

INCOME-TAX ACT, 1961*

[43 OF 1961]

[AS AMENDED BY FINANCE ACT, 2025]

*An Act to consolidate and amend the law relating to
income-tax† and super-tax*

BE it enacted by Parliament in the Twelfth Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

Short title, extent and commencement.

¹1. ²(1) This Act may be called the Income-tax Act, 1961.

(2) It extends to the whole of India.

(3) Save as otherwise provided in this Act, it shall come into force on the 1st day of April, 1962.

Definitions.

2. In this Act, unless the context otherwise requires,—

³[(1) “advance tax” means the advance tax payable in accordance with the provisions of Chapter XVII-C;]

1. For applicability of the Act to State of Sikkim, *see* section 26 of the Finance Act, 1989.

2. For extension of Act to Continental Shelf of India and Exclusive Economic Zone, *see* Notification No. GSR 304(E), dated 31-3-1983. For details and relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

3. Inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989.

**Amendments made by the Finance Act, 2025, notwithstanding the dates from which they come into effect, have been printed in italics and enclosed with bold square brackets.*

Amendments made by the Finance Act, 2024 and Finance (No. 2) Act, 2024, coming into force from 1-4-2025 have been printed in italics and enclosed with medium square brackets.

†Words ‘and super-tax’ be omitted.

⁴[⁵(1A)] “agricultural income”⁷ means⁸—

- ⁹[(a) any rent¹⁰ or revenue¹⁰ derived¹⁰ from land¹⁰ which is situated in India and is used for agricultural purposes¹⁰;
 - (b) any income derived from such land¹⁰ by—
 - (i) agriculture¹⁰; or
 - (ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market; or
 - (iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, in respect of which no process has been performed other than a process of the nature described in paragraph (ii) of this sub-clause;
 - (c) any income derived from any building owned and occupied by the receiver of the rent or revenue of any such land, or occupied by the cultivator or the receiver of rent-in-kind, of any land with respect to which, or the produce of which, any process mentioned in paragraphs (i) and (ii) of sub-clause (b) is carried on :
- ⁹[**Provided** that—
- (i) the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue or the cultivator, or the receiver of rent-in-kind, by reason of his connection with the land, requires as a dwelling house, or as a store-house, or other out-building, and
 - (ii) the land is either assessed to land revenue in India or is subject to a local rate assessed and collected by officers of the

4. Renumbered as clause (1A) by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989.

5. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

6. *See* rules 7 (Income which is partially agricultural and partially from business), 8 (Income from manufacture of tea), 7A (Income from manufacture of rubber) and 7B (Income from manufacture of coffee).

7. The Finance Act, 1973 introduced for the first time a scheme of partially integrated taxation of non-agricultural income with incomes derived from agriculture for the purposes of determining the rate of income-tax that will apply to certain non-corporate assesseees. The scheme is since continued by the Annual Finance Acts. The provisions applicable for the assessment year 2024-25 are contained in section 2(2)/2(13)(c) and Part IV of the First Schedule to the Finance (No. 2) Act, 2024.

8. *See* also Circular No. 310, dated 29-7-1981 (Income from Tea) and Circular No. 17/2015, dated 6-10-2015 (Measurement of distance for purpose of section 2(1A)/2(14)(ii)(b) for period prior to assessment year 2014-15). For details, *see* Taxmann’s Master Guide to Income-tax Act.

9. Substituted by the Taxation Laws (Amendment) Act, 1970, w.r.e.f. 1-4-1962.

10. For the meaning of the terms/expressions “rent”, “revenue”, “derived”, “revenue derived from land”, “agricultural purposes”, “such land” and “agriculture”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

Government as such or where the land is not so assessed to land revenue or subject to a local rate, it is not situated—

(A) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board and which has a population of not less than ten thousand ¹¹[***]; or

¹²[(B) in any area within the distance, measured aerially,—

(I) not being more than two kilometres, from the local limits of any municipality or cantonment board referred to in item (A) and which has a population of more than ten thousand but not exceeding one lakh; or

(II) not being more than six kilometres, from the local limits of any municipality or cantonment board referred to in item (A) and which has a population of more than one lakh but not exceeding ten lakh; or

(III) not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in item (A) and which has a population of more than ten lakh.

