

F.No. 149/124/2006-TPL(Pt.)
Department of Revenue
Central Board of Direct Taxes
Tax Policy & Legislation Division

Comments regarding removal or continuance of exemptions and deductions under the Income Tax Act, 1961.

Government is committed to simplify the tax laws, minimize the distortions within the tax structure and broaden the tax base. In this context, tax incentives in the form of various exemptions and deductions are being reviewed. Government is keen to involve all stakeholders in this exercise. Accordingly, existing exemptions and deductions under the Income Tax Act, 1961 are listed below and comments with supporting rationale for their removal or continuance may be sent by e-mail or post by 5th July, 2006 to:

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List of existing exemptions and deductions under the Income-tax Act

Sl. No	Section	Nature of benefit	Eligible taxpayers
1.	10(1)	Agricultural income.	Any assessee
2.	10(2)	Amount received out of family income, or in case of impartible estate, amount received out of income of family estate.	Individual as member of HUF
3.	10(2A)	Partner's share in total income of firm.	Partner of a firm separately assessed as such.
4.	10(4)(ii)	Interest received on non-resident (External) account in any bank in India.	Individual resident outside India or who has been permitted to maintain the said account by RBI
5.	10(5)	Leave travel concession or assistance received or due (limited to amount actually spent).	Individual (Salaried employee)
6.	10(6)(ii)	Remuneration received by specified diplomats and their staff.	Individual (Non-citizen of India)
7.	10(6)(vi)	Remuneration received as employees of foreign enterprise not engaged in trade or business in India for services rendered during stay in India not exceeding 90 days and such remuneration being not deductible from the income of the employer chargeable under the Act.	Individual (Non-Citizen salaried employee)
8.	10(6)(viii)	Remuneration received for services rendered in connection with employment on a foreign ship where total stay in India	Individual (Non-citizen, non-resident salaried employee).

Sl. No	Section	Nature of benefit	Eligible taxpayers
		is upto 90 days	
9.	10(6)(xi)	Remuneration received as employee of foreign Government in connection with his training in government offices/statutory undertakings etc.	Individual-salaried employee (foreign citizen)
10.	10(6BB)	Exemption for tax paid on behalf of a foreign government or foreign enterprise by an Indian company engaged in the business of operation of aircraft in respect of lease payment made under a lease agreement entered into between 1.4.1997 and 31.3.1999 or after 31.3.2007.	Govt. of foreign state or a foreign enterprise.
11.	10(6C)	Income by way of royalty or fees for technical services for services provided in India or abroad in projects connected with security of India pursuant to agreement with Central Government.	Notified foreign company
12.	10(7)	Foreign allowances or perquisites paid or allowed by Government to its employees for rendering service outside India	Individual-salaried employee (Indian citizen)
13.	10(8)	i) Remuneration received from foreign government for services rendered in India in connection with any co-operative technical assistance programmes and projects in accordance with agreement entered into by Central Government and foreign Government. ii) Any other income accruing or arising outside India which is subject to tax in that foreign country.	Individual
14.	10(8A)	Remuneration received by consultant (agreement relating to his engagement must be approved) out of funds made available to an international organization (agency) under a technical assistance grant agreement between that agency and the Govt. of a foreign State.	Non-Indian citizen/Indian citizen who is not ordinarily resident in India/non-resident, engaged by the agency for rendering technical services in India
15.	10(8B)	i) Remuneration received by an employee of the consultant referred to in section 10(8A). ii) Any other income accruing or arising outside India which is subject to tax in that foreign country.	Non-resident citizen/Indian citizen who is not ordinarily resident in India.
16.	10(9)	Income of any member of family of any individual {referred to in section 10(8) or 10(8A) or 10(8B)} which accrues or arises outside India and is not deemed to accrue or arise in India and which is subject to tax in that foreign country.	Individual
17.	10(10)(i)	Death-cum-retirement gratuity received by Government servants.	Individual (Salaried employee)

