

**Finance Act 1999**

**Section 18 - Amendment of Section 35abb**

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In section 35ABB of the Income-tax Act, -

(a) in sub-section (1), for the words "for acquiring any right to operate telecommunication services", the words "for acquiring any right to operate telecommunication services either before the commencement of the business to operate telecommunication services or thereafter at any time during any previous year" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1996;

(b) in the Explanation to sub-section (1), for clause (i), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1996, namely :-

'(i) "relevant previous years" means, -

(A) in a case where the licence fee is actually paid before the commencement of the business to operate telecommunication services, the previous years beginning with the previous year in which such business commenced;

(B) in any other case, the previous years beginning with the previous year in which the licence fee is actually paid, and the subsequent previous year or years during which the licence, for which the fee is paid, shall be in force;';

(c) 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 licence to the resulting company (being an Indian company), -

(i) the provisions of sub-sections (2), (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 transferred the licence.";

(d) after sub-section (7), as so inserted, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely :-

"(8) Where a deduction for any previous year under sub-section (1) is claimed and allowed in respect of any expenditure referred to in that sub-section, no deduction shall be allowed under sub-section (1) of section 32 for the same previous year or any subsequent previous year.".