

(b) after sub-section (6), the following sub-section shall be inserted, namely:—

“(6A) If any amount, including interest accrued thereon, is withdrawn by the assessee from his account referred to in clause (xxiii) or clause (xxiv) of sub-section (2), before the expiry of the period of five years from the date of its deposit, the amount so withdrawn shall be deemed to be the income of the assessee of the previous year in which the amount is withdrawn and shall be liable to tax in the assessment year relevant to such previous year: 5

Provided that the amount liable to tax shall not include the following amounts, namely:—

(i) any amount of interest, relating to deposits referred to in clause (xxiii) or clause (xxiv) of sub-section (2), which has been included in the total income of the assessee of the previous year or years preceding such previous year; and 10

(ii) any amount received by the nominee or legal heir of the assessee, on the death of such assessee, other than interest, if any, accrued thereon, which was not included in the total income of the assessee for the previous year or years preceding such previous year.”.

Substitution of new section for section 80D. 14. For section 80D of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2009,— 15

Deduction in respect of health insurance premia. ‘80D. (1) In computing the total income of an assessee, being an individual or a Hindu undivided family, there shall be deducted such sum, as specified in sub-section (2) or sub-section (3), payment of which is made by any mode, other than cash, in the previous year out of his income chargeable to tax.

(2) Where the assessee is an individual, the sum referred to in sub-section (1) shall be the aggregate of the following, namely:— 20

(a) the whole of the amount paid to effect or to keep in force an insurance on the health of the assessee or his family as does not exceed in the aggregate fifteen thousand rupees; and

(b) the whole of the amount paid to effect or to keep in force an insurance on the health of the parent or parents of the assessee as does not exceed in the aggregate fifteen thousand rupees. 25

Explanation.—For the purposes of clause (a), “family” means the spouse and dependant children of the assessee.

(3) Where the assessee is a Hindu undivided family, the sum referred to in sub-section (1) shall be the whole of the amount paid to effect or to keep in force an insurance on the health of any member of that Hindu undivided family as does not exceed in the aggregate fifteen thousand rupees. 30

(4) Where the sum specified in clause (a) or clause (b) of sub-section (2) or in sub-section (3) is paid to effect or keep in force an insurance on the health of any person specified therein, and who is a senior citizen, the provisions of this section shall have effect as if for the words “fifteen thousand rupees”, the words “twenty thousand rupees” had been substituted.

Explanation.— For the purposes of this sub-section, “senior citizen” means an individual resident in India who is of the age of sixty-five years or more at any time during the relevant previous year. 35

(5) The insurance referred to in this section shall be in accordance with a scheme made in this behalf by—

(a) the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972 and approved by the Central Government in this behalf; or 40 57 of 1972.

(b) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999.’. 41 of 1999.

Amendment of section 80-IB. 15. In section 80-IB of the Income-tax Act,—

(a) in sub-section (9), after the second proviso, the following proviso shall be inserted, namely:— 45

“Provided also that no deduction under this sub-section shall be allowed to an undertaking engaged in refining of mineral oil, if it begins refining on or after the 1st day of April, 2009.”;

(b) after sub-section (11B), the following sub-section shall be inserted with effect from the 1st day of April, 2009, namely:—

'(11C) The amount of deduction in the case of an undertaking deriving profits from the business of operating and maintaining a hospital located anywhere in India, other than the excluded area, shall be hundred per cent. of the profits and gains derived from such business for a period of five consecutive assessment years, beginning with the initial assessment year, if—

- 5 (i) the hospital is constructed and has started or starts functioning at any time during the period beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2013;
- (ii) the hospital has at least one hundred beds for patients;
- (iii) the construction of the hospital is in accordance with the regulations or bye-laws of the local authority; and
- 10 (iv) the assessee furnishes along with the return of income, a report of audit in such form and containing such particulars, as may be prescribed, and duly signed and verified by an accountant, as defined in the *Explanation* to sub-section (2) of section 288, certifying that the deduction has been correctly claimed.

