

Finance Act 1965

Section 14 - Amendment of Section 43

In section 43 of the Income tax Act,

(a) for Explanation 6 to clause (r), the following Explanation shall be substituted, namely :

"Explanation 6 : When any capital asset is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (iv) or, as the case may be, of clause (v) of section 47 are satisfied, the actual cost of the transferred capital asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business.";

(b) for Explanation 2 to clause (6), the following Explanation shall be substituted, namely :

"Explanation 2 : When any capital asset is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (iv) or, as the case may be, of clause (v) of section 47 are satisfied, the written down value of the transferred capital asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business.".
