

## Chapter XII-F

### Special provisions relating to tax on income received from venture capital companies and venture capital funds

#### Tax on income in certain cases.

**115U.** (1) Notwithstanding anything contained in any other provisions of this Act, any [income accruing or arising to or received] by a person out of investments made in a venture capital company or venture capital fund shall be chargeable to income-tax in the same manner as if it were the [income accruing or arising to or received] by such person had he made investments directly in the venture capital undertaking.

(2) [The person responsible for crediting or making] payment of the income on behalf of a venture capital company or a venture capital fund and the venture capital company or venture capital fund shall furnish, within such time as may be prescribed, [to the person who is liable to tax in respect of such income] and to the prescribed income-tax authority, a statement in the prescribed form and verified in the prescribed manner, giving details of the nature of the [income paid or credited] during the previous year and such other relevant details as may be prescribed.

(3) The [income paid or credited] by the venture capital company and the venture capital fund shall be deemed to be of the same nature and in the same proportion in the hands of [the person referred to in sub-section (1) as it had been] received by, or had accrued [or arisen] to, the venture capital company or the venture capital fund, as the case may be, during the previous year.

(4) The provisions of Chapter XII-D or Chapter XII-E or Chapter XVII-B shall not apply to the income paid by a venture capital company or venture capital fund under this Chapter.

[ (5) The income accruing or arising to or received by the venture capital company or venture capital fund, during a previous year, from investments made in venture capital undertaking if not paid or credited to the person referred to in sub-section (1), shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.]

<sup>1</sup>[ (6) Nothing contained in this Chapter shall apply in respect of any income, of a previous year relevant to the assessment year beginning on or after the 1st day of April, 2016, accruing or arising to, or received by, a person from investments made in a venture capital company or venture capital fund, being an investment fund specified in clause (a) of the Explanation 1 to section 115UB.]

[Explanation 1].—For the purposes of this Chapter, "venture capital company", "venture capital fund" and "venture capital undertaking" shall have the meanings respectively assigned to them in clause (23FB) of section 10.]

[Explanation 2.—For the removal of doubts, it is hereby declared that any income which has been included in total income of the person referred to in sub-section (1) in a previous year, on account of it having accrued or arisen in the said previous year, shall not be included in the total

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<sup>1</sup> Inserted with effect from April 1, 2016

income of such person in the previous year in which such income is actually paid to him by the venture capital company or the venture capital fund.]