

Amendment
of section 10.

7. In section 10 of the Income-tax Act,— 30

(A) with effect from the 1st day of April, 2017,—

(i) in clause (12), the following shall be inserted, namely:—

‘Provided that nothing contained in this clause shall apply in respect of any amount of accumulated balance, attributable to any contributions made on or after the 1st day of April, 2016 by an employee other than an excluded employee, exceeding forty per cent. of such accumulated balance due and payable in accordance with provisions of rule 8 of Part A of the Fourth Schedule. 35

Explanation.—For the purposes of this clause, the term “excluded employee” means an employee whose monthly salary does not exceed such amount, as may be prescribed;”;

(ii) after clause (12), the following clause shall be inserted, namely:— 40

“(12A) any payment from the National Pension System Trust to an employee on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed forty per cent. of the total amount payable to him at the time of such closure or his opting out of the scheme;”;

(iii) in clause (13),— 45

(i) in sub-clause (ii),—

(a) the word “or” occurring at the end shall be omitted;

(b) the following proviso shall be inserted, namely:—

“Provided that any payment *in lieu* of or in commutation of an annuity purchased out of contributions made on or after the 1st day of April, 2016, where it exceeds forty per cent. of the annuity, shall be taken into account in computing the total income; or”;

(II) in sub-clause (iv), for the word “thereon”, the words “thereon; or” shall be substituted;

(III) after sub-clause (iv), the following sub-clause shall be inserted, namely:—

“(v) by way of transfer to the account of the employee under a pension scheme referred to in section 80-CCD and notified by the Central Government;”;

5 (B) in clause (15), in sub-clause (vi), after the words and figures “Gold Deposit Scheme, 1999”, the words and figures “or deposit certificates issued under the Gold Monetisation Scheme, 2015” shall be inserted;

(C) with effect from the 1st day of April, 2017,—

(I) in clause (23DA), in the *Explanation*,—

10 (1) in clause (a), after sub-clause (j), the following sub-clause shall be inserted, namely:—

“(ia) in clause (z) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; or”;

(2) in clause (b), for the word, figures and letters “section 115TC”, the word, figures and letters “section 115TCA” shall be substituted;

15 (II) in clause (23FC), for the words “by way of interest received or receivable from a special purpose vehicle”, the following shall be substituted, namely:—

“by way of—

(a) interest received or receivable from a special purpose vehicle; or

(b) dividend referred to in sub-section (7) of section 115-O”;

20 (III) in clause (23FD), for the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, letters and figures “in sub-clause (a) of clause (23FC)” shall be substituted;

(IV) in clause (34), the following proviso shall be inserted, namely:—

“Provided that nothing in this clause shall apply to any income by way of dividend chargeable to tax in accordance with the provisions of section 115BBDA;”;

25 (V) in clause (35A),—

(a) before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply to any income by way of distributed income referred to in the said section, received on or after the 1st day of June, 2016.”;

30 (b) in the *Explanation*, for the word, figures and letters “section 115TC”, the word, figures and letters “section 115TCA” shall be substituted;

(VI) in clause (38),—

(i) after the second proviso, the following proviso shall be inserted, namely:—

35 “Provided also that nothing contained in sub-clause (b) shall apply to a transaction undertaken on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.”;

(ii) for the *Explanation*, the following *Explanation* shall be substituted, namely:—

‘*Explanation*.—For the purposes of this clause,—

40 (a) “equity oriented fund” means a fund—

(i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent. of the total proceeds of such fund; and

45 (ii) which has been set up under a scheme of a Mutual Fund specified under clause (23D):

Provided that the percentage of equity share holding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures;

(b) "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;

28 of 2005.

(c) "recognised stock exchange" shall have the meaning assigned to it in clause (ii) of the *Explanation* 1 to sub-section (5) of section 43.;

(D) after clause (48), the following clause shall be inserted, namely:—

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"(48A) any income accruing or arising to a foreign company on account of storage of crude oil in a facility in India and sale of crude oil therefrom to any person resident in India:

Provided that —

(i) the storage and sale by the foreign company is pursuant to an agreement or an arrangement entered into by the Central Government or approved by the Central Government; and

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(ii) having regard to the national interest, the foreign company and the agreement or arrangement are notified by the Central Government in this behalf;";

(E) after clause (49), the following clause shall be inserted with effect from the 1st day of June, 2016, namely:—

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'(50) any income arising from any specified service provided on or after the date on which the provisions of Chapter VIII of the Finance Act, 2016 comes into force and chargeable to equalisation levy under that Chapter.

Explanation.—For the purposes of this clause, "specified service" shall have the meaning assigned to it in clause (i) of section 161 of Chapter VIII of the Finance Act, 2016.'

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