

Finance Act, 1995

Section 33 - Amendment of Section 194a

In section 194A of the Income-tax Act, in sub-section (3), with effect from the 1st day of July, 1995, -

(a) in clause (i), the following proviso shall be inserted at the end, namely :-

'Provided that in respect of the income credited or paid in respect of time deposits with a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act) or with a co-operative society engaged in carrying on the business of banking, the provisions of this clause shall have effect as if for the words "two thousand five hundred rupees", the words "ten thousand rupees" had been substituted and the aforesaid amount shall be computed with reference to the income credited or paid by a branch of the banking company or the co-operative society, as the case may be;';

(b) for clause (vii), the following clauses shall be substituted, namely :-

"(vii) to such income credited or paid in respect of deposits (other than time deposits made on or after the 1st day of July, 1995) with a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act);

(viia) to such income credited or paid in respect of, -

(a) deposits with a primary agricultural credit society or a primary credit society or a co-operative land mortgage bank or a co-operative land development bank;

(b) deposits (other than time deposits made on or after the 1st day of July, 1995) with a co-operative society, other than a co-operative society or bank referred to in sub-clause (a), engaged in carrying on the business of banking;";

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

'Explanation : For the purposes of clauses (i), (vii) and (viia), "time deposits" means deposits (excluding recurring deposits) repayable on the expiry of fixed periods.'.