¹³[¹⁴*Explanation 1.*—For the removal of doubts, it is hereby declared that revenue derived from land shall not include and shall be deemed never to have included any income arising from the transfer of any land referred to in item (a) or item (b) of sub-clause (iii) of clause (14) of this section.]

¹⁵*Explanation 2.*—For the removal of doubts, it is hereby declared that income derived from any building or land referred to in sub-clause (c) arising from the use of such building or land for any purpose (including letting for residential purpose or for the purpose of any business or profession) other than agriculture falling under sub-clause (a) or sub-clause (b) shall not be agricultural income.]

11. Words “according to the last preceding census of which the relevant figures have been published before the first day of the previous year” omitted by the Finance Act, 2013, w.e.f. 1-4-2014.

12. Substituted, *ibid.* Prior to its substitution, item (B) read as under :

“(B) in any area within such distance, not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in item (A), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette.”

13. Inserted by the Finance Act, 1989, w.r.e.f. 1-4-1970.

14. *Explanation* renumbered as *Explanation 1* by the Finance Act, 2000, w.e.f. 1-4-2001.

15. Inserted, *ibid.*

¹⁶[*Explanation 3.*—For the purposes of this clause, any income derived from saplings or seedlings grown in a nursery shall be deemed to be agricultural income.]

¹⁷[*Explanation 4.*—For the purposes of clause (ii) of the proviso to sub-clause (c), “population” means the population according to the last preceding census of which the relevant figures have been published before the first day of the previous year;]

¹⁸¹⁹[(1B)]²⁰ “amalgamation”, in relation to companies, means the merger of one or more companies with another company or the merger of two or more companies to form one company (the company or companies which so merge being referred to as the amalgamating company or companies and the company with which they merge or which is formed as a result of the merger, as the amalgamated company) in such a manner that—

- (i) all the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;
- (ii) all the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;
- (iii) shareholders holding not less than ²¹[three-fourths] in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation,

otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company;]

²²[(1C) “Additional Commissioner” means a person appointed to be an Additional Commissioner of Income-tax under sub-section (1) of section 117;

(1D) “Additional Director” means a person appointed to be an Additional Director of Income-tax under sub-section (1) of section 117;]

16. Inserted by the Finance Act, 2008, w.e.f. 1-4-2009.

17. Inserted by the Finance Act, 2013, w.e.f. 1-4-2014.

18. Inserted by the Finance (No. 2) Act, 1967, w.e.f. 1-4-1967.

19. Renumbered as clause (1B) by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989.

20. For relevant case laws, see Taxmann’s Master Guide to Income-tax Act.

21. Substituted for “nine-tenths” by the Finance Act, 1999, w.e.f. 1-4-2000.

22. Clauses (1C) and (1D) inserted by the Finance Act, 2007, w.r.e.f. 1-6-1994.

- (2) “annual value”, in relation to any property, means its annual value as determined under section 23;
- (3) ²³[***]
- (4) “Appellate Tribunal” means the Appellate Tribunal constituted under section 252 ;
- (5) “approved gratuity fund” means a gratuity fund which has been and continues to be approved by the ²⁴[²⁵[Principal Chief Commissioner or] Chief Commissioner or ²⁵[Principal Commissioner or] Commissioner] in accordance with the rules contained in Part C of the Fourth Schedule ;
- (6) “approved superannuation fund” means a superannuation fund or any part of a superannuation fund which has been and continues to be approved by the ²⁴[²⁵[Principal Chief Commissioner or] Chief Commissioner or ²⁵[Principal Commissioner or] Commissioner] in accordance with the rules contained in Part B of the Fourth Schedule ;
- ²⁶(7) “assessee”²⁷ means a person by whom ²⁸[any tax] or any other sum of money is payable under this Act, and includes—
 - (a) every person in respect of whom any proceeding under this Act has been taken for the assessment of his income ²⁹[or assessment of fringe benefits] or of the income of any other person in respect of which he is assessable, or of the loss sustained by him or by such other person, or of the amount of refund due to him or to such other person ;
 - (b) every person who is deemed to be an assessee under any provision of this Act ;
 - (c) every person who is deemed to be an assessee in default under any provision of this Act ;
- ³⁰[(7A)³¹ “Assessing Officer” means the Assistant Commissioner ³²[or Deputy Commissioner] ³³[or Assistant Director] ³²[or Deputy Director] or the Income-tax Officer who is vested with the relevant jurisdiction by virtue of directions or orders issued under sub-section (1) or sub-section (2) of section 120 or any other provision of this Act, and the

23. Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

24. Substituted for “Commissioner”, *ibid*.

25. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.

26. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

27. For the meaning of the term “assessee”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

28. Substituted for “income-tax or super-tax” by the Finance Act, 1965, w.e.f. 1-4-1965.

29. Inserted by the Finance Act, 2005, w.e.f. 1-4-2006.

30. Inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

31. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

32. Inserted by the Finance (No. 2) Act, 1998, w.e.f. 1-10-1998.

33. Inserted by the Finance (No. 2) Act, 1996, w.e.f. 1-10-1996.

³⁴[Additional Commissioner or] ³⁵[Additional Director or] ³⁶[Joint Commissioner or Joint Director] who is directed under clause (b) of sub-section (4) of that section to exercise or perform all or any of the powers and functions conferred on, or assigned to, an Assessing Officer under this Act ;]

³⁷(8) “assessment”³⁸ includes reassessment ;

(9) “assessment year” means the period of twelve months commencing on the 1st day of April every year ;

³⁹[(9A) “Assistant Commissioner” means a person appointed to be an Assistant Commissioner of Income-tax ⁴⁰[or a Deputy Commissioner of Income-tax] under sub-section (1) of section 117 ;]

⁴¹[(9B) “Assistant Director” means a person appointed to be an Assistant Director of Income-tax under sub-section (1) of section 117 ;]

(10) “average rate of income-tax” means the rate arrived at by dividing the amount of income-tax calculated on the total income, by such total income ;

⁴²[(11)³⁷ “block of assets” means a group of assets falling within a class of assets comprising—

- (a) tangible assets, being buildings, machinery, plant or furniture ;
- (b) intangible assets, being know-how, patents, copyrights, trade-marks, licences, franchises or any other business or commercial rights of similar nature, ⁴³[not being goodwill of a business or profession,]

in respect of which the same percentage of depreciation is prescribed ;]

(12) “Board” means the ⁴⁴[Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963)] ;

34. Inserted by the Finance Act, 2007, w.r.e.f. 1-6-1994.

35. Inserted, *ibid.*, w.r.e.f. 1-10-1996.

36. Substituted for “Deputy Commissioner or Deputy Director” by the Finance (No. 2) Act, 1998, w.e.f. 1-10-1998. Earlier, “or Deputy Director” was inserted by the Finance (No. 2) Act, 1996, w.e.f. 1-10-1996.

37. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

38. For the meaning of the term “assessment”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

39. Inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

40. Inserted by the Finance (No. 2) Act, 1998, w.e.f. 1-10-1998.

41. Inserted by the Finance Act, 2007, w.r.e.f. 1-4-1988.

42. Substituted by the Finance (No. 2) Act, 1998, w.e.f. 1-4-1999. Prior to its substitution, clause (11), as inserted by the Taxation Laws (Amendment & Miscellaneous Provisions) Act, 1986, w.e.f. 1-4-1988, read as under :

‘(11) “block of assets” means a group of assets falling within a class of assets, being buildings, machinery, plant or furniture, in respect of which the same percentage of depreciation is prescribed ;’

Original clause was earlier omitted by the Finance Act, 1965, w.e.f. 1-4-1965.

43. Inserted by the Finance Act, 2021, w.e.f. 1-4-2021.

44. Substituted for “Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924)” by the Central Boards of Revenue Act, 1963, w.e.f. 1-1-1964.

