding forty per cent. of the total income (computed before making any deduction under Chapter VIA) carried to such reserve account :";

(ii) in the first and second provisos, for the word "corporation", the words "corporation or, as the case may be, the company" shall be substituted;

(iii) the following Explanation shall be inserted at the end, namely :-

Explanation : In this clause, "public company" shall have the meaning assigned to it in section 3 of the Companies Act, 1956 (1 of 1956);.