

Finance Act, 1982

Section 10 - Amendment of Section 36

In section 36 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 1983, -

(a) in clause (viia), -

(i) in the opening portion, for the words "scheduled bank", the words "scheduled bank or a non-scheduled bank" shall be substituted;

(ii) in the Explanation, -

(1) clause (i) shall be renumbered as clause (ia) and before clause (ia) as so renumbered, the following clause shall be inserted, namely :-

'(i) "non-scheduled bank" means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949), which is not a scheduled bank;';

(2) in clause (ia) as so renumbered, for the words "scheduled bank", the words "scheduled bank or a non-scheduled bank" shall be substituted;

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

'(viii) in respect of any special reserve created by a scheduled bank (other than a bank incorporated by or under the laws of a country outside India) which is engaged in banking operations outside India, an amount not exceeding forty per cent. of the total income (computed before making any deduction under Chapter VI-A) carried to such reserve account :

Provided that, having regard to its capital structure, the extent of its banking operations outside India, its need for resources for such operations outside India and other relevant factors, the bank is, for the time being, approved by the Central Government for the purposes of this clause.

Explanation : For the purposes of this clause, "scheduled bank" has the same meaning as in clause (ii) of the Explanation to clause (viia);'.