- ⁴⁵[(12A)⁴⁶ “books or books of account” includes ledgers, day-books, cash books, account-books and other books⁴⁷, whether kept ⁴⁸[in the written form or in electronic form or in digital form or as print-outs of data stored in such electronic form or in digital form or in] a floppy, disc, tape or any other form of electro-magnetic data storage device;]
- ⁴⁶(13) “business”⁴⁷ includes any trade⁴⁷, commerce or manufacture or any adventure⁴⁷ or concern in the nature of trade⁴⁷, commerce or manufacture;
- ⁴⁹[(13A) “business trust” means a trust registered as,—
- (i) an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); or
 - (ii) a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992), ⁵⁰[***]
- ⁵¹[***];]
- ⁵²(14) ⁵³[“capital asset” ⁵⁴ means—
- (a) property⁵⁴ of any kind held by an assessee, whether or not connected with his business or profession;
 - (b) any securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);

45. Inserted by the Finance Act, 2001, w.e.f. 1-6-2001.

46. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

47. For the meaning of the terms/expressions “other books”, “business”, “trade”, “adventure” and “in the nature of trade”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

48. Substituted for “in the written form or as print-outs of data stored in” by the Finance Act, 2022, w.e.f. 1-4-2022.

49. Substituted by the Finance Act, 2015, w.e.f. 1-4-2016. Prior to its substitution, clause (13A), as inserted by the Finance (No. 2) Act, 2014, w.e.f. 1-10-2014, read as under :

‘(13A) “business trust” means a trust registered as an Infrastructure Investment Trust or a Real Estate Investment Trust, the units of which are required to be listed on a recognised stock exchange, in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) and notified by the Central Government in this behalf;’

50. Word “and” omitted by the Finance Act, 2020, w.e.f. 1-4-2021.

51. The long line beginning with the words “the units” and ending with the words “aforesaid regulations” omitted, *ibid*. Prior to omission long line read as under :

“the units of which are required to be listed on recognised stock exchange in accordance with the aforesaid regulations”

52. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act. *See* also Letter [F. No. 500/111/12009-FTD-1(Pt.)], dated 29-5-2012 (Reopening of assessment on account of retrospective amendments by Finance Act, 2012) and Circular No. 17/2015, dated 6-10-2015 (Measurement of distance for purpose of section 2(1A) and 2(14)(iii)(b) for period prior to assessment year 2014-15). For details, *see* Taxmann’s Master Guide to Income-tax Act.

53. Substituted for ““capital asset” means property of any kind held by an assessee, whether or not connected with his business or profession, but does not include—

(i) any stock-in-trade’ by the Finance (No. 2) Act, 2014, w.e.f. 1-4-2015.

54. For the meaning of the terms “capital asset” and “property”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

Following sub-clause (b) shall be substituted for existing sub-clause (b) of clause (14) of section 2 by the Finance Act, 2025, w.e.f. 1-4-2026:

(b) *any securities held by—*

- (i) *a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); or*
- (ii) *an investment fund specified in clause (a) of Explanation 1 to section 115UB which has invested such securities in accordance with the provisions of the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or under the International Financial Services Centres Authority Act, 2019 (50 of 2019);*

⁵⁵[(c) any unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply ^{55a}[on account of the applicability of the fourth and fifth provisos thereof],]

but does not include—

- (i) any stock-in-trade [other than the securities referred to in sub-clause (b)], consumable stores or raw materials held for the purposes of his business or profession ;
- ⁵⁶[(ii) personal effects⁵⁷, that is to say, movable property (including wearing apparel and furniture) held⁵⁷ for personal use⁵⁷ by the assessee or any member of his family dependent on him, but excludes—

 - (a) jewellery;
 - (b) archaeological collections;
 - (c) drawings;
 - (d) paintings;
 - (e) sculptures; or
 - (f) any work of art.

*Explanation.—*For the purposes of this sub-clause, “jewellery” includes—

55. Inserted by the Finance Act, 2021, w.e.f. 1-4-2021.

55a. Words “on account of the applicability of the fourth and fifth provisos thereof” shall be omitted by the Finance Act, 2025, w.e.f. **1-4-2026**.