Sl. No	Section	Nature of benefit	Eligible taxpayers
18.	10(10)(ii)	Gratuity received under the Payment of Gratuity Act, 1972 (maximum Rs.3,50,000).	Individual (Salaried employee)
19.	10(10)(iii)	Any other gratuity received by employee/legal heirs on retirement, termination of services, death, etc. limited to half month's salary for each year of completed service (subject to certain conditions) {maximum limit Rs.3,50,000}.	Individual (Salaried employee)
20.	10(10A)	Payment in commutation of pension received from government or private employer (subject to certain limits)/LIC Fund u/s 10(23AAB).	Individual (Salaried employee)
21.	10(10AA)	Amounts by way of encashment of unutilized earned leave on retirement limited to 10 months salary.	Individual (Salaried employee)
22.	10(10B)	Retrenchment compensation {Maximum limit is Rs 5,00,000}.	Individual-workman
23.	10(10BB)	Payments made under Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985 and any scheme framed there under.	Any assessee
24.	10(10C)	Payment received (not exceeding Rs.5,00,000) on voluntary retirement in accordance with prescribed guidelines.	Individual-Employees of company, statutory authority, local authority, co-operative society, university, Indian Institute of Technology, notified institute of management, notified institutions and also State Govt., Central Govt. employees.
25.	10(10CC)	The amount paid by the employer as tax on perquisite, not provided for by way of monetary payment, on behalf of the employee.	Individual (Salaried employee)
26.	10(10D)	Any sum including bonus received under a life insurance policy [other than single premium policies, keyman insurance policy and policy under section 80DD(3)].	Any assessee
27.	10(11)	Payment from public provident fund/statutory provident fund/notified provident fund.	Individual/HUF
28.	10(12)	Accumulated balance payable to an employee participating in recognized provident fund	Individual (Salaried employee)
29.	10(13)	Payment from an approved superannuation fund in specified circumstances.	Individual
30.	10(13A)	House rent allowance (subject to certain limits).	Individual (Salaried employee)
31.	10(14)	Prescribed allowances or benefits such as hard duty allowance, counter insurgency	Individual (Salaried employee)

Sl. No	Section	Nature of benefit	Eligible taxpayers
		allowance etc. specifically granted to meet expenses wholly, necessarily and exclusively incurred in the performance of official duties (limited to amount of expenses actually incurred).	
32.	10(15)(i)	Interest, premium on redemption, or other payment on notified securities, bonds, certificates, and deposits, etc.	All assessees
33.	10(15)(iic)	Interest on notified Relief Bonds	Individual/ HUF
34.	10(15) (iii)	Interest on securities	Issue Department of Central Bank of Ceylon
35.	10(15) (iiia)	Interest on deposits made with scheduled banks with the approval of RBI	Foreign banks performing central banking functions
36.	10(15)(iiib)	Interest payable to Nordic Investment Bank on loan to a project approved by Central Government in terms of MOU dated 25.11.86	Nordic Investment Bank
37.	10(15)(iiic)	Interest payable to European Investment Bank on loan granted in pursuance of agreement dated 25.11.93 by the Central Government with the said Bank	European Investment Bank
38.	10(15)(iv)(fa)	Interest payable by scheduled bank on deposits in foreign currency where acceptance of such deposits by bank is approved by RBI.	Non-resident or a person who is not ordinarily resident in India
39.	10(15)(iv)(h)	Interest received from any public sector company in respect of notified bonds or debentures and subject to certain conditions.	All Assesseees
40.	10(15)(iv)(i)	Interest received from Government on deposits in notified scheme out of moneys due on account of retirement.	Individual-Employees of Central Government /State Government/public sector company
41.	10(15)(v)	Interest on certain securities or interest on notified deposits held with RBI or with a public sector bank for benefit of victims of Bhopal Gas Leak Disaster.	Welfare Commissioner, Bhopal Gas Victims
42.	10(15)(vi)	Interest on Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999 notified by Central Government.	All Assesseees
43.	10(15)(vii)	Interest on notified bonds issued by a Local Authority.	All assesseees
44.	10(15) (viii)	Interest income on deposits made after 31.3.2005 with offshore banking units.	A non-resident or not ordinarily resident
45.	10(15A)	Any payment made by an Indian company, engaged in business of operation of aircraft, to acquire an aircraft or an aircraft engine on lease from the Government of a foreign State or a foreign enterprise(in respect of lease agreements entered into before 01.04.2007.	Foreign State/Foreign Enterprise
46.	10(16)	Scholarship for education	Individual
47.	10(17)(i)	Daily allowance	Individual-Member of Parliament/State Legislature/Committee thereof