Explanation.— For the purposes of this sub-section,—

- 15 (a) a hospital shall be deemed to have been constructed on the date on which a completion certificate in respect of such construction is issued by the local authority concerned;
- (b) "initial assessment year" means the assessment year relevant to the previous year in which the business of the hospital starts functioning;
- (c) "excluded area" shall mean an area comprising—
- 20 (i) Greater Mumbai urban agglomeration;
- (ii) Delhi urban agglomeration;
- (iii) Kolkata urban agglomeration;
- (iv) Chennai urban agglomeration;
- (v) Hyderabad urban agglomeration;
- 25 (vi) Bangalore urban agglomeration;
- (vii) Ahmedabad urban agglomeration;
- (viii) District of Faridabad;
- (ix) District of Gurgaon;
- (x) District of Gautam Budh Nagar;
- 30 (xi) District of Ghaziabad;
- (xii) District of Gandhinagar; and
- (xiii) City of Secunderabad;
- (d) the area comprising an urban agglomeration shall be the area included in such urban agglomeration on the basis of the 2001 census.'

35 **16.** In section 80-ID of the Income-tax Act, with effect from the 1st day of April, 2009,—

Amendment of section 80-ID.

(a) in sub-section (2), after clause (ii), the following clause shall be inserted, namely:—

“(iii) engaged in the business of hotel located in the specified district having a World Heritage Site, if such hotel is constructed and has started or starts functioning at any time during the period beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2013.”;

40 (b) in sub-section (6), after clause (d), the following shall be inserted, namely: -'

‘(e) “specified district having a World Heritage Site” means districts, specified in column (2) of the Table below, of the States, specified in the corresponding entry in column (3) of the said Table:

Table

S.No. (1)	Name of district (2)	Name of State (3)	
1.	Agra	Uttar Pradesh	
2.	Jalgaon	Maharashtra	5
3.	Aurangabad	Maharashtra	
4.	Kancheepuram	Tamil Nadu	
5.	Puri	Orissa	
6.	Bharatpur	Rajasthan	
7.	Chhatarpur	Madhya Pradesh	10
8.	Thanjavur	Tamil Nadu	
9.	Bellary	Karnataka	
10.	South 24 Parganas (excluding areas falling within the Kolkata urban agglomeration on the basis of the 2001 census)	West Bengal	15
11.	Chamoli	Uttarakhand	
12.	Raisen	Madhya Pradesh	
13.	Gaya	Bihar	
14.	Bhopal	Madhya Pradesh	20
15.	Panchmahal	Gujarat	
16.	Kamrup	Assam	
17.	Goalpara	Assam	
18.	Nagaon	Assam	
19.	North Goa	Goa	25
20.	South Goa	Goa	
21.	Darjeeling	West Bengal	
22.	Nilgiri	Tamil Nadu.”.	

Amendment of section 88E. **17.** In section 88E of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:— 30

“(3) No deduction under this section shall be allowed in, or after, the assessment year beginning on the 1st day of April, 2009.”.

Amendment of section 111A. **18.** In section 111A of the Income-tax Act, in sub-section(1), in clause (j), for the words “ten per cent.”, the words “fifteen per cent.” shall be substituted with effect from the 1st day of April, 2009.

Amendment of section 115AD. **19.** In section 115AD of the Income-tax Act, in sub-section(1), in the proviso, for the words “ten per cent.”, the words “fifteen per cent.” shall be substituted with effect from the 1st day of April, 2009. 35

Amendment of section 115JB. **20.** In section 115JB of the Income-tax Act, after sub-section (2),—

(a) the *Explanation* shall be numbered as *Explanation 1* and in *Explanation 1* as so numbered, after clause (g), for the portion beginning with the words “if any amount referred ” and ending with the words “as reduced by—”, the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2001, namely:— 40

“(h) the amount of deferred tax and the provision therefor,

if any amount referred to in clauses (a) to (h) is debited to the profit and loss account, and as reduced by—”;

(b) after *Explanation 1* as so numbered, the following shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2001, namely:— 45

“*Explanation 2.*— For the purposes of clause (a) of *Explanation 1*, the amount of income-tax shall include—

(i) any tax on distributed profits under section 115-O or on distributed income under section 115R; 50

(ii) any interest charged under this Act;

(iii) surcharge, if any, as levied by the Central Acts from time to time;

(iv) Education Cess on income-tax, if any, as levied by the Central Acts from time to time; and

(v) Secondary and Higher Education Cess on income-tax, if any, as levied by the Central Acts from time to time.”. 55

Amendment of section 115-O. **21.** In section 115-O of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) The amount referred to in sub-section (1) shall be reduced by the amount of dividend, if any, received by the domestic company during the financial year, if—

(a) such dividend is received from its subsidiary; 60