

Finance Act, 1988

Section 4 - Amendment of Section 10

In section 10 of the Income-tax Act, -

(a) in clause (6), -

(i) for sub-clauses (ii) to (v), the following sub-clause shall be substituted with effect from the 1st day of April, 1989, namely :-

"(ii) the remuneration received by him as an official, by whatever name called, of an embassy, high commission, legation, commission, consulate or the trade representation of a foreign State, or as a member of the staff of any of these officials, for service in such capacity :

Provided that the remuneration received by him as a trade Commissioner or other official representative in India of the Government of a foreign State (not holding office as such in an honorary capacity), or as a member of the staff of any of those officials, shall be exempt only if the remuneration of the corresponding officials or, as the case may be, members of the staff, if any, of the Government resident for similar purposes in the country concerned enjoys a similar exemption in that country :

Provided further that such members of the staff are subjects of the country represented and are not engaged in any business or profession or employment in India otherwise than as members of such staff;"

(ii) in sub-clause (viiia), -

(1) in the opening paragraph, the brackets, words, figures and letters "(commencing from a date after the 31st day of March, 1971)" shall be omitted;

(2) in item (A), for the brackets, letter and words "(A) such remuneration due to or received by him", the following shall be substituted, namely :-

"(I) where such services commence from a date after the 31st day of March, 1971, but before the 1st day of April, 1988, -

(A) such remuneration due to or received by him";

(3) in the proviso, for the words "Provided that" the following shall be substituted, namely :-

'(II) where such services commence from a date after the 31st day of March, 1988, and tax on his income chargeable under the head "Salaries" is paid to the Central Government by the employer [which tax, in the case of an employer, being a company, may be paid notwithstanding anything contained in section 200 of the Companies Act, 1956 (1 of 1956)], the tax so paid by the employer for a period not exceeding forty-eight months commencing from the date of his arrival in India :

Provided that nothing in this item shall relate to a period exceeding twenty-four months commencing from the date of his arrival in India if the approval of the Central Government for his employment in India for such period is not obtained before the 1st day of October of the relevant assessment year :

Provided further that';

(b) in clause (6A), in the Explanation, for the words "For the purposes of this clause", the words, brackets, figure and letter "For the purposes of this clause and clause (6B)" shall be substituted;

(c) after clause (6A), the following clause shall be inserted, namely :-

"(6B) where in the case of a non-resident (not being a company) or of a foreign company deriving income (not being salary, royalty or fees for technical services) from Government or an Indian concern in pursuance of an agreement entered into by the Central Government with the Government of a foreign State or an international organisation, the tax on such income is payable by Government or the Indian concern to the Central Government under the terms of that agreement or any other related agreement approved by the Central Government, the tax so paid;"

(d) in clause (15), after sub-clause (iib), the following sub-clause shall be inserted with effect from the 1st day of April, 1989, namely :-

"(iic) in the case of an individual or a Hindu undivided family, interest on such Relief Bonds as the Central Government may, by notification in the Official Gazette, specify in this behalf;"

(e) in clause (20), the words "'Interest on securities",' shall be omitted with effect from the 1st day of April, 1989;

(f) in clause (23A), the words "'Interest on securities" or' shall be omitted with effect from the 1st day of April, 1989;

(g) in clause (23D) [as inserted by clause (m) of section 6 of the Direct Tax Laws (Amendment) Act, 1987 (4 of 1988)], -

(i) for the words "any income from", the words "any income of" shall be substituted;

(ii) for the words "the income from the Mutual Fund shall be distributed to the unit holders", the words "such income shall be distributed to the holders of its units" shall be substituted;

(h) in clause (24), the words "'Interest on securities",' shall be omitted with effect from the 1st day of April, 1989;

(i) after clause (30), the following clause shall be inserted with effect from the 1st day of April, 1989, namely :-

'(31) in the case of an assessee who carries on the business of growing and manufacturing rubber, coffee, cardamom or such other commodity in India, as the Central Government may, by notification in the Official Gazette, specify in this behalf, the amount of any subsidy received from or through the concerned Board under any such scheme for replantation or replacement of rubber plants, coffee plants, cardamom plants or plants for the growing of such other commodity or for rejuvenation or consolidation of areas used for cultivation of rubber, coffee, cardamom or such other commodity as the Central Government may, by notification in the Official Gazette, specify :

Provided that the assessee furnishes to the Assessing Officer, along with his return of income for the assessment year concerned or within such further time as the Assessing Officer may allow, a certificate from the concerned Board, as to the amount of such subsidy paid to the assessee during the previous year.

Explanation : In this clause, "concerned Board" means -

(i) in relation to rubber, the Rubber Board constituted under section 4 of the Rubber Act, 1947 (24 of 1947),

(ii) in relation to coffee, the Coffee Board constituted under section 4 of the Coffee Act, 1942 (7 of 1942),

(iii) in relation to cardamom, the Spices Board constituted under section 3 of the Spices Board Act, 1986 (10 of 1986),

(iv) in relation to any other commodity specified under this clause, any Board or other authority established under any law for the time being in force which the Central Government may, by notification in the Official Gazette, specify in this behalf.'