Sl. No	Section	Nature of benefit	Eligible taxpayers
48.	10(17)(ii)	Any allowance received by MP under Members of Parliament (Constituency Allowance) Rules, 1986.	Member of Parliament
49.	10(17)(iii)	Constituency Allowance received by MLAs.	Individual Member of State Legislature
50.	10(17A)(i)	Amount received in pursuance of award instituted in public interest by Central/State Government or approved award instituted by other body.	Any Assessee
51.	10(17A)(ii)	Reward received from Central/State Government for approved purposes in public interest.	Any assessee
52.	10(18)	Pension received by an individual who has won specified/notified gallantry awards and family pension received by any family member of such individual.	Individual – Central or State Government Servant or his family member
53.	10(19)	Family pension of a member of the armed forces/paramilitary forces in case of death in the course of operational duties subject to conditions	Widow or children or nominated heirs of a member of Armed Forces/Para-military Forces
54.	10(19A)	Notional annual value of any one palace occupied by former Ruler.	Individual
55.	10(20)	Specified income of a local authority	Local authority as defined
56.	10(21)	Income of approved scientific research associations	Scientific Research Association
57.	10(22B)	Income of notified news agency set up in India solely for collection and distribution of news.	News Agency.
58.	10(23A)	Income of certain professional bodies other than: <ul style="list-style-type: none"> • income from house property • income from rendering specific services • income by way of interest or dividends derived from its investments 	Professional association or institution established in India.
59.	10(23AA)	Income received on behalf of regimental fund or non-public fund established by armed forces.	Regimental fund or non-public fund established for the welfare of past and present members of the forces or their dependents.
60.	10(23AAA)	Income of approved fund established for notified purposes for welfare of member employees or their dependents.	Approved fund.
61.	10(23AAB)	Income of fund set up by LIC or any other insurers after the first day of August, 1996 under an approved Pension Scheme.	Fund set up by LIC or any other insurer.

Sl. No	Section	Nature of benefit	Eligible taxpayers
62.	10(23B)	Income of non-profit institution existing solely for development of Khadi and/or village industries from production, sale or marketing of Khadi or village products.	Public charitable trust/ registered society
63.	10(23BB)	Income of an authority established in a State by or under a State or Provincial Act for the development of Khadi or village industries in the State.	Authority established under State or Provincial Act.
64.	10(23BBA)	Income of a Statutory body or authority established, constituted or appointed under any Central, State or Provincial Act for administration of public religious or charitable trusts or endowments or registered societies.	Such Body/ authority
65.	10(23BBB)	Income of European Economic Community (EEC) derived in India from interest, dividends or capital gains from investment of funds under notified scheme.	European Economic Community
66.	10(23BBC)	Income of SAARC fund for Regional Projects set up by Colombo Declaration issued on 21.12.1991.	SAARC Fund for Regional Projects
67.	10(23BBD)	Income of ASOSAI-SECRETARIAT for the Assessment Years 2001-2002 to 2007-2008	ASOSAI-SECRETARIAT
68.	10(23BBE)	Income of Insurance Regulatory & Development Authority (IRDA).	IRDA
69.	10(23C)(i) to (iiia)	Income received by any person on behalf of certain Prime Minister's Funds or National Foundation for communal harmony.	The concerned person.
70.	10(23C) (iiab)	Income of any university or other educational institution existing solely for educational purposes and not for purposes of profit & which is wholly or substantially financed by the Government.	University/other educational institution
71.	10(23C) (iiac)	Income of any hospital or other medical treatment institution existing solely for philanthropic purposes and not for purposes of profit, & which is wholly or substantially financed by the Government.	Hospital/other medical institution etc.

