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INCOME-TAX ACT, 2025

B.: Deductions in respect of certain payments

Section 125 - Deduction in respect of contribution to Agnipath Scheme.

(1) An assessee, being an individual who has enrolled in the *Agnipath* Scheme and subscribes to the *Agniveer* Corpus Fund on or after the 1st November, 2022, shall be allowed a deduction in the computation of his total income, of the whole of the amount paid or deposited in his account in the said Fund during the tax year.

(2) Where the Central Government makes any contribution to the account of an assessee in the Fund referred to in sub-section (1), the assessee shall be allowed a deduction in the computation of his total income of the whole of the amount so contributed.

(3) For the purposes of this section,—

(a) "*Agnipath* Scheme" means the scheme for enrolment in the Indian Armed Forces introduced *vide* letter No. 1(23)2022/D(Pay/Services), dated the 29th December, 2022, of the Government of India in the Ministry of Defence;

(b) "*Agniveer* Corpus Fund" means a fund in which consolidated contributions of all the *Agniveers* and matching contributions of the Central Government along with interest on both these contributions are held.

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