

## Special provision in case of income of public financial institutions, public companies, etc.

**43D.** Notwithstanding anything to the contrary contained in any other provision of this Act,—

- (a) in the case of a public financial institution or a scheduled bank or a State financial corporation or a State industrial investment corporation, the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed having regard to the guidelines issued by the Reserve Bank of India in relation to such debts;
- (b) in the case of a public company, the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed having regard to the guidelines issued by the National Housing Bank in relation to such debts,

shall be chargeable to tax in the previous year in which it is credited by the public financial institution or the scheduled bank or the State financial corporation or the State industrial investment corporation or the public company to its profit and loss account for that year or, as the case may be, in which it is actually received by that institution or bank or corporation or company, whichever is earlier.

*Explanation.*—For the purposes of this section,—

- (a) “National Housing Bank” means the National Housing Bank established under section 3 of the National Housing Bank Act, 1987 (53 of 1987);
- (b) “public company” means a company,—
  - (i) which is a public company within the meaning of section 3 of the Companies Act, 1956 (1 of 1956);
  - (ii) whose main object is carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes; and
  - (iii) which is registered in accordance with the Housing Finance Companies (NHB) Directions, 1989 given under section 30 and section 31 of the National Housing Bank Act, 1987 (53 of 1987);
- (c) “public financial institution” shall have the meaning assigned to it in section 4A of the Companies Act, 1956 (1 of 1956);
- (d) “scheduled bank” shall have the meaning assigned to it in clause (ii) of the *Explanation* to clause (vii) of sub-section (1) of section 36;
- (e) “State financial corporation” means a financial corporation established under section 3 or section 3A or an institution notified under section 46 of the State Financial Corporations Act, 1951 (63 of 1951);
- (f) “State industrial investment corporation” means a Government company within the meaning of section 617 of the Companies Act, 1956 (1 of 1956), engaged in the business of providing long-term finance for industrial projects.