Sl. No	Section	Nature of benefit	Eligible taxpayers
72.	10(23C) (iiia)	Income of any university or other educational institution existing solely for educational purposes and not for purposes of profit, if the aggregate annual receipts do not exceed one crore rupees.	University/other educational institution
73.	10(23C) (iiiae)	Income of any hospital or other medical treatment institution existing solely for philanthropic purposes & not for purposes of profit, if the aggregate annual receipts do not exceed one crore rupees	Hospital/other medical institution etc.
74.	10(23C) (iv)	Income received by any notified charitable fund or institution having national or state importance.	Notified Charitable/ Funds and institutions
75.	10(23C)(v)	Income of a notified trust or institution wholly for public religious purposes or wholly for public religious or charitable purposes	Notified Charitable/ Religious trusts and institutions
76.	10(23C)(vi)	Income of any university or other educational institution existing solely for educational purposes and not for purposes of profit, whose aggregate annual receipts exceed Rs. 1 crore and which is approved by the prescribed authority subject to the certain conditions.	University/ other educational institution
77.	10(23C) (via)	Income of any hospital or other medical treatment institution existing solely for philanthropic purposes and not for purposes of profit, whose aggregate annual receipts exceed Rs. 1 crore and which is approved by the prescribed authority subject to certain conditions.	Hospital/ other medical institution.
78.	10(23D)	Income of Mutual Fund registered under SEBI Act, 1992 and other notified Mutual Funds.	Mutual Funds
79.	10(23EA)	Income by way of contributions received from recognized stock exchanges and members thereof of notified Investor Protection Fund set up by the recognized stock exchanges in India.	Notified Investor protection Fund
80.	10(23EB)	Any income of Credit Guarantee Fund Trust for Small Industries (being a trust created by Government and SIDBI) for 5 Assessment years from 1.4.2002 to 31.3.2007.	Credit Guarantee Fund Trust for Small Industries.
81.	10(23FB)	Any income of a venture capital fund or a venture capital company set up to raise funds for investment in a venture capital undertaking.	Venture capital fund/venture capital company
82.	10(24)	Income of registered trade union or an association of registered trade unions under the heads 'income from house property' and 'income from other sources'.	Registered trade union/associations of registered trade unions

Sl. No	Section	Nature of benefit	Eligible taxpayers
83.	10(25)	Income of provident funds, superannuation funds, gratuity funds and deposit linked insurance funds in certain cases.	Specified Retirement benefit funds
84.	10(25A)	Income of ESI Fund set up under ESI Act, 1948.	Employee State Insurance Fund
85.	10(26)	Income of member of Scheduled Tribes residing in specified areas from any source in such area or by way of dividend or interest on securities.	Members of the Scheduled Tribes residing in certain North Eastern States, parts of Assam or Ladakh region.
86.	10(26B)	Income of Central/State Corporation or Government financed bodies established or formed for promoting the interests of members of Scheduled Castes, Scheduled Tribes and/or Backward Classes.	Central/State Corporation /body, institution or association wholly financed by Government
87.	10(26BB)	Income of corporation established by Government for promoting interests of members of minority community.	Statutory Corporation
88.	10(26BBB)	Income of corporation established by a Central/State or Provincial Act for the welfare and economic upliftment of Ex-servicemen being the citizens of India.	Income of statutory corporation established for the welfare and economic upliftment of Ex-servicemen being the citizens of India
89.	10(27)	Income of specified co-operative societies formed for promoting the interests of Scheduled Castes/Scheduled Tribes members.	Specified Co-operative societies
90.	10(29A)	Income accruing or arising to the Coffee Board, the Rubber Board, Tea Board, Tobacco Board, Marine Products Export Development Authority, the Agricultural and Processed Food Products Export Development Authority and Spices Board.	Specified Boards and Authorities
91.	10(30)	Subsidy received from or through Tea Board under notified scheme for replantation/replacement of tea bushes for rejuvenation or consolidation of areas used for tea cultivation. (subject to certain conditions).	All assesseees (engaged in business of growing/manufacturing tea in India)
92.	10(31)	Subsidy received from or through concerned Board under notified scheme for replantation/ replacement rubber/coffee/ cardamom plants, etc. (subject to certain conditions).	All assesseees (engaged in business of growing/ manufacturing rubber/coffee, etc. in India)
93.	10(32)	Income of minor child clubbed u/s 64(1A) to the extent of Rs.1,500 per child.	Any individual
94.	10(33)	Income from transfer of a capital asset, being a unit of Unit Scheme, 1964, where transfer takes place on or after 1.4.2002.	All assesseees
95.	10(34)	Dividend from domestic company	Share holders of domestic companies

