



Income Tax Department

Government of India

Deduction in respect of investment made under an equity savings scheme.

80CCG. (1) Where an assessee, being a resident individual, has, in a previous year, acquired listed equity shares or listed units of an equity oriented fund in accordance with a scheme, as may be notified by the Central Government in this behalf, he shall, subject to the provisions of sub-section (3), be allowed a deduction, in the computation of his total income of the assessment year relevant to such previous year, of fifty per cent of the amount invested in such equity shares or units to the extent such deduction does not exceed twenty-five thousand rupees.

(2) The deduction under sub-section (1) shall be allowed in accordance with, and subject to, the provisions of this section for three consecutive assessment years, beginning with the assessment year relevant to the previous year in which the listed equity shares or listed units of equity oriented fund were first acquired.

(3) The deduction under sub-section (1) shall be subject to the following conditions, namely:—

- (i) the gross total income of the assessee for the relevant assessment year shall not exceed twelve lakh rupees;
- (ii) the assessee is a new retail investor as may be specified under the scheme referred to in sub-section (1);
- (iii) the investment is made in such listed equity shares or listed units of equity oriented fund as may be specified under the scheme referred to in sub-section (1);
- (iv) the investment is locked-in for a period of three years from the date of acquisition in accordance with the scheme referred to in sub-section (1); and
- (v) such other condition as may be prescribed.

(4) If the assessee, in any previous year, fails to comply with any condition specified in sub-section (3), the deduction originally allowed shall be deemed to be the income of the assessee of such previous year and shall be liable to tax for the assessment year relevant to such previous year.

(5) Notwithstanding anything contained in sub-sections (1) to (4), no deduction under this section shall be allowed in respect of any assessment year commencing on or after the 1st day of April, 2018 :

Provided that an assessee, who has acquired listed equity shares or listed units of an equity oriented fund in accordance with the scheme referred to in sub-section (1) and claimed deduction under this section for any assessment year commencing on or before the 1st day of April, 2017, shall be allowed deduction under this section till the assessment year commencing on the 1st day of April, 2019, if he is otherwise eligible to claim the deduction in accordance with the other provisions of this section.

Explanation.—For the purposes of this section, "equity oriented fund" shall have the meaning assigned to it in the *Explanation* to clause (38) of [section 10](#).