

Notification of Long term infrastructure bonds for deduction under Chapter VIA:

In the Budget, 2010, respected finance minister has announced an additional deduction of Rs. 20,000 have been announced under new Section 80CCF. Recently Central Government vide Notification No. 48/2010, dated 09/07/2010 has specified the bonds as long term infrastructure bonds.

The notification specifies the eligible issuer of bonds, yield of the bonds, etc. It specifies IFCI, IDFC, LIC and Non-Banking Companies as being eligible to issue the infrastructure bonds. The Bonds will have a minimum tenure of 10 years with a lock in of 5 years for investors. During the lock in period the bond would not be eligible for pledge/lien or hypothecation for obtaining loans, etc. Certain other conditions regarding limit of issue and end use of proceeds are also being put forth by the said notification.

In case you need any further clarification on this amendment/notification, feel free to mail us your queries on info@nritaxhelp.com and we will revert back with the clarifications asked for and any implications in your specific case.