Sl. No	Section	Nature of benefit	Eligible taxpayers
96.	10(35)	Income received in respect of Units of a Mutual Fund specified in section 10(23D) or units from Administrator of UTI or units from the specified company, excluding capital gains arising from the transfer of such units.	All assessees
97.	10(36)	Income from transfer of long term eligible equity shares in a company purchased on or after 1.3.2003 and before 1.3.2004 and held for 12 months or more.	All shareholder assessees
98.	10(37)	Income from capital gains arising from compulsory acquisition of agricultural land in urbanized area subject to conditions	Individual and HUF
99.	10(38)	Income by way of long term capital gain from transactions in equity shares and units of equity oriented Mutual Funds on which Securities Transaction Tax is chargeable.	All assessees
100.	10(39)	Any specified income, arising from any international sporting event held in India, to notified persons where the sporting event is approved by the international body regulating the international sport relating to such event and has participation by more than two countries	Notified persons
101.	10(40)	Income of a subsidiary company by way of grant or otherwise received from an Indian holding company engaged in the business of generation or transmission or distribution of power if receipt is for settlement of dues in connection with reconstruction or revival of an existing business of power generation.	Subsidiary companies of power generating, distributing or transmitting companies.
102.	10(41)	Income arising from transfer of a capital asset of an undertaking engaged in the business of generation or transmission or distribution of power to an Indian company notified under section 80-IA(4)(v), before 31.3.2006.	Undertaking engaged in the business of generation or transmission or distribution of power.
103.	10(42)	Any specified income arising to a body or authority established, constituted or appointed under a treaty, agreement or convention signed by the Central Government with two or more countries.	Notified non-profit body or authority.
104.	11, 12, 13	Income from property held under trust for charitable or religious purposes subject to certain conditions.	Charitable or religious trusts
105.	13A	Following Incomes of Political Parties: -Income from house property -Income from other sources -Capital Gains -Income by way of Voluntary Contributions	Political Parties

Sl. No	Section	Nature of benefit	Eligible taxpayers
106.	10A	Profits derived from export of articles or things or computer software by undertakings situated in free trade zones/Export Processing Zones, electronic hardware technology parks, software technology parks or Special Economic Zones. Deduction is available upto A.Y.2009-10. No sunset clause for undertakings set-up in SEZs.	All assessees
107.	10AA	Units which begin to manufacture or produce articles or things or provide any services, on or after 1.4.2005 are eligible for 15 year tax benefit in relation to export profits, in the following manner:- 100% deduction for 5 years, 50% deduction for next 5 years, 50% deduction of the profits ploughed back into business for the next 5 years.	All assessees
108.	10-B	Export profits derived from manufacture or production of articles or things or computer software, by 100% Export Oriented Undertaking. Deduction is available up to A.Y.2009-10.	All assessees
109.	10-BA	Export profits derived by an undertaking from manufacture or production of wood-based handicrafts. Deduction is available up to AY 2009-10.	All assessees
110.	16(ii)&(iii)	Entertainment allowance to Govt. Employees upto Rs. 5000 Tax on employment	Govt. Employees All employees
111.	24	(i). Deduction for interest on capital borrowed for construction of let out property. (ii).Deduction upto Rs.1,50,000/- for interest on capital borrowed after 1.4.99 utilised for construction of a self occupied property.	Individual/ HUF
112.	32	Depreciation is allowed on various assets including plant and machinery at rates varying from 5% to 100%.	All assessees engaged in business or profession.
113.	32(1)(iia)	Additional depreciation at 20% is also granted on plant and machinery acquired and installed after 31.3.2005 by manufacturing/production units	All assessees engaged in manufacture or production.
114.	33AB	<u>Tea/Coffee/Rubber Development Account</u> - Amount deposited with	Assessees engaged in the business of growing and manufacturing tea/coffee/rubber