56. Substituted by the Finance Act, 2007, w.e.f. 1-4-2008. Prior to its substitution, sub-clause (ii), as substituted by the Finance Act, 1972, w.e.f. 1-4-1973, read as under :

‘(ii) personal effects, that is to say, movable property (including wearing apparel and furniture, but excluding jewellery) held for personal use by the assessee or any member of his family dependent on him.

*Explanation.—*For the purposes of this sub-clause, “jewellery” includes—

- (a) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;
- (b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel;’

57. For the meaning of the expressions “held”, “personal effects” and “personal use”, see Taxmann’s Direct Taxes Manual, Vol. 3.

- (a) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;
 - (b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel;]
- ⁵⁸[(iii) agricultural land⁵⁹ in India, not being land situate—
- (a) in any area which is comprised within the jurisdiction of a municipality⁵⁹ (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population⁶⁰ of not less than ten thousand ⁶¹[***]; or
 - ⁶²[(b) in any area within the distance, measured aerially,—
 - (I) not being more than two kilometres, from the local limits of any municipality or cantonment board referred to in item (a) and which has a population of more than ten thousand but not exceeding one lakh; or
 - (II) not being more than six kilometres, from the local limits of any municipality or cantonment board referred to in item (a) and which has a population of more than one lakh but not exceeding ten lakh; or
 - (III) not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in item (a) and which has a population of more than ten lakh.
- Explanation.*—For the purposes of this sub-clause, “population” means the population according to the last preceding census of which the relevant figures have been published before the first day of the previous year;]]
- ⁶³[(iv) 6½ per cent Gold Bonds, 1977, ⁶⁴[or 7 per cent Gold Bonds, 1980,]
⁶⁵[or National Defence Gold Bonds, 1980,] issued by the Central Government;]

58. Substituted for “(iii) agricultural land in India” by the Finance Act, 1970, w.e.f. 1-4-1970.

59. For the meaning of the terms/expressions “agricultural land” and “municipality”, see Taxmann’s Direct Taxes Manual, Vol. 3.

60. For the meaning of the term “population”, see Taxmann’s Direct Taxes Manual, Vol. 3.

61. Words “according to the last preceding census of which the relevant figures have been published before the first day of the previous year” omitted by the Finance Act, 2013, w.e.f. 1-4-2014.

62. Substituted, *ibid.* Prior to its substitution, item (b) read as under :

“(b) in any area within such distance, not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in item (a), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette.”

63. Inserted by the Taxation Laws (Amendment) Act, 1962, w.e.f. 13-12-1962.

64. Inserted by the Finance (No. 2) Act, 1965, w.e.f. 1-4-1965.

65. Inserted by the Taxation Laws (Amendment & Miscellaneous Provisions) Act, 1965, w.e.f. 19-10-1965.

⁶⁶[(v) Special Bearer Bonds, 1991, issued by the Central Government ;]

⁶⁷[(vi) Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999
⁶⁸[or deposit certificates issued under the Gold Monetisation Scheme, 2015] notified by the Central Government.]

⁶⁹[⁷⁰*Explanation 1.*—For the removal of doubts, it is hereby clarified that “property” includes and shall be deemed to have always included any rights in or in relation to an Indian company, including rights of management or control or any other rights whatsoever.]

⁷¹[*Explanation 2.*—For the purposes of this clause—

(a) the expression “Foreign Institutional Investor” shall have the meaning assigned to it in clause (a) of the *Explanation* to section 115AD;

(b) the expression “securities” shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)⁷²;

⁷³[⁷⁴(15) ⁷⁵“charitable purpose”⁷⁶ includes relief of the poor, ⁷⁶education, ⁷⁷[yoga,] medical relief, ⁷⁸[preservation of environment⁷⁶ (including watersheds, forests and wildlife) and preservation of monuments or places or objects of artistic or historic interest,] and the advancement of any other ⁷⁶object of general public utility;

⁷⁹[**Provided** that the advancement of any other object of general public utility⁷⁶ shall not be a charitable purpose, if it involves the

66. Inserted by the Special Bearer Bonds (Immunities and Exemptions) Act, 1981, w.e.f. 12-1-1981.

67. Inserted by the Finance Act, 1999, w.e.f. 1-4-2000.

68. Inserted by the Finance Act, 2016, w.e.f. 1-4-2016.

69. Inserted by the Finance Act, 2012, w.r.e.f. 1-4-1962. *See also* Letter [F. No. 500/111/12009-FTD-1(Pt.)], dated 29-5-2012 (Reopening of assessment on account of retrospective amendments by Finance Act, 2012). For details, *see* Taxmann’s Master Guide to Income-tax Act.

