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Finance Act 1999

Section 16 - Amendment of Section 35a

In section 35A of the Income-tax Act, after sub-section (6), the following sub-section shall be inserted with effect from the 1st day of April, 2000, namely :-

"(7) Where in a scheme of demerger, the demerged company sells or otherwise transfers the rights to the resulting company (being an Indian company), -

(i) the provisions of sub-sections (3) and (4) shall not apply in the case of the demerged company; and

(ii) the provisions of this section shall, as far as may be, apply to the resulting company as they would have applied to the demerged company, if the latter had not sold or otherwise transferred the rights."