Sl. No	Section	Nature of benefit	Eligible taxpayers
		NABARD referred to as Special Account or in Tea/Coffee/Rubber Deposit Account upto 40% of profits of business.	in India
115.	33ABA	Amount deposited in Special Account with SBI/State Restoration Account or 20% of profits of business, whichever is less.	Assessees carrying on the business of prospecting for, or extraction or production of petroleum or natural gas or both in India.
116.	35(1)(i)	100% deduction of revenue expenditure laid out or expended on scientific research related to business.	All assesseees carrying on business or profession.
117.	35(1)(ii) & 80GGA(2)(a)	Deduction of 125% of sums paid to an approved scientific research association, which has as its object the undertaking of scientific research or to an approved university, college or other institution to be used for scientific research. Deduction at 100% u/s 80 GGA (2)(a) for contribution to institution approved under section 35(1)(ii).	All assesseees carrying on business or profession. For assesseees other than those with business income.
118.	35(1)(iii) & 80GGA(2)(aa)	Deduction of 125% of sums paid to an approved university, college or other institution to be used for research in social science or statistical research. Deduction at 100% u/s 80 GGA (2)(aa) for contribution to institution approved under section 35(1)(iii).	All assesseees carrying on business or profession. For assesseees other than those with business income.
119.	35(1)(iv)	100% deduction of capital expenditure (excluding land) on scientific research related to business carried on by the assessee.	All assesseees carrying on business or profession.
120.	35(2AA)	Deduction of 125% of sums paid to a National Laboratory, University, IIT or specified person with a specific direction that the said sum shall be used for scientific research under an approved programme.	Assessees carrying on business or profession.
121.	35(2AB)	150% deduction of the expenditure (excluding cost of land or building) on scientific research on an approved in-house research & development facility.	Companies engaged in the business of biotechnology or in the business or manufacture or production of drugs and pharmaceuticals, electronic equipment, computers, telecommunication equipment, chemicals or any other article or thing notified by the Board.
122.	35ABB	Capital expenditure for acquiring licence to operate telecommunication services to be amortized during the currency of license.	Telecom licensee
123.	35AC &	Deduction of expenditure by way of	All assesseees carrying on business or

Sl. No	Section	Nature of benefit	Eligible taxpayers
	80GGA(2)(bb)	payment of any sum to a public sector company/local authority/ approved association or institution for carrying out any eligible scheme or project. Deduction at 100% u/s 80 GGA (2)(bb) for contribution to institution approved under section 35AC	profession. For assesseees other than those with business income
124.	35CCA 80GGA(2)(d)/ 80GGA(2)(e)	(a) Deduction of expenditure by way of payment to associations and institutions for carrying rural development programmes and a rural development fund set up & notified by the Central Government; (b) Deduction of expenditure by way of payment to the National Urban Poverty Eradication Fund set up & notified by the Central Government. Deduction at 100% u/s 80 GGA (2)(d) and (2)(e) for contribution to institution approved under section 35CCA	All assesseees carrying on business or profession. For assesseees other than those with business income
125.	35D	1. Pre-commencement expenses and expenses in connection with extension/setting up of industrial unit incurred after 31.3.1970 allowed as a deduction to the extent of one-tenth of such expenditure for ten years. 2. Expenses incurred, by an Indian company or a person (other than a company) resident in India, before the commencement of business in connection with preparation of feasibility report, project report, market survey, engineering services, legal charges, printing of memorandum and articles of association, fees for registering the company and issue of shares or debentures for public subscription after 31.3.1998 - allowed as a deduction to the extent of one-fifth of such expenditure for five years.	Indian company or a person (other than a company) resident in India.
126.	35DD	Expenses incurred wholly and exclusively for the purposes of amalgamation of demerger – allowed in five equal instalments.	Indian company
127.	35DDA	Expenditure incurred by way of payment of any sum to an employee in connection with his voluntary retirement is allowed in five equal instalments.	Any employer engaged in business or profession.
128.	36(1)(viiia)	Provision for bad and doubtful debts to	Banks incorporated in India.

