

Finance Act 1999

Section 21 - Amendment of Section 35e

In section 35E of the Income-tax Act, after sub-section (7), the following sub-section shall be inserted with effect from the 1st day of April, 2000, namely :-

"(7A) Where the undertaking of an Indian company which is entitled to the deduction under sub-section (1) is transferred, before the expiry of the period of ten years specified in sub-section (1), to another Indian company in a scheme of demerger, -

(i) no deduction shall be admissible under sub-section (1) in the case of the demerged company for the previous year in which the demerger takes place; 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 demerger had not taken place."
