Finance Act, 1993

Section 35 - Amendment of Section 269ue

In section 269UE of the Income-tax Act, -

(a) in sub-section (1), -

(i) for the words "free from all encumbrances", the words, brackets, figures and letters "in terms of the agreement for transfer referred to in sub-section (1) of section 269UC" shall be substituted and shall be deemed to have been substituted with effect from the 17th day of November, 1992;

(ii) the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 17th day of November, 1992, namely :-

"Provided that where the appropriate authority, after giving an opportunity of being heard to the transferor, the transferee or other persons interested in the said property, under sub-section (1A) of section 269UD, is of the opinion that any encumbrance on the property or leasehold interest specified in the aforesaid agreement for transfer is so specified with a view to defeat the provisions of this Chapter, it may, by order, declare such encumbrance or leasehold interest to be void and thereupon the aforesaid property shall vest in the Central Government free from such encumbrance or leasehold interest.";

(b) in sub-section (2), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 17th day of November, 1992, namely :-

"Provided that the provisions of this sub-section and sub-sections (3) and (4) shall not apply where the person in possession of the immovable property, in respect of which an order under sub-section (1) of section 269UD is made, is a bona fide holder of any encumbrance on such property or a bona fide lessee of such property, if the said encumbrance or lease has not been declared void under the proviso to sub-section (1) and such person is eligible to continue in possession of such property even after the transfer in terms of the aforesaid agreement for transfer.".
