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Finance Act, 2012, (Central)

Section 12 - Amendment of Section 40a

In section 40A of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2013,--

(i) in clause (a), the following proviso shall be inserted, namely:--

"Provided that no disallowance, on account of any expenditure being excessive or unreasonable having regard to the fair market value, shall be made in respect of a specified domestic transaction referred to in section 92BA, if such transaction is at arm's length price as defined in clause (ii) of section 92F.";

(ii) in clause (b), in sub-clause (iv), after the words "or any relative of such director, partner or member", the words "or any other company carrying on business or profession in which the first mentioned company has substantial interest" shall be inserted.