

**Finance Act 2008**

**Section 7 - Amendment of Section 35**

---

In section 35 of the Income-tax Act, with effect from the 1st day of April, 2009,--

(a) in sub-section (1), after clause (ii), the following clause shall be inserted, namely:--

(iia) an amount equal to one and one-fourth times of any sum paid to a company to be used by it for scientific research:

Provided that such company

(A) is registered in India,

(B) has as its main object the scientific research and development,

(C) is, for the purposes of this clause, for the time being approved by the prescribed authority in the prescribed manner, and

(D) fulfils such other conditions as may be prescribed;;

(b) in sub-section (2AB), after clause (5), the following clause shall be inserted, namely:--

(6) No deduction shall be allowed to a company approved under sub-clause (C) of clause (iia) of sub-section (1) in respect of the expenditure referred to in clause (1) which is incurred after the 31st day of March, 2008..