Sl. No	Section	Nature of benefit	Eligible taxpayers
		the extent of 7.5 % of the total income and 10 % of the aggregate average rural advances made by Banks. For Foreign Banks and Public Financial Institutions, the same is five per cent of total income.	
129.	36(1)(viii)	Any special reserve created not exceeding 40 % of profits from the business of providing long term finance for industrial or agricultural development or development of infrastructure facility and construction or purchase of houses.	Financial Corporations, Public Companies.
130.	36(1)(ix)	Expenditure incurred for the purposes of promoting family planning amongst its employees – allowed in five equal instalments.	Company
131.	36(1)(x)	Any sum paid by way of contribution towards any Exchange Risk Administration Fund.	Public Financial Institutions
132.	54	Long-term capital gains on sale of residential house invested in purchase/ construction of another residential house (subject to certain conditions and limits).	Individual/ HUF
133.	54B	Capital gains on transfer of land used for agricultural purposes, invested in other land for being used for agricultural purposes (subject to certain conditions and limits).	Individual
134.	54D	Capital gains on compulsory acquisition of land or building forming part of an industrial undertaking, invested in purchase/ construction of other land/ building for shifting/ re-establishing the undertaking or setting up new industrial undertaking (subject to certain conditions and limits).	All assessees
135.	54EC	Capital gains on transfer of long-term capital assets invested in specified assets (bonds). From 1.4.2006, investment can be made only in notified bonds of NHA I and REC.	All assessees
136.	54F	Capital gains on transfer of long-term capital asset other than residential house, invested in residential house, subject to certain conditions.	Individual/ HUF
137.	54G	Capital gain on transfer of machinery, plant, land or building of an industrial undertaking, situated in an urban area, if invested in new machinery, plant, building or land, in a non-urban area, subject to certain conditions.	Any assessee
138.	54GA	Exemption of Capital gains arising on transfer of capital assets in case of shifting of industrial undertaking from urban area to any Special economic Zone,	Any assessee

Sl. No	Section	Nature of benefit	Eligible taxpayers
		subject to certain conditions.	
139.	80C,80CCC, 80CCD,	<p>The following investments & payments, inter alia, with a maximum limit of Rs 1,00,000 are eligible for deduction:</p> <p>80C</p> <ul style="list-style-type: none"> • premium on Life Insurance policy: • Sum paid under a contract for a deferred annuity • Contributions made to Employees Provident Fund Scheme, Public Provident Fund, recognized provident fund, approved superannuation fund • Subscription to notified savings certificates (National Savings Certificates (VIII Issue). • Contribution to notified unit linked insurance plan of LIC, Mutual Fund. • Subscription to notified deposit scheme or notified pension fund set up by National Housing Scheme • Repayment of amount borrowed for purchase/construction of residential house property • Contribution by an individual to any pension fund set up by any notified Mutual Fund or by the UTI. • Subscription to equity shares or debentures forming part of any approved eligible issue of capital made by a public company or public financial engaged in development of infrastructure projects. • Payment of tuition fees for the full time education of 2 children • Investment in fixed deposit of a scheduled bank provided the fixed deposit is in accordance with a scheme notified by the Central Government. <p>80CCC Contributions to certain pension funds of insurance companies (up to Rs. 100,000/-)</p> <p>80CCD Contribution to pension scheme of Central Govt. upto 10% of salary and matching contribution by the employer</p>	Individual and HUF for 80 C, Individual for 80CCC and 80CCD
140.	80-D	Medical Insurance Premia (up to Rs. 10,000/-) to keep in force an insurance on the health of an assessee or his/her spouse	Individual/ HUF