70. *Explanation* renumbered as *Explanation 1* by the Finance (No. 2) Act, 2014, w.e.f. 1-4-2015.

71. Inserted, *ibid*.

72. For definition of “securities”, *see* **Appendix**.

73. Substituted by the Finance Act, 2008, w.e.f. 1-4-2009. Prior to its substitution, clause (15), as amended by the Finance Act, 1983, w.e.f. 1-4-1984, read as under :

‘(15) “charitable purpose” includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility;’

74. *See also* Circular No. 395, dated 24-9-1984 (Promotion of sports and games) and Circular No. 11/2008, dated 19-12-2008 (Amendment by Finance Act, 2008 and case of trade association claiming both to be charitable institutions and mutual organisations). For details, *see* Taxmann’s Master Guide to Income-tax Act.

75. For relevant case laws, *see* Taxmann’s Master Guide to Income-tax Act.

76. For the meaning of the terms/expressions “charitable purpose”, “education”, “preservation of environment” and “object of general public utility”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

77. Inserted by the Finance Act, 2015, w.e.f. 1-4-2016.

78. Inserted by the Finance (No. 2) Act, 2009, w.r.e.f. 1-4-2009.

79. Substituted for first and second provisos by the Finance Act, 2015, w.e.f. 1-4-2016. Prior to its substitution, provisos, as amended by the Finance Act, 2010, w.r.e.f. 1-4-2009 and the Finance Act, 2011, w.e.f. 1-4-2012, read as under :

carrying on of any activity in the nature of trade, commerce or business⁸⁰, or any activity of rendering any service in relation to any trade, commerce or business⁸⁰, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity, unless—

- (i) such activity is undertaken in the course of actual carrying out of such advancement of any other object of general public utility⁸⁰; and
- (ii) the aggregate receipts from such activity or activities during the previous year, do not exceed twenty per cent of the total receipts, of the trust or institution undertaking such activity or activities, of that previous year;]]

⁸¹[(15A) “Chief Commissioner” means a person appointed to be a Chief Commissioner of Income-tax ⁸²[or a Director General of Income-tax] or a Principal Chief Commissioner of Income-tax ⁸²[or a Principal Director General of Income-tax] under sub-section (1) of section 117;]

⁸³[⁸⁴[(15B)] “child”, in relation to an individual, includes a step-child and an adopted child of that individual;]

⁸⁵[(16) “Commissioner” means a person appointed to be a Commissioner of Income-tax or a Director of Income-tax or a Principal Commissioner of Income-tax or a Principal Director of Income-tax under sub-section (1) of section 117;]

(Contd. from p. 1.10)

“Provided that the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity:

Provided further that the first proviso shall not apply if the aggregate value of the receipts from the activities referred to therein is twenty-five lakh rupees or less in the previous year;”

80. For the meaning of the expressions “any trade, commerce or business” and “any other object of general public utility”, *see* Taxmann’s Direct Taxes Manual, Vol. 3.

81. Substituted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013. Prior to its substitution, clause (15A), as inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988, read as under :

‘(15A) “Chief Commissioner” means a person appointed to be a Chief Commissioner of Income-tax under sub-section (1) of section 117;’

82. Inserted by the Finance Act, 2020, w.e.f. 1-4-2020.

83. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-4-1976.

84. Renumbered by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

85. Substituted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013. Prior to its substitution, clause (16), as substituted by the Finance Act, 1970, w.e.f. 1-4-1970 and later on amended by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988 and Finance Act, 2012, w.r.e.f. 1-4-1988, read as under :

‘(16) “Commissioner” means a person appointed to be a Commissioner of Income-tax or a Director of Income-tax under sub-section (1) of section 117;’