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Finance Act 1970

Section 14 - Substitution of New Section for Section 80-l

For section 80-L of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1971, namely :

"80-L. Deductions in respect of interest on certain securities, dividends, etc. - (1) Where the gross total income of an assessee includes any income by way of -

(i) interest on any security of the Central Government or a State Government (not being interest payable under Section 280-D in respect of any annuity deposit made under Chapter XXII-A);

(ii) interest on such debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(iii) interest on deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette;

(iv) dividends from any Indian company;

(v) income received in respect of units from the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);

(vi) interest on 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 a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development) bank; or

(vii) interest on deposits with a financial corporation which is enganged in providing long-term finance for industrial development in India and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of Section 36, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction as specified hereunder, namely :

(a) in a case where the amount of such income does not exceed in the aggregate three thousand rupees, the whole of such amount; and

(b) in any other case, three thousand rupees.

(2) In a case where the assessee is entitled also to the deduction under Section 80-K in relation to the whole or any part of the income by way of dividends referred to in clause (iv) of sub-section (1), only so much of such income by way of dividends as may remain after the deduction under Section 80-K shall be taken into account for the purpose of allowing the deduction under sub-section (1)."

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