Sl. No	Section	Nature of benefit	Eligible taxpayers
		<p>(ii) Power sector - provided the generation, distribution or transmission starts before 31.3.2010 or substantial renovation or modernization of existing network of transmission or distribution lines takes place between 1.4.2004 and 31.3.2010</p> <p>(iii) Development, operation or maintenance of a industrial park notified by the Central Govt. before 31.3.2009.</p> <p>(iv) Development, operation or maintenance of a Special Economic Zone notified by the Central Govt. before 31.3.2006.</p> <p>(v) an undertaking owned by an Indian company and set up for revival of a power generating plant provided generation or distribution starts before 31.3.2007 and such Indian company is notified before 31.12.2005..</p>	Indian Company
149.	80-IAB	100% deduction of profits derived by an undertaking/enterprise from the business of developing an SEZ, notified on or after 1 st April, 2005. The deduction is available for 10 out of 15 years beginning from the year in which SEZ has been notified.	All assessees
150.	80-IB	<p>(A) 100% of profits and gains derived by an undertaking</p> <p>(i) which begins commercial production or refining of mineral oil. (Deduction available for a period of 7 years);</p> <p>(ii) engaged in development and construction of housing project approved before 31.3.2007 by the local authority subject to certain conditions</p> <p>(B) 100% deduction of profits for 5 years and 25% (30% in the case of companies) for the next 5 years in the case of an undertaking engaged in the integrated business of handling, storage and transportation of foodgrains.</p> <p>(C) 100% deduction of profits for 5 years and 25% (30% in the case of companies) for the next 5 years in the case of an undertaking engaged in the business of processing, preservation and packaging of fruits or vegetables.</p> <p>(D) 100% deduction of profits for 5 years for hospital in a rural area.</p>	All assessees

Sl. No	Section	Nature of benefit	Eligible taxpayers
		(E) 100% deduction of profits for 5 years and 25% (30% in the case of companies) for the next 5 years in the case of an industrial undertaking set up in J&K upto 31.3.2007 engaged in the manufacture or production of article or thing or operation of a cold storage plant	
151.	80IC	(A) 100% deduction for 10 years of profits derived by an undertaking set up or undergoing substantial expansion in certain notified areas, or engaged in thrust sector activities, before April, 2012 in the State of Sikkim & before April, 2007 in the North-Eastern States . (B) 100% deduction for 5 years and 25% (30% in the case of companies) for next 5 years of profits derived by an undertaking set up or undergoing substantial expansion in certain notified areas or engaged in thrust sector activities, before April, 2012 in the State of Himachal Pradesh and Uttaranchal.	All assessees
152.	80-JJA	Entire income from business of collecting and processing or treating of biodegradable waste for generating power or producing bio-fertilizers, bio-pesticides or other biological agents or for producing bio-gas, making pellets or briquettes for fuel or organic manure (for 5 consecutive asst years).	All assessees
153.	80-JJAA	30% of additional wages paid to new regular workmen employed in the previous year, for a period of 3 years (subject to certain conditions).	Indian company
154.	80LA	Deduction of 100% of income for 5 years and 50% for the next 5 years of an offshore banking unit or a unit of an International Financial Services Centre in a Special Economic Zone derived from activities with units in the Special Economic Zone.	Banks
155.	80-P	Income arising from the business of banking or providing credit facilities to its members, cottage industries or marketing of agricultural produce grown by its members, etc. However, the deduction is not available to a cooperative bank other than a primary agricultural credit society and a primary cooperative agricultural and rural development bank from A.Y.2007-08.	Co-operative societies

Sl. No	Section	Nature of benefit	Eligible taxpayers
156.	80-QQB	Deduction up to a maximum of Rs. 3 lakh of income received by way of royalty or copyright fee for any book of literary, artistic or scientific nature.	Individual/ Resident in India
157.	80-RRB	Deduction up to a maximum of Rs. 3 lakh of income received by way of royalty in respect of a patent.	Individual / Resident in India
158.	80U	Deduction of Rs. 50,000/- for an individual being a person with disability. In case of severe disability, enhanced deduction of Rs. 75,000/- is available.	Resident Individual
159.	86	Share of a member of AOP or BOI	All assessees
160.	88E	Deduction of Income tax on account of STT	Assessee deriving business income from shares on which STT is paid.
161.	115JB	Minimum Alternate Tax (chargeable @ 7.5% of the book profit) is not applicable to the income arising on or after 1 st April, 2005 to SEZ units or developers of SEZs. (10% w.e.f. Assessment Year 2007-08)	Companies
162.	115-O	Exemption of developers of SEZ from dividend distribution tax on dividends to be distributed by them on or after 1 st April, 2005.	Domestic companies.

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